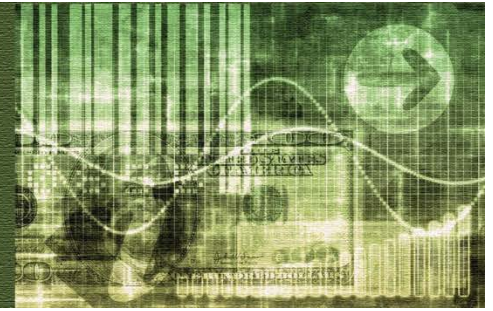


DEPARTMENT OF CORRECTIONS AND REHABILITATION



Prison facility project - The Legislative Assembly in 2009 provided an appropriation of \$64 million, of which \$19,465,804 is from the general fund and \$44,534,196 is from the State Penitentiary land fund, to the Department of Corrections and Rehabilitation for completing the renovation and expansion project at the State Penitentiary. Funding from the State Penitentiary land fund was to include interest income earned on money in the fund. During the 2011 legislative session, the Department of Corrections and Rehabilitation anticipated interest income on money in the State Penitentiary land fund would be \$1.5 million less than projected due to lower than anticipated interest rates. As a result, the Legislative Assembly in 2011 authorized the Department of Corrections and Rehabilitation to borrow up to \$1.1 million from the Bank of North Dakota for the purpose of defraying the expenses of the Penitentiary project during the 2011-13 biennium.

The first four bid phases of the prison expansion project have been substantially completed, including demolition of the old warehouse and construction of a new warehouse, relocation of the south guard tower, repair of the gymnasium roof at the Penitentiary, site preparation, utility work, and placement of precast cells. Work in progress includes construction of the building that will house administrative offices and the medical, orientation, general housing, and administrative segregation units. The department anticipates occupying the new facility by December 2012. Demolition of the old administration building, East Cellhouse, and warden's house will be completed after the prison expansion project is completed. The department has not borrowed any of the \$1.1 million and will continue to evaluate the need for a loan as the prison expansion project continues.