

FEDERAL PRISON SYSTEM
(Dollars in Thousands)

	SALARIES AND EXPENSES			BUILDING AND FACILITIES			FEDERAL PRISON INDUSTRIES /1			COMMISSARY TRUST FUND /2			TOTAL /1, /2		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
2003 Obligations	37,524	31,289	\$4,044,312	347	273	\$479,848	2,237	1,685	\$718,936	653	514	\$236,929	37,871	33,761	\$4,524,160
2004 Appropriation Enacted (without Rescission)	41,010	37,240	4,461,257	341	313	397,700	2,390	2,206	797,366	709	694	243,266	41,351	40,453	4,858,957
2004 Rescission -- Reduction applied to DOJ (0.465%).....	0	0	-20,745	0	0	-1,849	0	0	-16	0	0	0	0	0	(22,594)
2004 Rescission -- Government-wide reduction (0.59%).....	0	0	-26,199	0	0	-2,336	0	0	-20	0	0	0	0	0	(28,535)
2004 Appropriation Enacted - New Budget Authority (with Rescission)	41,010	37,240	4,414,313	341	313	393,515	2,390	2,206	797,330	709	694	243,266	41,351	40,453	4,807,828
2004 Rescission - Prior Year Unobligated Balance	0	0	0	0	0	-51,895	0	0	0	0	0	0	0	0	0
2004 Appropriation Enacted (with all rescissions - .465%, .59% and PY)	41,010	37,240	4,414,313	341	313	341,620	2,390	2,206	797,330	709	694	243,266	41,351	40,453	4,807,828
2005 Total Request.....	41,713	38,469	4,706,232	0	0	0	2,407	2,252	730,501	714	711	249,256	41,713	41,432	4,706,232
Change 2005 from 2004.....	703	1,229	291,919	-341	-313	-393,515	17	46	-66,829	5	17	5,990	362	979	-101,596
Adjustments to Base															
Merger of Building & Facilities and Salaries & Expenses Funds.....	341	313	393,515	-341	-313	-393,515	0	0	0	0	0	0	0	0	0
Increases:															
2005 Pay Raise (1.5 Percent).....	0	0	28,868	0	0	0	0	0	1,702	0	0	694	0	0	28,868
Employee Performance.....	0	0	3,849	0	0	0	0	0	227	0	0	92	0	0	3,849
Annualization of 2004 Pay Raise (2.0 Percent).....	0	0	10,921	0	0	0	0	0	552	0	0	349	0	0	10,921
Annualization of 2004 Pay Raise Additional (2.1 Percent) Increase.....	0	0	11,467	0	0	0	0	0	564	0	0	356	0	0	11,467
Annualization of 2004 Increases.....	0	835	88,463	0	0	0	0	40	17,906	0	15	4,343	0	890	88,463
Federal Health Insurance Premiums.....	0	0	8,263	0	0	0	0	0	0	0	0	0	0	0	8,263
WCF Telecommunications and E-mail rate increase for 2005	0	0	1,133	0	0	0	0	0	122	0	0	0	0	0	1,133
Modernization and Repair	0	0	18,188	0	0	0	0	0	0	0	0	0	0	0	18,188
Obligation Limitation Adjustment.....	0	0	0	0	0	0	0	0	36	0	0	0	0	0	0
Base Increase (due to recalculation of .465% and .59% rescission)	0	0	546	0	0	0	0	0	0	0	0	0	0	0	546
Subtotal, Increases (including B&F and S&E Funds).....	341	1,148	565,213	-341	-313	-393,515	0	40	21,109	0	15	5,834	0	890	171,698
Decreases:															
GSA Rent Decreases.....	0	0	-3,672	0	0	0	0	0	0	0	0	0	0	0	-3,672
Activation Delay	0	0	-27,528	0	0	0	0	0	0	0	0	0	0	0	-27,528
Base Reduction	0	0	-29,046	0	0	0	0	0	-91,488	0	0	0	0	0	-29,046
New Construction.....	-57	-57	-194,800	0	0	0	0	0	0	0	0	0	-57	-57	-194,800
Subtotal, Decreases.....	-57	-57	-255,046	0	0	0	0	0	-91,488	0	0	0	-57	-57	-255,046
Net, Adjustments to Base	284	1,091	310,167	-341	-313	-393,515	0	40	-70,379	0	15	5,834	-57	833	-83,348
2005 Current Services.....	41,294	38,331	4,724,480	0	0	0	2,390	2,246	726,951	709	709	249,100	41,294	41,286	4,724,480
Program Improvements by Strategic Goal:															
Goal 4: Ensure the Fair and Efficient Operation of the Federal Justice System	419	138	33,277	0	0	0	17	6	4,114	5	2	512	419	146	33,277
Program Improvements.....	419	138	33,277	0	0	0	17	6	4,114	5	2	512	419	146	33,277
Program Offsets.....	0	0	-51,525	0	0	0	0	0	-564	0	0	-356	0	0	-51,525
Net, Program Improvements/Offsets.....	419	138	-18,248	0	0	0	17	6	3,550	5	2	156	419	146	-18,248
2005 Total Request.....	41,713	38,469	4,706,232	0	0	0	2,407	2,252	730,501	714	711	249,256	41,713	41,432	4,706,232
Change 2005 from 2004	703	1,229	291,919	-341	-313	-393,515	17	46	-66,829	5	17	5,990	362	979	-101,596

/1 Federal Prison Industries is a revolving fund that operates on the sale of goods and services to other government agencies. The positions and funding amounts are not part of the Department of Justice appropriations request and therefore are not included in the total column. However, the congressional limitation on FPI administrative expenses (for FY 2005, this limitation is \$3,429,000) is scored against the Department's discretionary budget authority. The full-time equivalent (FTE) workyears are considered reimbursable and are included in the total column. Of the \$718,936,000 FY 2003 obligations, \$1,432,000 was for administrative expenses.

/2 Commissary Fund is a revolving fund that operates on the sale of goods and services to inmates. The positions and funding amounts are not part of the Department of Justice appropriations request and therefore are not included in the total column. The full-time equivalent (FTE) workyears are considered reimbursable and are included in the total column.

FEDERAL PRISON SYSTEM
SALARIES AND EXPENSES
(Dollars in thousands)

Comparison by activity and program	2004 Appropriation Enacted (w/ Rescission)			2005 Current Services			2005 Request			Program Improvements/Offsets		
	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount
1. Inmate Confinement												
Prison Capacity.....	652	624	\$942,684	595	567	\$738,413	607	568	\$747,642	12	1	\$9,229
Operations.....	37,911	34,582	3,629,968	37,911	35,350	3,744,113	38,294	35,479	3,717,832	383	129	-26,281
2 Inmate Programs												
Reintegration Tools.....	1,860	1,454	154,785	1,860	1,507	158,359	1,876	1,512	157,684	16	5	-675
Services.....	928	893	80,391	928	907	83,631	936	910	83,074	8	3	-557
Total.....	41,351	37,553	4,807,828	41,294	38,331	4,724,516	41,713	38,469	4,706,232	419	138	-18,284
Reimbursable FTE /1		136			136			136			0	
Grand Total	41,351	37,689	4,807,828	41,294	38,467	4,724,516	41,713	38,605	4,706,232	419	138	-18,284

Consistent with the Government Performance and Results Act, the 2005 budget proposes to merge Building and Facilities and Salaries and Expenses resources into one account and streamline the Federal Bureau of Prisons (BOP) decision unit structure from 6 program activities to 2 to align the BOP budget more closely with the mission and strategic objectives contained in the DOJ Strategic Plan (FY 2003-2008). In addition, the budget has been realigned to reflect the BOP's outputs and full costs by major program activity, including the costs of management and administration, so that a more accurate picture of total activity costs is reflected in the budget. In this way, budget and performance are more closely linked, and provide a better basis on which to make budget decisions. Under the FY 2004 and FY 2005 PART processes, the BOP was rated "Moderately Effective", and the score should improve even further in future years as the BOP continues to work to include long term goals in the areas of crowding and recidivism rates and strives to improve performance.

/1 The Federal Prison System (FPS) receives reimbursements for the daily care and maintenance of State and local offenders, for utilities used by Federal Prison Industries, Inc., for staff housing, and for meals provided to FPS staff at institutions. The reimbursements received may be used to fund personnel costs. The BOP estimates that 136 FTE are associated with these reimbursements.

FEDERAL PRISON SYSTEM
SALARIES AND EXPENSES
(Dollars in thousands)

<u>Program Improvements by Strategic Goal</u>	<u>Perm.</u> <u>Pos.</u>	<u>FTE</u>	<u>Amount</u>
Goal 4: Ensure the Fair and Efficient Operations of the Federal Justice System Security.....	419	138	\$33,277

1. Activate New Facilities

The BOP requests 401 positions (205 correctional officers), 134 workyears, and \$23,509,000 to activate a 960 bed High Security facility in Coleman, Florida. The new facility is scheduled to open in June 2005. Coleman is an existing federal prison complex that includes low, medium and high security facilities and a prison work camp. With the activation of the new Penitentiary the complex will house over 7,000 inmates. The new high security facility will participate in shared services across the complex thereby increasing efficiencies at the complex. In addition, this activation will increase high security capacity and contribute to a reduction in crowding at the high security level and system-wide. The full year operating costs for the Coleman complex, net of one-time activation expenses, is expected to be approximately \$146,000,000.

In addition, the 2004 Consolidated Appropriations Act provides initial funding to activate FCI Yazoo City, Mississippi, and FCI Bennettsville, South Carolina. Although funding for activation of these facilities was not requested in the President's FY 2004 budget, the President's FY 2005 budget includes an additional \$60,948,000 to complete the activation of these facilities.

2. Contract Confinement

The BOP requests 12 positions, 1 workyear, and \$9,400,000 to begin the process to obtain 4,500 additional beds in contract facilities to house low security short-term criminal aliens. Contracting facilities to house low security short-term aliens provides a flexible and efficient approach to manage this special population. Further, 500 additional low security contract beds will be funded from base resources. The FY 2004 Consolidated Appropriations Act provides a total of \$551,700,000 for contract beds to house nearly 28,000 inmates.

3. Unified Financial Management System (UFMS)

The BOP requests 6 positions, 3 workyears, and \$368,000 to implement the Department of Justice, UFMS Project. These resources will enable BOP to set up a project office to manage and coordinate the change from the Department's existing Financial Management Information System (FMIS) to the UFMS. There are no resources in the FY 2005 base dedicated to the UFMS project. Additionally, BOP employees who are currently working on FMIS will migrate to support the UFMS.

**FEDERAL PRISON SYSTEM
SALARIES AND EXPENSES**

(Dollars in thousands)

	Perm. <u>Pos.</u>	<u>FTE</u>	<u>Amount</u>
<u>Program Offsets</u>	0	0	-\$51,525
<p>The Department continues to evaluate its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies, reduced duplication of effort, and cost savings. There are three parts to the proposed program offset: activation delays; streamlining efficiencies; and absorption of FY 2004 pay raise.</p>			
<p>1. Activation Delays</p> <p>The budget proposes an offset of \$35,013,000 for activation delays. In the FY 2004 Consolidated Appropriations Act, Congress provides initial activation funding for 9 new prisons. The FY 2005 budget request includes full year funding for the 9 facilities and proposes an offset consistent with anticipated delays.</p>			
<p>2. Streamlining Efficiencies</p> <p>The budget proposes a reduction of \$5,045,000. This reduction continues the FY 2004 streamlining initiative that crosses several program areas such as confinement of criminal aliens, facilities management, detention operations, procurement, video conferencing, telecommunications, human resource management, fleet management, and travel/relocation services.</p>			
<p>3. Pay Absorption</p> <p>The President's 2004 budget requested a 2 percent average pay raise for federal workers in 2004. However, the FY 2004 Consolidated Appropriations Act includes language granting civilian federal employees a 4.1 percent average pay raise in 2004. The FY 2005 budget reflects the higher pay raise. The Department proposes to offset the additional \$11,467,000 in annualization costs in the BOP account by further streamlining its administrative processes at the central and regional offices resulting in lower support costs.</p>			
Net, Program Improvements/Offsets, Federal Prison System	<u>419</u>	<u>138</u>	<u>-18,248</u>

FEDERAL PRISON SYSTEM
DECISION UNIT RESTRUCTURING CROSSWALK
(Dollars in thousands)

	2004 Appropriation Enacted (w/ Rescission)			New Decision Unit Structure											
				Inmate Confinement			Inmate Programs								
	Perm Pos.	FTE	Amount	Prison Capacity			Operations			Reintegration Tools			Services		
	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	
<i>Salaries and Expenses</i>															
1. Inmate Care and Programs.....	14,878	12,759	\$1,624,308	0	0	\$0	12,102	10,418	\$1,392,132	1,848	1,448	\$151,785	928	893	
2. Institution Security and Administration.....	24,463	22,818	2,050,417	0	0	0	24,463	22,818	2,050,417	0	0	0	0	0	
3. Contract Confinement.....	376	370	574,473	311	311	548,623	53	53	22,850	12	6	3,000		0	
4. Management and Administration.....	1,293	1,293	165,115	0	0	\$0	1,293	1,293	165,115	0	0	0	0	0	
<i>subtotal, Salaries and Expenses</i>	41,010	37,240	4,414,313												
<i>Buildings and Facilities</i>															
1. New Construction.....	202	172	229,515	202	172	229,515	0	0	0	0	0	0	0	0	
2. Modernization and Repair of Existing Facilities..	139	141	164,000	139	141	164,000	0	0	0	0	0	0	0	0	
<i>subtotal, Buildings and Facilities</i>	341	313	393,515												
Total.....	41,351	37,553	4,807,828	652	624	942,138	37,911	34,582	3,630,514	1,860	1,454	154,785	928	893	
Reimbursable FTE.....	0	136	0	0	0	0	0	136	0	0	0	0	0	0	
Grand Total.....	41,351	37,689	4,807,828	652	624	942,138	37,911	34,718	3,630,514	1,860	1,454	154,785	928	893	

FEDERAL PRISON SYSTEM
COMMISSARY FUNDS
 (Trust Revolving Fund)
 (Dollars in thousands)

<u>Program Improvements by Strategic Goal</u>	<u>Pos.</u>	<u>FTE</u>	<u>Amount</u>
Goal 4: Ensure the Fair and Efficient Operation of the Federal Justice System Security	5	2	\$512
1. Commissary			
<p>An increase of 5 positions and 2 workyears is requested to establish/operate a commissary and provide inmate telephone service at USP Coleman, Florida, scheduled to open in June 2005.</p>			
<u>Program Offsets</u>	0	0	-356
1. Pay Absorption			
<p>The President's 2004 budget requested a 2 percent average pay raise for federal workers in 2004. However, the FY 2004 Consolidated Appropriations Act includes language granting civilian federal employees a 4.1 percent average pay raise in 2004. The FY 2005 budget reflects the higher pay raise. The Department proposes to offset the additional \$356,000 in annualization costs in the Commissary Trust Fund account by further streamlining its administrative processes.</p>			
Net, Program Improvements/Offsets, Commissary Fund.....	5	2	156

Note: The Commissary Fund is a revolving fund that operates exclusively from the sale of goods and services to inmates. Amounts shown for this account are not included in the Department of Justice appropriations request. The permanent positions reflect positions funded from program revenue and are shown for illustrative purposes only.

FEDERAL PRISON SYSTEM
FEDERAL PRISON INDUSTRIES
(Dollars in thousands)

Comparison by activity and program	2004 Appropriation Enacted (w/ Rescission)			2005 Current Services			2005 Request			Program Improvements/Offsets		
	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount
1. Congressional limitation:												
Administrative expenses.....	32	32	\$3,393	32	32	\$3,429	32	32	\$3,429	0	0	\$0
2. Industrial Operations:												
Cost of Production.....	2,358	2,174	717,140	2,358	2,214	646,725	2,375	2,220	650,275	17	6	3,550
Other Expenses.....	0	0	40,000	0	0	40,000	0	0	40,000	0	0	0
Buildings and Improvements.....	0	0	15,501	0	0	15,501	0	0	15,501	0	0	0
Machinery and Equipment.....	0	0	21,296	0	0	21,296	0	0	21,296	0	0	0
Subtotal.....	2,358	2,174	793,937	2,358	2,214	723,522	2,375	2,220	727,072	17	6	3,550
Total.....	2,390	2,206	797,330	2,390	2,246	726,951	2,407	2,252	730,501	17	6	3,550

Note: Federal Prison Industries is a revolving fund that operates on the sale of goods and services to other government agencies. This account is not funded by the Treasury.

Program Improvements by Strategic Goal	Perm. Pos.	FTE	Amount
Goal 4: Ensure the Fair and Efficient Operation of the Federal Justice System Security.....	17	6	\$4,114
1. Factory Activation			
An increase of 17 positions and 6 workyears is required to activate the factory at USP Coleman, Florida, scheduled to open in June 2005. This factory will employ approximately 336 inmates.			
Program Offsets.....	0	0	-564
1. Pay Absorption			
The President's 2004 budget requested a 2 percent average pay raise for federal workers in 2004. However, the FY 2004 Consolidated Appropriations Act includes language granting civilian federal employees a 4.1 percent average pay raise in 2004. The FY 2005 budget request reflects the higher pay raise. The Department proposes to offset the additional \$564,000 in annualization costs in the Federal Prison Industries account by streamlining its administrative processes.			
Net, Program Improvements/Offsets, Federal Prison Industries.....	17	6	3,550