2019 - 2021

Governor's Budget

STATE OF OREGON

Governor Kate Brown

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TURNING POINT

AN AGENDA FOR OREGON'S FUTURE

Oregon is at a turning point. Hundreds of thousands of people have moved here in the past 20 years, and a million more are on their way. We've done some good things over the years, but our state is changing, and changing rapidly. With the aging of Oregon's baby boomer generation, and the impacts of recent dramatic federal tax changes and burgeoning federal deficits exacerbating these changes, one thing is clear: we can no longer do things the way we have in the past. We must grow up as a state, and we need to decide—together—what we want to be over the next 20 years. The challenges of affordability, of educating our kids, of mitigating the effects of climate change, and of maintaining a strong democracy will not get better unless we change our approach.

Our current strong economy gives us the best chance in a generation to address persistent, structural challenges so we can achieve our full potential. We must accept this challenge now, while the economy is good.

This budget represents both my priorities for the operation of state government over the next two years, and my policy agenda as Governor. The juncture our state is at demands that our state government act now on the values that all Oregonians share:

1. **We must renew and strengthen Oregonians' faith in democracy.** While Oregon is at the forefront of voter access, to maintain a strong democracy, we must take further actions to reduce the flow of money into politics, increase accountability, and ensure voter accessibility.

2. **We must spend every dollar wisely.** I have worked for the past several years to hold state government accountable to carefully allocating taxpayer dollars, essentially squeezing every bit of toothpaste out of the tube before we buy more toothpaste. I am furthering that focus in this budget by streamlining state agencies, eliminating our permitting backlog, and modernizing state IT systems to operate more efficiently.

3. **We must address the affordability crisis.** For too many Oregonians, the costs of housing, health care, child care, and higher education have outpaced their ability to thrive. This budget makes a historic investment in housing, makes strides towards more affordable health care and child care, and works to match higher education with the skills employers need at costs Oregonians can afford.

4. **We must prepare for the future.** Now is the time to invest in common sense policy to address the root causes of poverty and addiction, to cap and reduce our state's greenhouse gas emissions at the least possible cost, and to increase our preparedness for a Cascadia-level earthquake.

5. **We must finally fix our underfunded education system.** In addition to my proposed base budget, I have added a $2 billion education investment package that will transform opportunities for our state and her people. From preschool to K-12 to universities and community colleges, my plan aligns with the priorities of the Student Success Committee and the Oregon Business Plan. This is emblematic of the broad agreement among Oregonians that we must address the long-term structural obstacles to improving our education system.

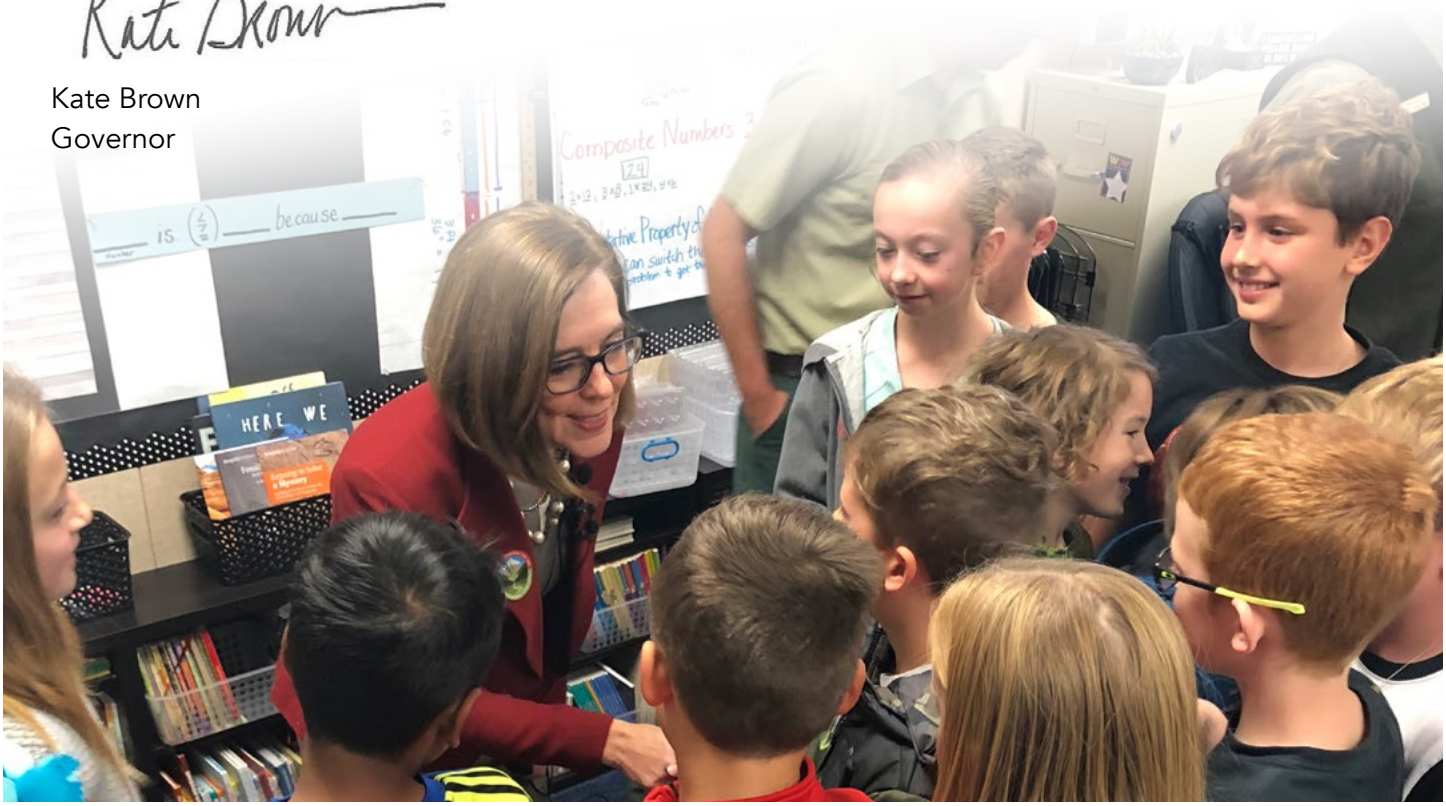
My values of accountability and promoting opportunity for all Oregonians, particularly rural residents, communities of color, and low-income communities, are the lens through which this budget was crafted.

It was also crafted with the understanding that states can no longer count on a strong partnership with the federal government to achieve mutual goals. Rather, Oregon must work independently and with other states to navigate our relationship with the federal government when protecting the values Oregonians hold.

Never has Oregon's motto rung more true, "She Flies with Her Own Wings."

My budget finds inspiration in this pioneering spirit in securing a promising future for the next generation of Oregonians.

Kate Brown
Governor



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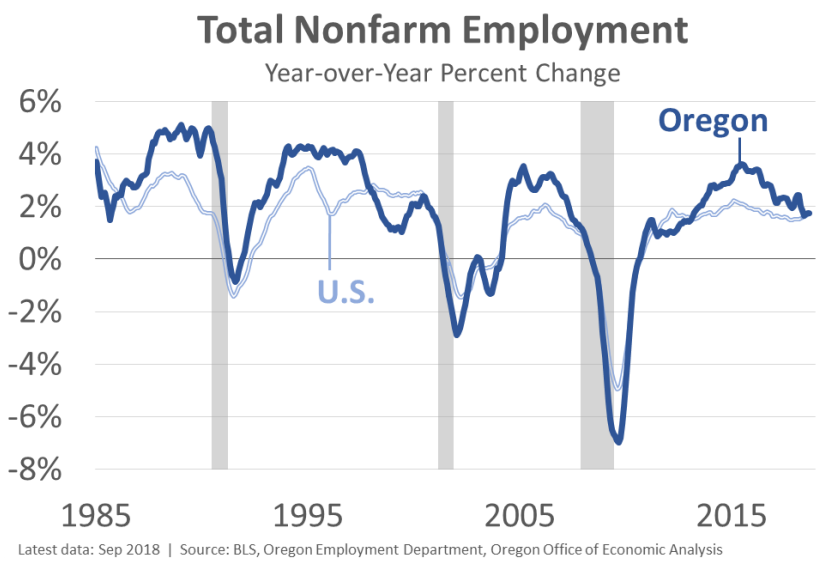
THE ECONOMIC AND REVENUE ENVIRONMENT

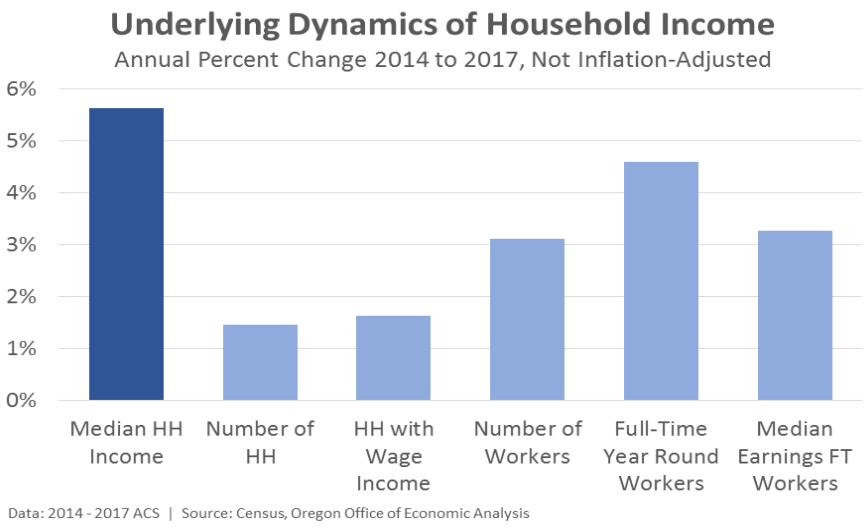
Economic Performance and Outlook

Recent Performance

Heading into the 2019-21 biennium, Oregon's economy remains strong. Leading indicators continue to flash green. Economists expect 2019 to be another good year for growth across the US, with risks evenly balanced or tilted to the upside.

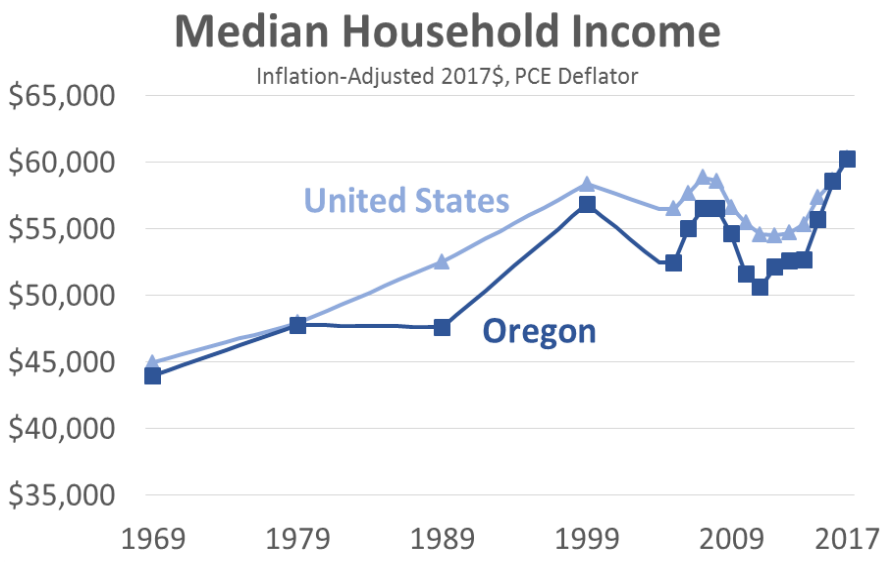


More importantly, while economic output remains near its potential and workers are relatively scarce, households continue to see improvements. Layoffs are at record lows. Wage growth continues to pick up nationwide and is set to see further acceleration next year. In Oregon, the rate of labor market gains has slowed from the full-throttle pace seen a couple of years ago. Even so, growth in local jobs and wages remains faster than in the average state.



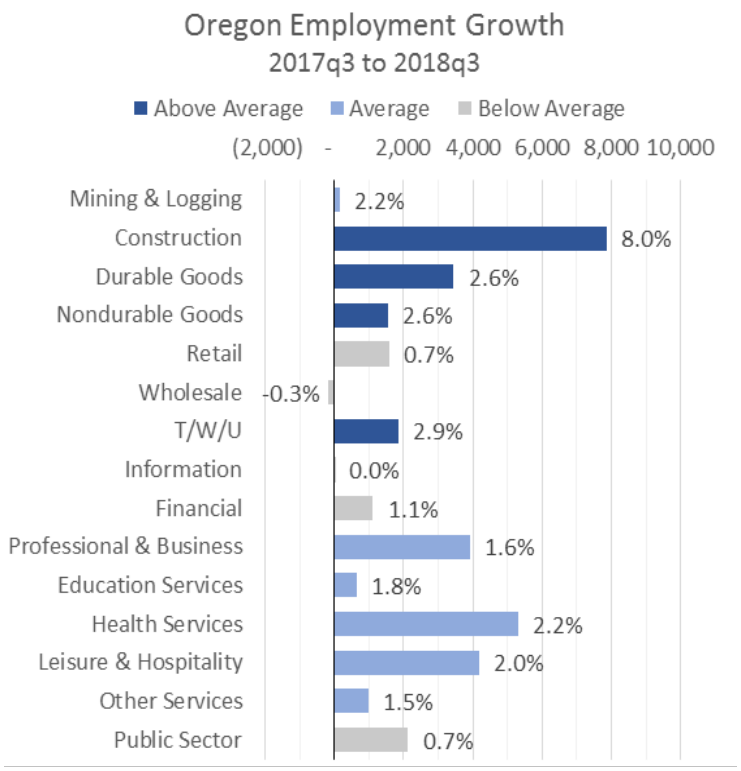
Between today and the next recession, whenever it may come, Oregon's economy will continue to hit the sweet spot. More Oregonians are working and even larger gains are being seen in the number working full time.

The strong labor market is helping working households in all corners of the state. Poverty rates are being driven lower for all ages, racial and ethnic groups. Household incomes are reaching historic highs on an inflation-adjusted basis. The median household in Oregon now earns as much as their counterparts in other states, which has not been the case since the timber industry restructured almost four decades ago. The feel-good part of the economic expansion has clearly arrived.



Oregon's Industries

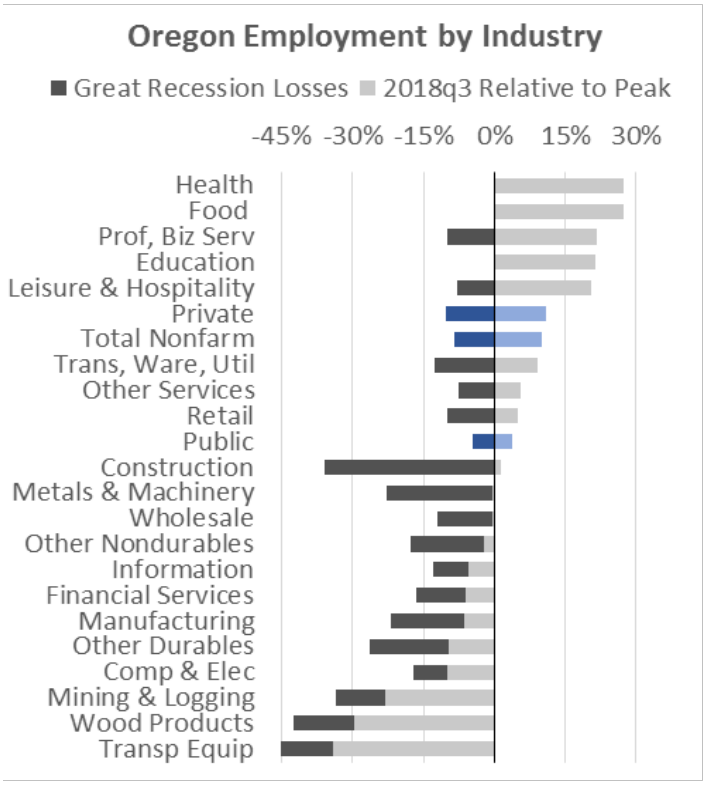
So far in recovery, Oregon's large service sector industries have generally led job growth in terms of the number of jobs added and the rate of growth. These include jobs in professional and business services, health services, and leisure and hospitality industries. These three industries have gained 13,400 jobs in the past year and account for 39 percent of all job gains across the state. The good news is that this dependence on service jobs has fallen as the expansion continues. Other industries have been adding jobs, which was not the case earlier in the expansion.



Looking at the business cycle as a whole, each of Oregon's major industries has experienced some growth in recovery, albeit uneven. Currently, payrolls in 10 major industries are at all-time highs. Food manufacturing, education, and health never really suffered recessionary losses – although their growth did slow during the recession. Professional and business services and leisure and hospitality have each regained all of their losses and are leading growth today. In recent quarters, the public sector, retail trade, transportation, warehousing and utilities, and construction have surpassed their all-time highs. The nine private sector industries at all-time highs account for 64 percent of all statewide jobs. The public sector accounts for an additional 16 percent of all jobs.

With the Great Recession being characterized by a housing bubble, it is no surprise to see wood products,

construction, mining and logging, and financial services (losses are mostly real estate agents) among the hardest hit industries. These housing-related sectors are now recovering, although they still have much ground to make up.



Goods-producing industries are very sensitive to the business cycle. Coming off such a deep recession, goods-producing industries exhibited stronger growth than in past cycles. While all manufacturing subsectors have seen some growth, most are unlikely to fully regain all of their lost jobs.

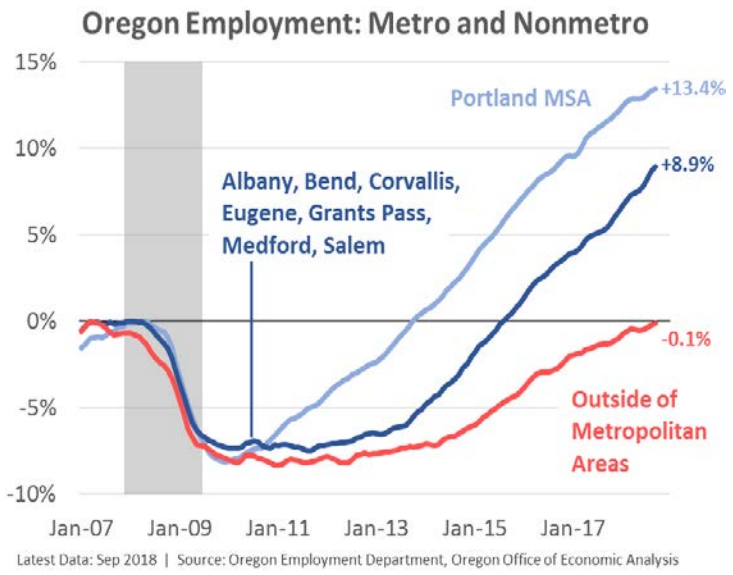
Transportation equipment manufacturing suffered the worst job cuts and is likely in structural decline due to the RV industry's collapse. With that being said, the subsectors tied to aerospace are doing better and the ship and boat building subsector is growing again. Metals and machinery manufacturing, along with mining and logging, have shown the largest improvements since the depths of the recession.

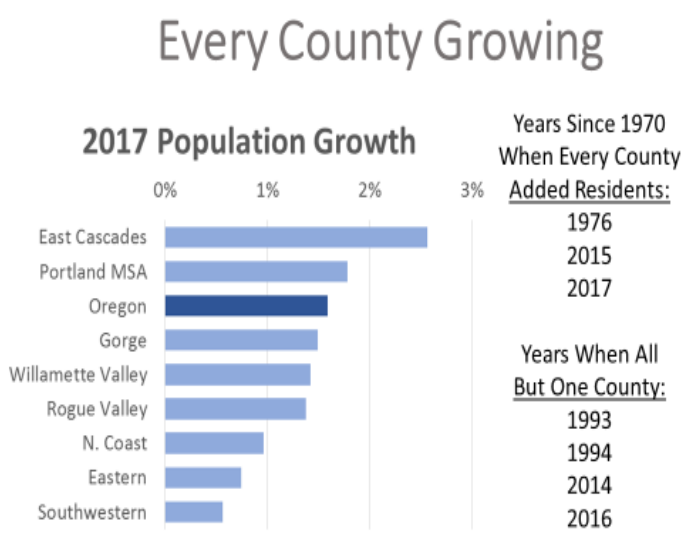
Despite structural challenges, Oregon's manufacturers typically outperform those in other states, in large part due to the local industry make-up. Oregon does not rely upon old automakers or textile mills. The state's manufacturing industry is comprised of newer technologies like aerospace and semiconductors. Also, Oregon's food processing industry continues to boom.

As the economy continues to expand there will be net winners and net losers among industries when it comes to jobs, income and sales. Business cycles have a way of restructuring the economy.

Oregon's Regions

At the statewide level, most economic indicators have fully recovered from the recession. Oregon's economic expansion first began in the Portland metro region in 2010. Job growth returned first to the largest and most diverse regional economy in the state.

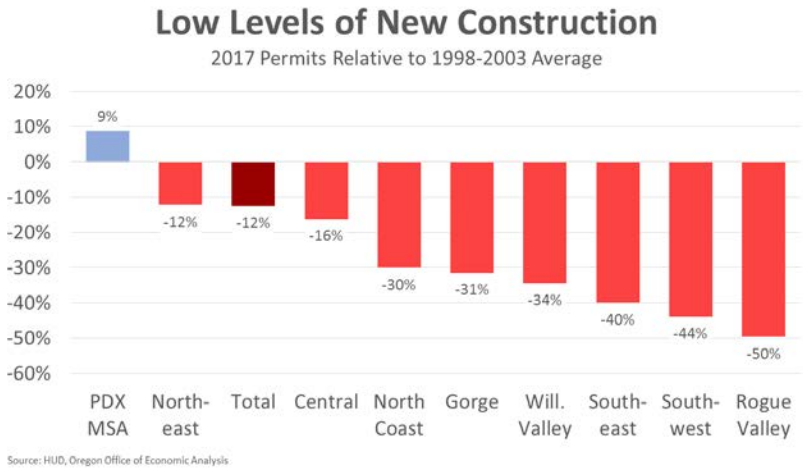




Over the subsequent years, the recovery has spread out across the state's regions and industries. Make no mistake, disparities remain, however, and Oregonians of all types and in all locations are seeing gains as recent Census data has confirmed. Every county in the state added population in 2017. During each of the past four years, no more than one of Oregon's counties missed out on population growth. Such widespread gains have been very rare historically, even during boom times.

Population growth and migration trends represent Oregon's largest comparative advantage relative to other states. Recent erosion in housing affordability puts this advantage at risk. In both Oregon's population centers and rural areas, housing costs account for a large share of household income. Recent house price appreciation has been driven by a lack of supply. Across the state, construction activity has not kept up with the growth in households, pushing house prices upward.

The Portland region continues to experience transformational growth. When compared with the other big metro areas around the country, Portland's growth in high-wage jobs, increases in educational attainment, and household income gains all rank in the Top 5 among the 100 largest metros.



The rest of the Willamette Valley's population centers are likewise experiencing strong income growth to accompany their recent economic improvements. Corvallis and Salem are at historic highs for median household income, while Albany and Eugene are close. The gains in Lane County are especially encouraging given the severity of the Great Recession and restructuring of the regional economy after the permanent closure of two major manufacturing industries.

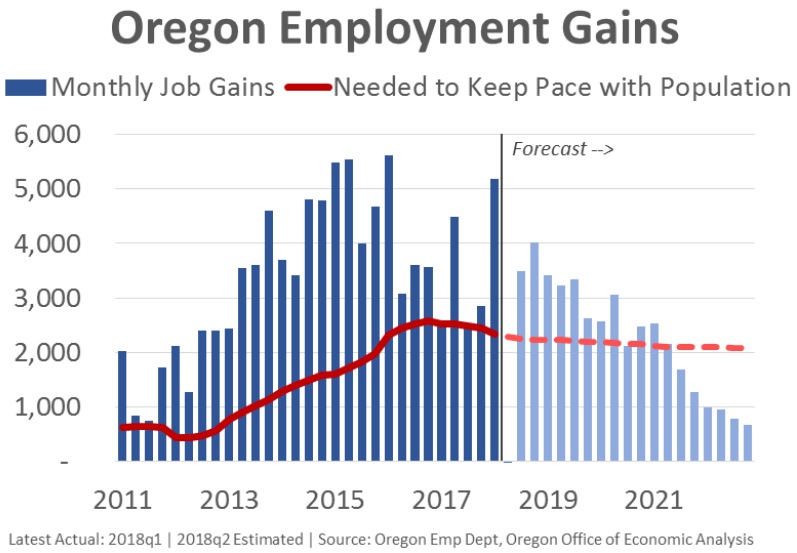
Bend continues to defy expectations in the aftermath of one of the nation's worst housing bubbles a decade ago. Incomes are finally growing again in southern Oregon, in the Umpqua and Rogue Valleys. These regions were hit hard by the housing downturn too, but recovery has been a bit more difficult than in Bend. The underlying dynamics driving higher incomes remains the same as in the Portland region--it is all about employment rates and wage gains. Incomes in Jackson and Douglas counties are at historic highs. Josephine County has yet to fully regain its losses, but saw sharp improvement in 2017.

2019-21 Outlook and Risks

Current economic growth remains strong, but is set to slow during the 2019-21 biennium for a number of reasons. Labor force growth is slowing as many baby boomers reach their retirement years. The hot economy has also made workers scarce, and led to other capacity constraints including scarce equipment, supplies, transportation and commercial space.

Such hurdles to growth do not prevent firms from expanding and propelling the economy, but they do require time, plans, and money to overcome. The low-hanging fruit of growth is gone in a mature expansion.

At the peak of the cycle, Oregon was adding around 5,000 jobs per month as it has been climbing out of the recessionary hole and pulling workers back in from the sidelines. With workers now becoming harder to find, this rate of growth cannot be sustained going forward. Only around 2,000 new jobs per month will be needed to keep up with our growing population over the next biennium.



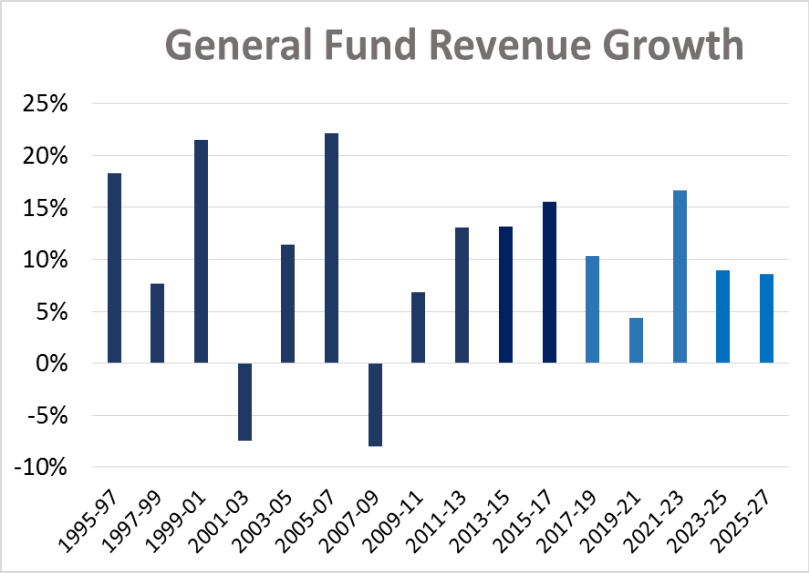
Not only is growth expected to slow, but uncertainty surrounding the economic outlook increases over the course of the upcoming 2019-21 biennium. The primary drivers of uncertainty relate to federal policies and the magnitude of their impact on the economy. As the tax cuts and spending increases play out at the federal level, fiscal policy will turn from a driver to a drag on growth in 2020. Similarly, monetary policy will have transitioned from accommodative to neutral, and likely even restrictive in a couple of years. The full impact of the Federal Reserve's rate hikes that began in late 2015 will be working to slow the economy.

To be clear, the next recession is not yet seen in the data, nor most forecasts, however the shape of the business cycle is coming into focus. It will largely be up to the Federal Reserve, and how it responds over the coming year or two, in determining when this expansion ends and the next recession begins.

2019-21 Revenues

Oregon's economy is volatile. State General Fund revenues are even more so. The expected slowdown in economic growth during the 2019-21 budget period is magnified in the revenue outlook. Should a recession occur, state revenue losses will be more pronounced than the underlying income losses suffered by households and businesses.

Taxable investment income such as dividends, rents and capital gains can dry up overnight. Taxable business sales and profits are very fickle as well.

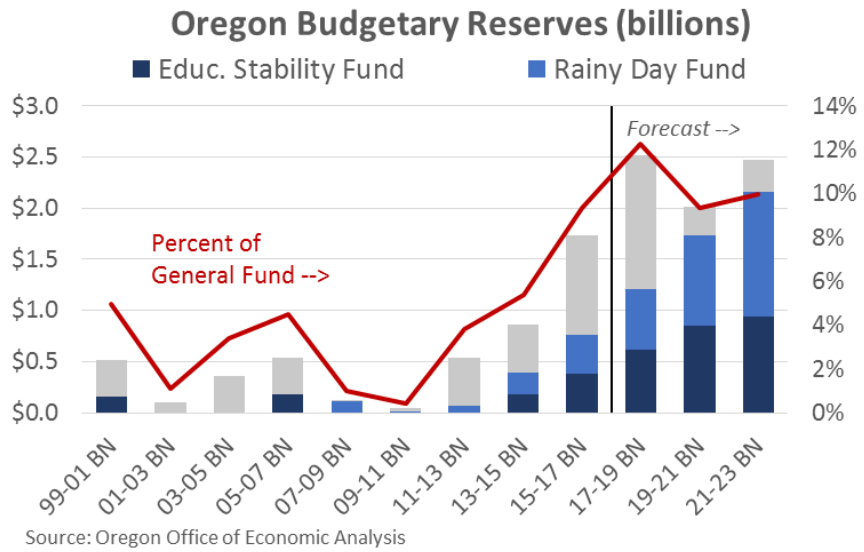


Making matters worse, as the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, covering a smaller share of economic activity. Going forward, Oregon's General Fund resources are only expected to grow around 10 percent per biennium, which is not fast enough to keep up with the rising cost of public services.

Another factor behind slower expected revenue growth is the impact of federal policy. As with the economic outlook, federal policy turns from a driver to a drag on the revenue outlook going forward. Federal tax reforms generated a surge in state tax collections, much of which is temporary in nature. Together with the fleeting nature of recent tax collections, Oregon's unique kicker law is acting to mute expected revenue growth. While more revenue has been collected during the current biennium, less will be available during the 2019-21 budget period.

Growth will certainly slow to a sustainable rate in the coming years, but the path taken to get there is unknown. The exact timing and steepness of this deceleration is difficult to predict, leading to a wide range of possible revenue outcomes for the 2019-21 budget period.

While the revenue outlook is uncertain, Oregon is in a better position than in the past to manage this risk. Encouragingly, Oregon has saved a larger amount of reserve funds than ever before. Due to automatic deposits into Oregon's Rainy Day Fund and Education Stability Fund throughout the long expansion, total budget reserves of $2.5 billion are expected by the start of the biennium.



Oregon's budget writers have never had access to significant reserve funds during past recessions. Although today's reserves will not cover all of the likely shortfall caused by a recession, they are large enough to ease much of the pain.

Demographic Change

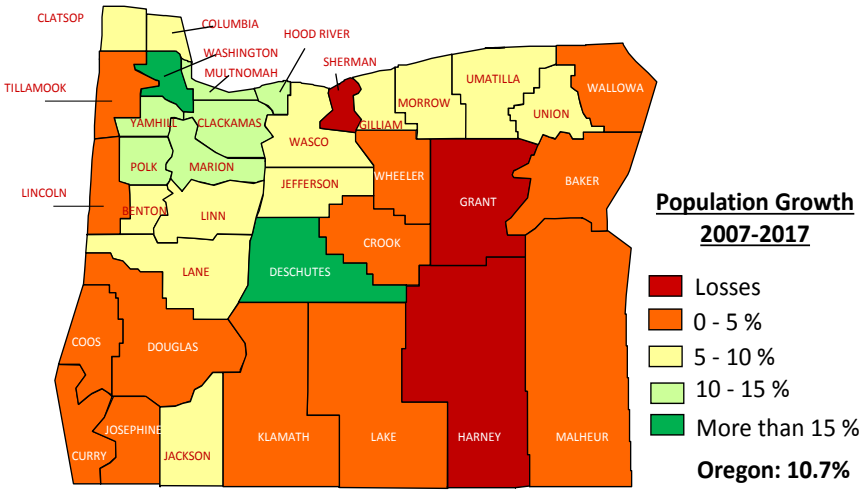
Oregon's population is currently showing very strong growth as a consequence of the state's strong economic recovery. Population growth between 2016 and 2017 was 10th fastest in the nation. Based on the current forecast, Oregon's population of 4.1 million in 2017 will reach 4.7 million in the year 2027 with an annual rate of growth of 1.2 percent between 2017 and 2027.

Oregon's population growth changes with its economic and employment outlook. After an economic and population boom in the 1990's, two severe recessions during the decade preceding the 2010 Census curtailed population gains and probably cost Oregon one additional seat in the U.S. House of Representatives. The population growth during the decade of 2000 to 2010 was 12.0 percent, down from 20.4 percent growth from the previous decade. Oregon's rankings in terms of decennial growth rate dropped from 11th between 1990-2000 to 18th between 2000 and 2010. Oregon's decennial population growth rate during the most recent census decade was the second lowest since 1900. Census 2020 data will look much better.

GEOGRAPHIC VARIATIONS

The figure below shows a decade long population change by county between 2007 and 2017. Overall, Oregon's population growth was 10.7 percent during this period. However, there are large variations by region and county. Exceptionally high growth counties (exceeding 15 percent increase) were Deschutes and Washington. Although growth slowed considerably in Deschutes County during the recent

Population Growth By County, 2007-2017



Source: Population Research Center, PSU

Office of Economic Analysis

recession, the county led the state with 21.9 percent growth over the past decade. The moderately growing counties (between 10 and 15 percent increase) were Hood River, Multnomah, Clackamas, Polk, Yamhill, and Marion. The slow growing counties (between 5 and 10 percent increase) were Benton,

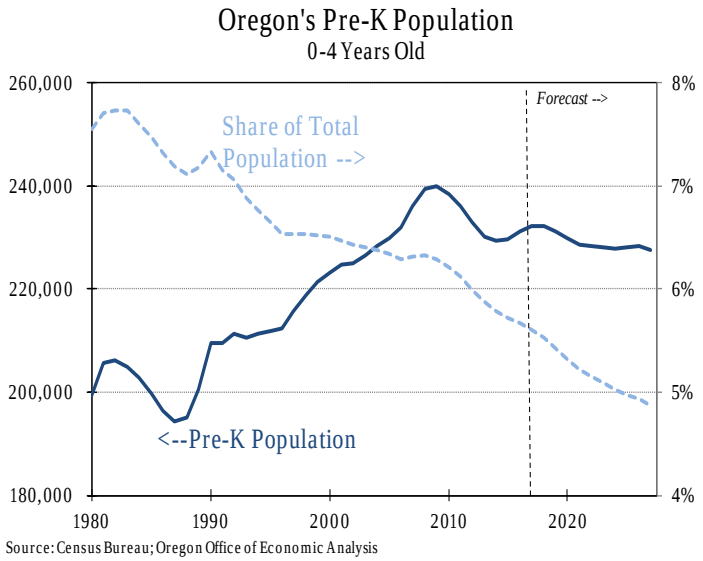
Jefferson, Linn, Wasco, Jackson, Umatilla, Lane, Columbia, Gilliam, Union, Morrow, and Clatsop. The counties with very slow growth (between 0 and 5 percent) were Lincoln, Crook, Josephine, Douglas, Tillamook, Lake, Baker, Klamath, Malheur, Curry, Wallowa, Wheeler and Coos. Three counties losing population (negative growth) were Sherman, Harney, and Grant. Population growth by county reflects the local economic environment. In general, counties in the upper Willamette Valley and Central Oregon experienced the fastest population growth.

CHANGE IN AGE STRUCTURE

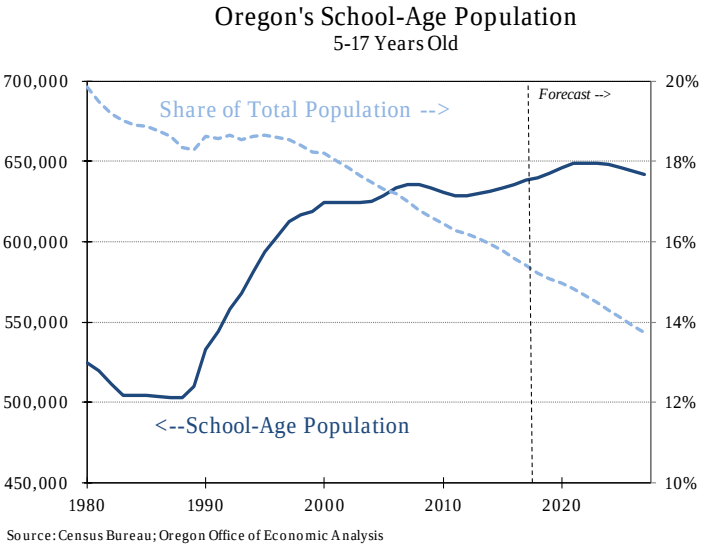
The figures below show that population growth differs by age group with budgetary implications.

Children

- Under five years. The size of this age group directly affects demand for childcare, Head Start, and Temporary Assistance for Needy Families (TANF). Between 2019 and 2021 the number of children under age five will decrease by 1.2 percent. The growth in this cohort was negative or slow in the recent past mainly due to the decline in the annual number of births associated with an increasing tendency towards smaller family-size and slowdown in the net in-migration of children and young adults at the early stage of family formation.

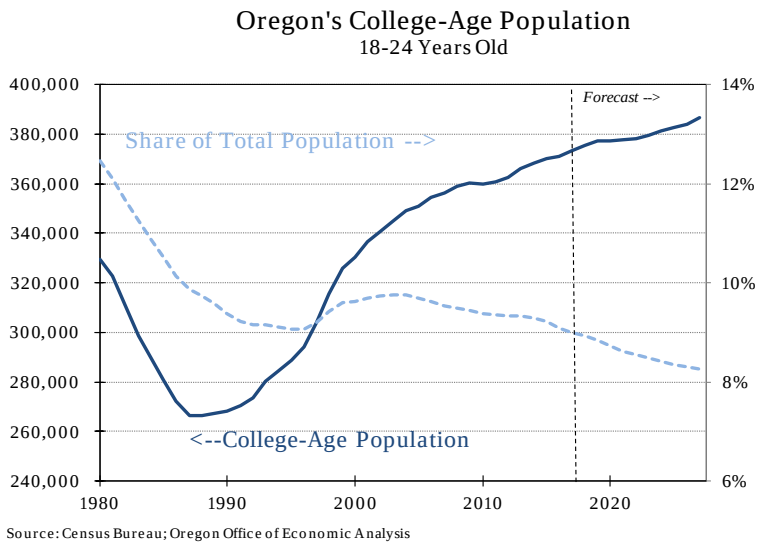


- School age. The children in the five to 17 year age group drive demand for K-12 public school enrollment. Nearly 90 percent of five to 17 year-olds are enrolled in public schools. After growing rapidly during the early 1990's, population growth in this age group has slowed for nearly two decades and will continue this trend in the near future. After several years of negative growth, the growth in the number of school-age children has turned positive starting in 2012. However, the percentage increase remains well below the state's overall population rate of change. Between 2019 and 2021, the number of school-age children is expected to grow by 0.9 percent.

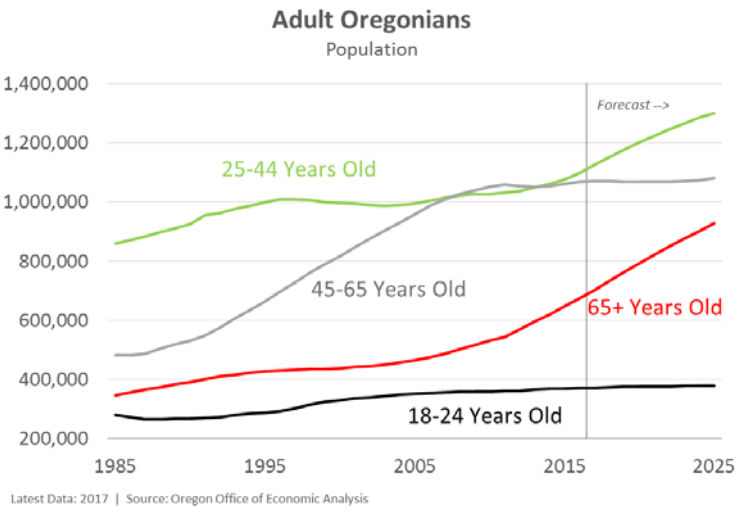


Adults

- Ages 18 to 24. This age group drives demand for post-secondary education and entry-level jobs. Nearly 70 percent of all undergraduate students in Oregon public universities are 18 to 24 years old. Although the population in this age group has shown very small change, college enrollment in general is associated with competing opportunities. Enrollment increased in the past at a much faster rate than the 18-24 age population due to the lack of competing employment opportunities. Also, males in this age group are the criminally "at risk" population with the highest arrest rate of all adults. Consequently, population in this age group is a major factor in forecasting demand for prison and jail beds and probation services. The growth in this population group, however, has slowed and will continue to taper off to negative territory as the "baby-boom-echo" cohort exits this age group. Between 2019 and 2021, this population will remain virtually unchanged.



- Ages 25 to 64. Working-age adults comprise 53 percent of the total population. The nature of this group is heavily influenced by baby-boomers. The working-age population is the major contributor to the state's tax revenue and puts very little direct pressure on state services. However, younger adults need entry-level jobs and older adults require continued training in a changing technological environment. All of them, especially young adults at the beginning stage of their family formation, need affordable housing, childcare, and schools for their young children. Overall, this population group will grow by 2.2 percent between 2019 and 2021, with older working age adults 45 to 64 virtually unchanged as the baby-boomers continue to mature out of this age category.



Older Adults

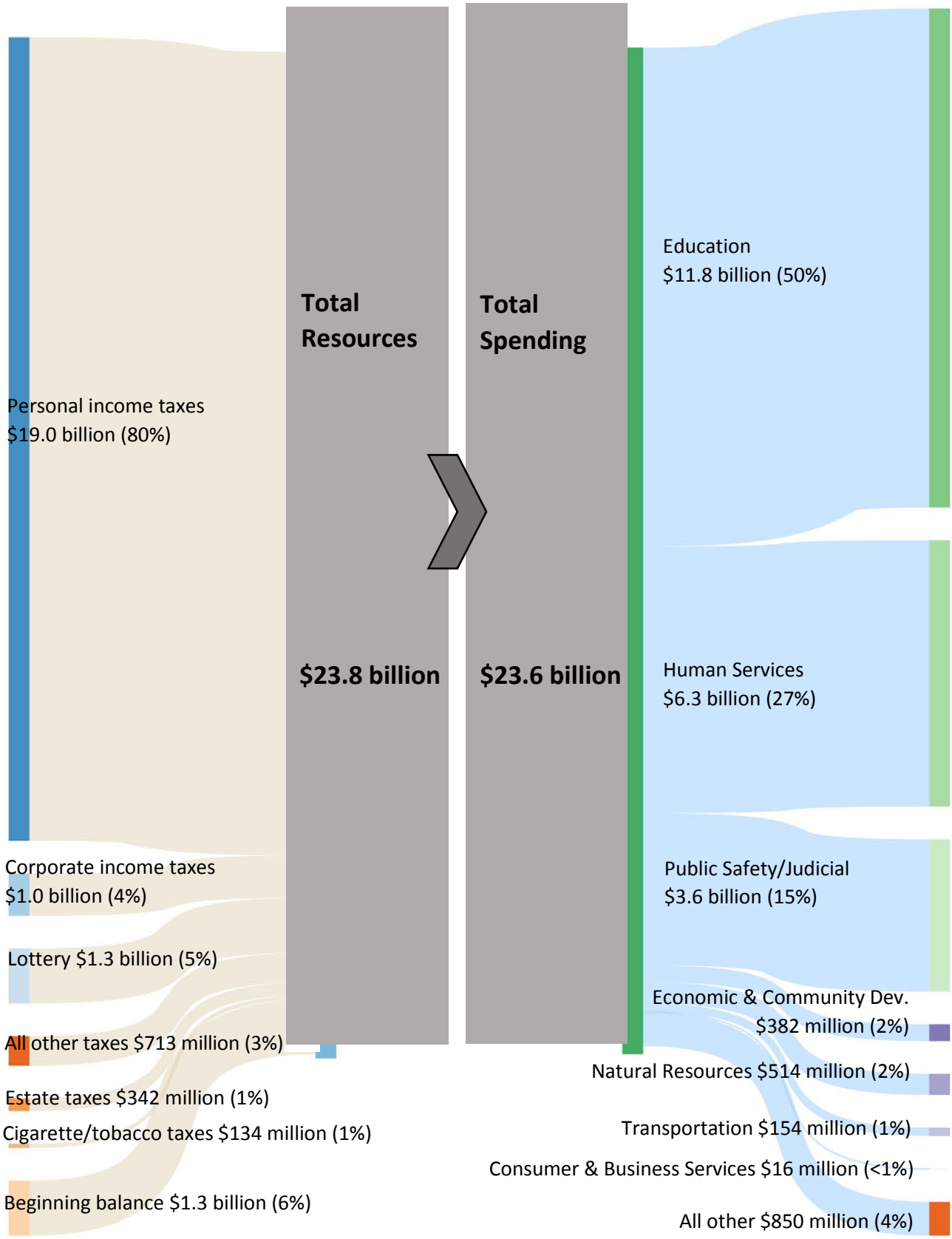
- Ages 65 and over. Since 1950, Oregon's older adult population has more than tripled, while the total population has nearly doubled. Growth in this group was slow between 1995 and 2002, largely due to the depression era birth-cohort reaching retirement age. However, the trend has already reversed and will continue its faster pace of growth. Beginning in 2011, this population group has consistently exceed a four percent annual growth rate. The older adult population accounts for

17.0 percent of the total population. Between 2019 and 2021, the combined older adult population will grow by 7.7 percent. However, the number of elderly aged 75 to 84 will increase by a larger 9.1 percent as the early baby boomers enter and depression era cohort exit this age group, far exceeding the state's overall growth of 2.6 percent and will grow at the fastest pace of all age groups. During the same period, the number of oldest elderly (85 plus) will increase by 2.8 percent. The young elderly require relatively little government assistance, while persons aged 85 and over tend to require more public assistance. Many members of the senior population require health care, pension support, and special housing. They are highly dependent on state long-term care services. Different age groups of the elderly population will manifest the effects of people born during the depression era and baby boom period.

Race and Ethnic Composition

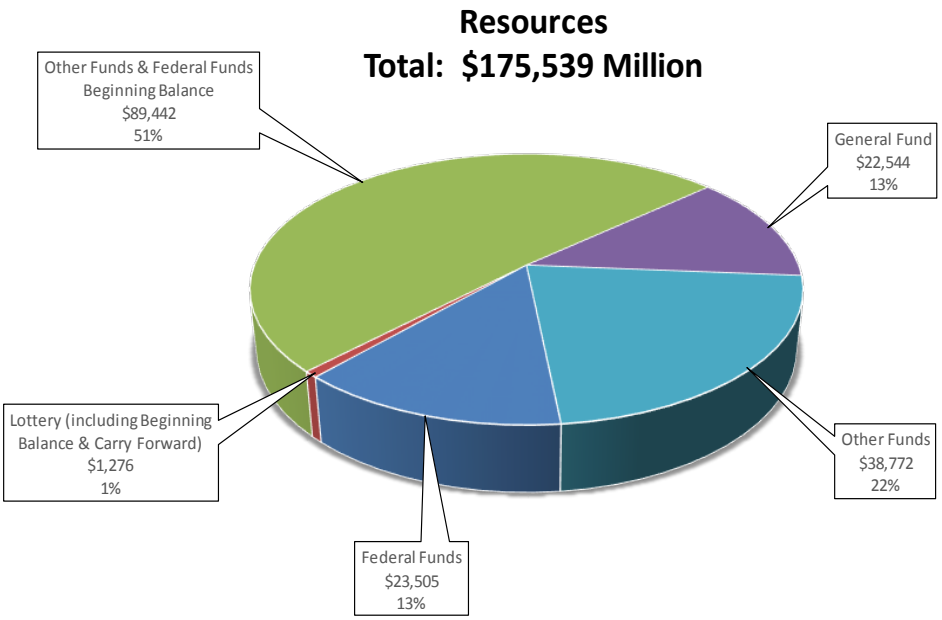
- Oregon has become more racially and ethnically diverse. A more diverse population entails meeting the needs of increasing racial and ethnic minorities. Oregon's population is overwhelmingly White. The Census Bureau estimated 87.1 percent of Oregon's population as of the White racial group in 2017. However, only 75.8 percent were non-Hispanic White in 2017, down from 83.9 percent in 2000 Census. Each of the other racial groups accounted for less than five percent of the population.
- Oregon's Hispanic population. The Hispanic or Latino ethnic group, which can be of any race, reached 12.7 percent of Oregon's population in 2017. This ethnic group has been increasing very rapidly. The Hispanic population increased from 112,707 in 1990 to 450,062 in 2010 Census. This ethnic group has grown to 540,923 in 2017.

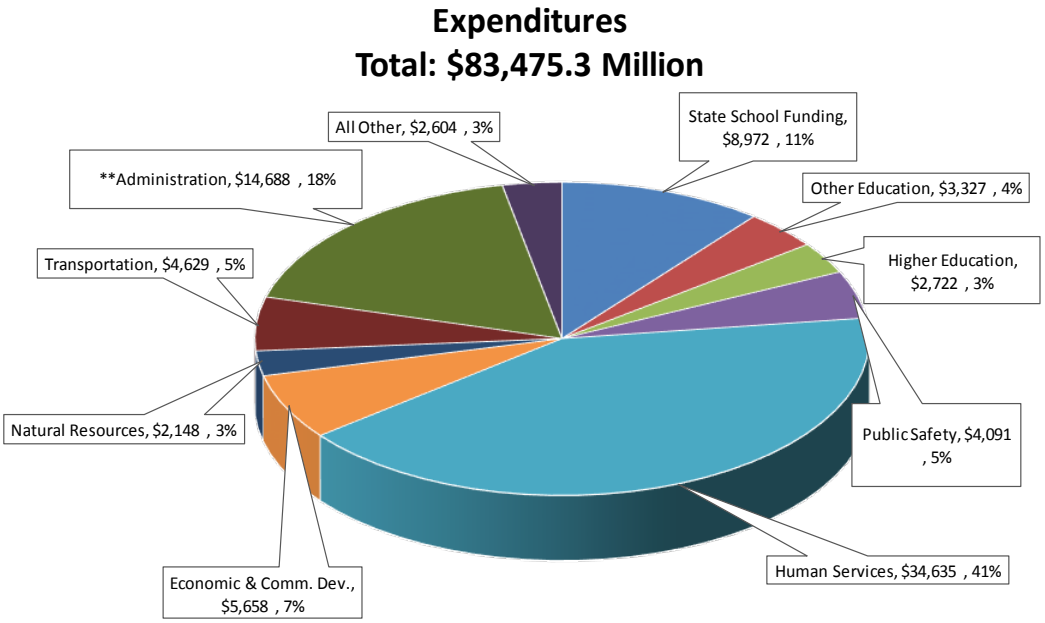
2019-21 General Fund/Lottery Funds Budget



**Numbers may not foot due to rounding.*

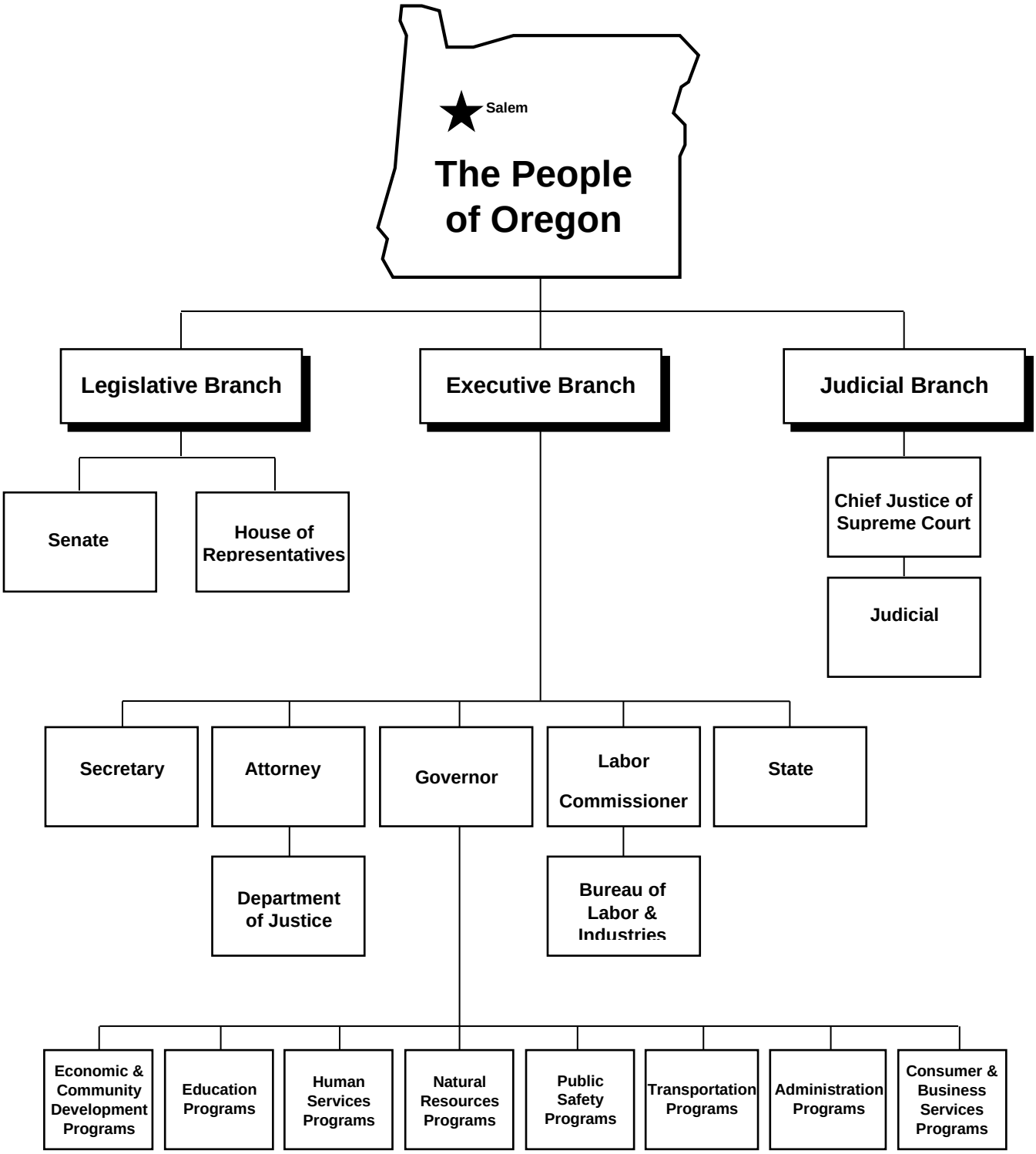
2019-21 All Funds Budget





*Totals may not foot due to rounding.
** Other Funds include $12.5 billion from the PERS investment fund for paying out to retirees under the Administration section in Expenditures.

STATE OF OREGON ORGANIZATION CHART



EDUCATION

Program Area and Agency Information

EDUCATION AGENCIES

Education Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$9,271,486,908	$10,366,787,063	$11,185,582,062
Lottery Funds	504,679,657	632,938,214	651,965,635
Other Funds	589,838,366	1,145,717,205	1,180,517,175
Federal Funds	933,935,501	1,172,449,583	1,240,983,128
Other Funds (Nonlimited)	822,672,024	362,987,479	331,786,741
Federal Funds (Nonlimited)	406,064,093	411,563,932	431,402,823
Total Funds	$12,528,676,549	$14,092,443,476	$15,022,237,564
Positions	744	741	798
Full-time Equivalent	688.32	703.30	766.09

OVERVIEW

How Oregon provides for the needs of children, especially those who face the most barriers to accessing quality services, is a marker of who we are as a community. Education can transform children's lives and help break the cycle of intergenerational poverty. Education outcomes are inextricably linked with health, criminal justice and economic outcomes. Because of this, we must prioritize investments targeted at improving education outcomes across the state.

The education system alone cannot effect the changes necessary to improve student learning and outcomes. Partnerships with communities, culturally specific organizations and entities that span education, health, social service and workforce are critical to successfully expanding student opportunities and putting them on a path toward employment, job training, or completing a post-secondary education. Unlocking the ability and potential in every student will not only contribute to their individual success but will contribute to more healthy and vibrant communities across Oregon.

Ensuring that all Oregon students graduate with a high school diploma and have multiple pathways to careers and postsecondary degrees is critical to our economy. Our workforce needs skilled workers to contribute to our state's economic vitality and to reduce poverty. Research is clear that high school graduates – and especially those who go on to complete a postsecondary degree – are more likely to be employed, less likely to live in poverty, less likely to have children who also live in poverty, and more likely to be in good health compared to those who don't graduate. While the economic outcomes of education investments are important ways to quantify benefits to our community as a whole, there is no dollar value that we can place on the boundless opportunity that every student deserves to have.

In national comparisons, Oregon's average four-year graduation rate lags behind other states at 77 percent on average for all students, but is up nearly 5 percentage points over the past three years and in the same time period up 7 percentage points for historically underserved students. While states have

different graduation requirements and Oregon has among the most stringent, the current graduation rate still leaves too many kids behind. There is much work to do to ensure those who face an opportunity gap are supported to achieve their full potential. This means we need targeted investments to improve outcomes for children of color, children with disabilities, and children in poverty.

A number of factors influence a student's ability to access quality education. As noted in the Chief Education Office's Practices to Improve the Achievement of Students in Poverty (2017), students' poverty status are closely correlated with student engagement and achievement. We know that brain and cognitive development is affected by Adverse Childhood Experiences, of which growing up in poverty is one such experience. Children in poverty are less likely to attend preschool and are known to start kindergarten up to a full year behind in reading and math than their peers.

It's not surprising then that overall high school graduation rates are significantly lower for those who experience poverty. The Annie E. Casey Foundation released a study several years ago which found that 32 percent of students who spent more than half of their childhood in poverty failed to graduate high school compared to 6 percent of those who had never been in poverty.

The study also examined the intersection of race and poverty with third grade reading outcomes, finding that 31 percent of low-income African American students and 33 percent of low-income Hispanic students who were not proficient in reading by the end of third grade failed to graduate. However, the graduation opportunity gap disappears when children reach the third grade reading proficiency benchmark. This illuminates a truth: that all students are capable of succeeding. To get there, we must focus our efforts to ensure all kids have access to the services they need to thrive.

Oregon is at a turning point for our education system. The current economy and work of the legislature's Student Success Committee offers an historic opportunity to repair the damage done by more than 20 years of disinvestment in our children's educational opportunities. Governor Brown believes we must seize this opportunity before the next economic downturn. Her proposal includes significant expansion of preschool, increased instructional time in K-12, further increases in hands-on learning opportunities, and making college more affordable. These investments will help put all Oregon students on a path to graduate from high school with a plan for the future, with a focus on achieving equitable student outcomes and eliminating opportunity gaps.

Programs specific to the education area operate or support all public educational activities from pre-kindergarten to post-secondary and life-long learning.

- The Department of Education supports pre-kindergarten through 12th grade (PK-12) education. The agency includes support for school districts in the areas of school improvement, assessment, special education, professional/technical education, legal requirements, nutrition and transportation. State school funding for public elementary and secondary school districts and education service districts is distributed by the Department of Education. The agency's budget also includes funds for the Oregon State School for the Deaf, education services at youth corrections facilities and youth detention centers, special education, child nutrition, educational programs for children of low-income families.
- The Early Learning Division of the Oregon Department of Education is responsible for supporting families and young children to access high-quality Early Care and Education programs and services, including childcare and preschool. The guiding vision for the Early Learning Division is that a robust, high-quality, and coordinated, mixed-delivery system is essential for ensuring all children enter kindergarten ready to learn. The Early Learning Division is guided by the Early Learning Council,

which is appointed by the Governor to create a unified system of early childhood services directed to children from birth to age six. The council guides efforts to streamline state programs, provides policy direction to meet early learning goals statewide, and provides oversight of services supporting children and families across Oregon.

- The Youth Development Council, also housed within the Department of Education, was established to create a coordinated system for services to school age children and youth up to age 20 that will support academic success and reduce criminal involvement. The Council oversees a continuum of programs and services for youth while taking on the responsibilities of Juvenile Justice Advisory Committee, the Juvenile Crime Prevention Advisory Committee and state efforts to prevent and intervene with gang violence across Oregon.
- The Higher Education Coordinating Commission (HECC) is responsible for developing goals and a strategic plan for the state's post-secondary education system, implementing accountability measures for achieving those goals, developing a finance model for a consolidated post-secondary education budget, and promoting policies addressing access to post-secondary education, student success and completion, and improved coordination of educational services. The HECC budget consists primarily of state funding for community colleges, public universities, Oregon Health and Science University (OHSU) programs, the Oregon Opportunity Grant program, the Oregon Promise program, and debt service on bonds issued to finance college and university capital projects.
- The Teacher Standards and Practices Commission works to ensure that every student in Oregon receives instruction from skilled and ethical educators.

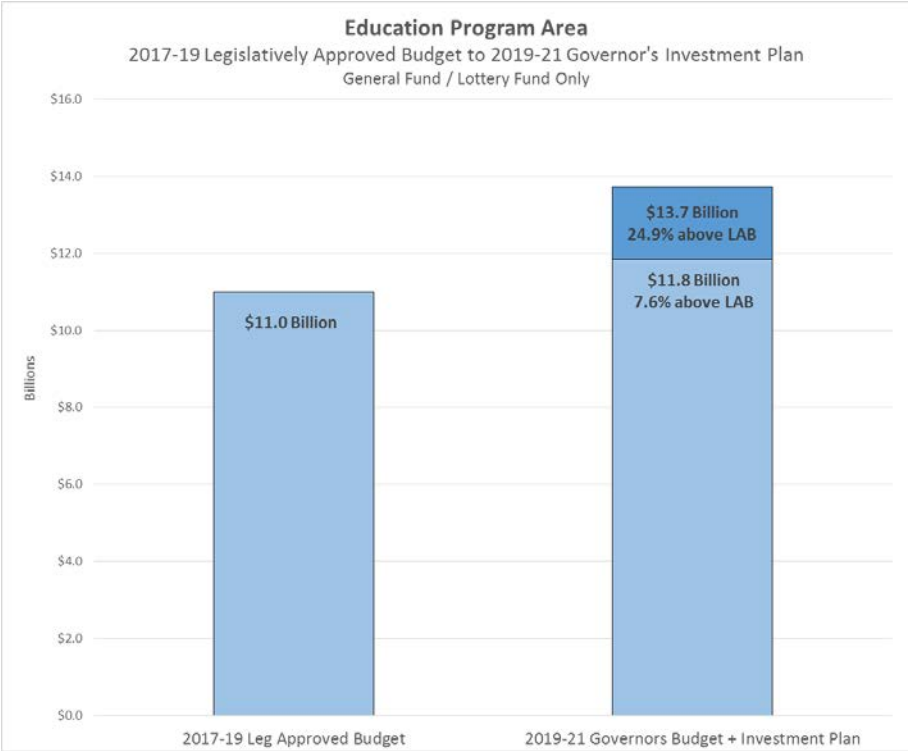
The Chief Education Office (CEdO) was established in 2015 and has a sunset date of June 30, 2019. The office included a chief education officer and staff to coordinate with education stakeholders to establish a unified public education system. CEdO also included the Statewide Longitudinal Data System (SLDS). The Governor's budget discontinues the office, moves policy staff to the Governor's Office, and transfers the SLDS to the Office of the State Chief Information Officer as a central location to support enterprise data management and research. The Educator Advancement Council – currently supported by the CEdO – remains an independent, intergovernmental entity and will be supported administratively by the Department of Education. These changes streamline education agency oversight and will result in a savings of $2.9 million in the 2019-21 biennium.

GOVERNOR'S BUDGET

The 2019-21 Governor's Budget for the Education Program Area is $15,022.2 million Total Funds and 798 positions. This includes $11,185.6 million General Fund, $652.0 million Lottery Funds, and $102.1 million marijuana tax revenue. General Fund and Lottery Funds have grown by a combined 7.6 percent from the 2017-19 Legislatively Approved Budget, and total funds have increased by 6.6 percent.

The Governor proposes a comprehensive package of investments, above and beyond the Governor's budget, to put Oregon on a path to graduating every student in high school. No single solution is going to change the future of our students, so a multi-pronged approach is proposed to ensure that children show up to kindergarten ready to learn and are supported throughout their K-12 education by excellent educators, a safe and inclusive school environment that fosters learning, and career-connected learning opportunities and early college exposure that puts them on a path for success after graduation.

Over and above the Governor's Recommended Budget, the Governor will work with the legislature to provide an additional $1.3 billion to improve kindergarten readiness, third-grade and high school graduation outcomes for Oregon's children and students. In Higher Education, the Governor's proposed investment plan budgets an additional $583.2 million for restoration of cut programs and services and allows for expansion of key programs to enhance access to career connected and Career Technical Education (CTE) and increase college affordability.



Highlights of the Governor's Budget and the Governor's investment package include:

- Early Care and Education. The budget funds the current level of services and adds $38.3 million for childcare, including funding to reduce licensing caseloads to ensure children are safe while in care, to increase the availability of infant-toddler childcare, and support early childhood educators' professionalism. The investment package proposes an additional $358.9 million investment in expanded early care and education programs for low-income children and families. This includes expanding high-quality preschool and targeted kindergarten readiness programs to serve 10,000 more children.
- Closing the Opportunity Gap in K-12. The budget also increases funding for the African American/Black Student Success State Plan, adds resources for the American Indian/Alaska Native State Plan, and continues funding the tribal history and sovereignty curriculum. The Governor's budget maintains current levels of services for programs serving students of color, children from low-income households, and English Language Learners.
- Safe and Effective Schools. The budget includes funding for initiatives that equip schools with the ability to create inclusive, safe and welcoming environments conducive to learning for all students.
- College & Career Pathways, including CTE. The Governor's budget adds $7.1 million for CTE-STEM Education and $6.9 million for Regional Promise (accelerated learning) grants. The investment package adds an additional $133.2 million to the High School Graduation and College and Career Readiness Fund, for a total of $303.2 million provided to Measure 98 programs in Oregon high schools, notably expanded Career Technical Education.
- Support for World-Class Teachers. The budget includes $58.6 million to help the state reach the goal of ensuring high quality, well supported, and culturally responsive public educators in every classroom through statewide educator networks and the Educator Advancement Council.

- Class Size Reduction and Increased Instructional Time. The investment package dedicates $793.7 million to the School Improvement Fund to reduce class sizes in kindergarten through third grade, and ensure all school districts provide a full, 180-day school year.
- K-12 State School Fund. The State School Fund is funded at $8,972.4 million total funds, including $8,865.8 million General Fund and Lottery Funds and $102.1 million marijuana tax revenue. This includes funding to gross Public Employees Retirement System (PERS) rates and a return to a 49/51 percent split between the two years of the budget, with the last year receiving 51 percent. An additional $100 million is in the budget to offset PERS costs through the school district PERS side account established through SB1566 (2017).
- K-12 Bond sales. The budget includes a $100 million bond sale for the Oregon School Capital Incentive Matching program.
- College Affordability. Funding for the Oregon Opportunity Grant, the state's need based student financial aid program, is maintained at $152 million General Fund and Lottery Funds, a 0.3 increase above the 2017-19 Legislatively Approved Budget. Oregon Promise provides tuition assistance to high school graduates continuing their education at community colleges and is funded at $21.5 million General Fund, which maintains funding for the 2019-20 academic school year. The investment package contains an additional$121.5 million investment for the Oregon Opportunity Grant, which would nearly double the program, and $20 million to include funding for Oregon Promise for the 2020-21 academic year. The Governor also proposes a significant expansion of the Scholars for a Healthy Oregon (SHOI) program at Oregon Health and Sciences University to provide additional financial aid for rural students who wish to train in the health care professions and then return home to serve their communities
- Public University Support. Operations support for the universities is maintained in the budget at the 2017-19 level due to statewide revenue constraints. Public University Operations and Student Support are funded at $736.9 million General Fund, unchanged from the 2017-19 Legislatively Approved Budget. Under the Governor's investment proposal, an investment of $856.9 million will be provided for the Public University Support Fund. Universities have indicated that this would ensure that tuition growth at public universities in Oregon is no greater than five percent. Also funded in the budget at the 2017-19 Legislatively Approved Budget is the Extension Service and the Forest Research Laboratory. The Agricultural Experiment Station is funded at $66.1 million General Fund. This is a slight decrease from the 2017-19 Legislatively Approved Budget due to the elimination of one-time funding in the 2017-19 Legislatively Approved Budget for certain projects. Funding for Public University State Programs is at $14.8 million General Fund, which is a 68 percent decrease from the 2017-19 Legislatively Approved Budget. The decrease is due to the elimination of one-time funding for certain projects and the elimination of the Engineering Technology Sustaining Fund (formerly called ETIC). Funding for the Sports Lottery program is eliminated. In the investment package, all of these programs including ETIC and Sports Lottery are restored and expanded.
- The Outdoor Schools program approved in Ballot Measure 99 is included in the budget for the Oregon State University Extension Service at $24 million Lottery Funds. An additional $22.8 million is added in the investment package.
- In the investment package $10 million is invested to establish a Public University Innovation Fund

to support economic development partnerships with business and public universities.

- The budget includes funding for seven capital projects, benefiting all seven public universities, totaling $173.o million in projects costs. These projects will be financed with proceeds from the sale of general obligation bonds. This includes $80.0 million in Article XI-Q bonds, which are repaid with General Fund. Projects include initial funding for capital improvement and repair projects on all campuses, repair of the Grand Staircase at Eastern Oregon University, a new residence hall at Portland State University, installation of the ShakeAlert and AlertWildfire Seismic Station at the University of Oregon, and a project at Western Oregon University for renovation of Valsetz Dining Hall.

  Additionally, the Governor's budget reserves $225 million in bonding capacity for Public Universities with the intention that universities return to the HECC by the February 2020 Legislative Session with an updated 10-year strategic capital plan.

- Community college support. Funding for community college operations is funded at $546.8 million. The Community College Support Fund is $543 million. This is 4.7 percent below the 2017-19 Legislatively Approved Budget, in part due to anticipated increases in local property taxes, which offset General Fund payments. Through the Governor's proposed investment package, an investment of $646.7 million will be provided for the Community College Support Fund. Community Colleges have indicated that this would ensure that tuition at community colleges would increase no more than 3.5 percent. The budget includes $67.7 million in general obligation and lottery bond proceeds for capital projects at nine colleges. All of these projects are funded with Article XI-G bonds, which require a 50-percent match to be provided by the colleges. In addition, the investment package includes $70 million in increased investment in Oregon's community colleges to expand CTE programs to double the number of certificates and degrees awarded over three years.

Oregon Department of Education

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$7,476,714,764	$8,407,900,600	$9,239,863,481
Lottery Funds	449,138,830	536,371,132	551,238,272
Other Funds	130,460,882	567,207,110	858,519,333
Federal Funds	852,293,108	1,054,258,511	1,113,809,154
Other Funds (Nonlimited)	139,400,800	118,964,721	120,364,721
Federal Funds (Nonlimited)	402,949,244	388,007,727	407,115,946
Total Funds	$9,450,957,628	$11,072,709,801	$12,290,910,907
Positions	556	565	639
Full-time Equivalent	523.14	544.76	618.34

OVERVIEW

The Oregon Department of Education works to foster equity and excellence for every learner through leadership, innovation and partnerships with educators, partners and communities. It is the lead agency for the Oregon constitutional mandate to "provide by law for the establishment of a uniform, and general system of Common schools." The Governor serves as the Superintendent of Public Instruction. The Director of the Oregon Department of Education has delegated authority from the Governor to fulfill functions of the Superintendent and oversee operations of the Department. The Department supports the State Board of Education and the Director of the Oregon Department of Education, in carrying out their respective responsibilities, including:

- Adopting rules for general governance of schools and distributing funding for all K-12 public schools.
- Implementing statewide standards for schools.
- Establishing rules for schools and ensuring they arefollowed.
- Administering Oregon's statewide educational assessment system.
- Acting as a liaison and monitoring implementation of federal programs, including the Every Student Succeeds Act.
- Partnering with all education stakeholders, including local school districts,education service districts, Early Learning providers, community colleges, parents, teachers, administrators, community based organizations, businesses and community members.

The Department supports the Early Learning Council and the Early Learning System Director in carrying out their responsibilities to provide and coordinate early care and education services for

children birth to five, including preschool, childcare licensing and regulation, and voluntary home visiting. The Department also supports the Youth Development Council and Youth Development Director in carrying out their responsibilities administering funding to community and school-based programs focused on reengaging youth ages 6-24 who are not enrolled in school or participating in the workforce, including career development and juvenile crime prevention programs.

The agency contracts for compensatory education programs. Through Regional Programs, the Department provides special education services to children with disabilities such as autism, hearing impairments and vision impairments. It also provides direct educational services at the School for the Deaf, and it contracts for most educational services at the MacLaren school, work-study camps and other Oregon Youth Authority correctional facilities.

Major programs provided through the Department include the following:

- School Funding – The State School Fund provides primary operational funding to school districts. Local schools districts also receive a smaller proportion of their support from other funds and local revenues.
- Common School Fund – Provides funding to schools in accordance with the Congressional act making Oregon a state of the union.
- The High School Graduation and College and Career Readiness Fund - Provides funding to school districts focused for dropout prevention, Career Technical Education (CTE) and college-level experiences for high school students.
- Educator Advancement Fund – Provides funding for recruitment, preparation and ongoing professional learning for early learning and K-12 educators through educator networks responsive to local needs identified by educators, schools, and communities
- Grant In Aid – Provides a variety of focused educational grants school districts to enhance student learning opportunities and improve outcomes.
- School for the Deaf – Provides direct educational services for students with a hearing impairment.
- Early Learning Division – Provides programs and supports for early care and education including childcare licensing, regulation, and quality; childcare resource and referral; preschool through Preschool Promise and Oregon Pre-Kindergarten/Headstart; Relief Nurseries; Healthy Families Oregon; and Early Learning Hubs.
- Youth Development Division – Provides funding for community efforts to help opportunity youth, who are age 16-24 and are at risk of or already have disconnected from school or the job market. The goal is improve educational and workforce outcomes for these youth while preventing juvenile crime.
- Capital Bonding for School Facilities - provides matching grants to school districts for capital costs including construction, improvement, remodeling, equipment purchase and maintenance and repair of facilities. Bond proceeds fund the matching grants.
- Debt Service – Provides debt service for prior bond sales and proposed bond sales.
- Operations – Delivers executive management, basic business services, research and data analysis, and technical assistance to educators on assessments and accountability, State School Fund distributions, and transportation funding to districts.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Education is $12,290.9 million total funds. This is an 11 percent increase from the 2017-19 Legislatively Approved Budget. The Oregon Department of Education budget includes 639 positions. The State School Fund is $8,972.4 million total funds. An additional $100 million is dedicated in the Governor's Budget to offset school districts' payments toward the unfunded actuarial liabilities to help stabilize PERS rates for school districts, this investment is reflected in the budget for PERS. The budget prioritizes current programs and invests in:

- The State School Fund,
- Ensuring access and quality of early care and education,
- Improving high school graduation outcomes,
- Supporting historically marginalized and underserved populations,
- Providing safe and welcoming schools and reducing chronic absenteeism,
- Promoting career-connected learning and pathways to postsecondary success,
- Recruiting, preparing, and supporting ongoing professional learning for a diverse education workforce, and
- Protecting the civil rights of students.

The Governor's Recommended Budget significantly increases funding for the State School Fund; invests in efforts to close the opportunity gap and reduce chronic absenteeism; and invests in early childhood services to increase the supply and affordability of infant and toddler childcare.

Over and above the Governor's Recommended Budget, the Governor's investment plan would provide an additional $1.3 billion to improve kindergarten readiness, third-grade and high school graduation outcomes for Oregon's children and students. A new investment of $358.9 million is proposed for expanded early care and education programs for low-income children and families. This includes expanding high-quality preschool and targeted kindergarten readiness programs to serve 10,000 more children. An additional $793.7 million is provided through the School Improvement Fund to schools for reducing class sizes in kindergarten through third-grade and to ensure all school districts provide a full, 180-day school year. With an additional $133.2 million allocated to the High School Graduation and College and Career Readiness Fund, a total of $303.2 million will be provided to Measure 98 programs in Oregon high schools, notably expanded Career Technical Education. These two investments combined with funding allocated to schools under the State School Fund results in a total of $10.7 billion in funding for schools, a nearly $2 billion increase over the 2017-19 Legislatively Approved Budget.

Further details on these new investments are provided in the corresponding program summaries that follow.

REVENUE SUMMARY

The Department is funded primarily by General Fund. About 76 percent of the Department's revenue comes from the state General Fund. The Department receives Lottery Funds to support the State School Fund and to pay the principal and interest on certain education bonds. A portion of the earnings on Lottery Funds in the Education Stability Fund are also used to pay the debt service on

bonds. Other Funds revenues come from a variety of sources including fees and grants. Federal Funds come primarily from the U.S. Department of Education, mainly through the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act, plus from over 20 separate federal grants to provide educational services to Oregon's elementary and secondary students. Federal Funds are also received from the U.S. Department of Agriculture for Child Nutrition Programs.

AGENCY PROGRAMS

School Funding

The State School Fund (SSF) supports the education of more than 575,000 Oregon children in kindergarten through the 12th grade by distributing monthly payments annually to 197 school districts and 19 education service districts. State General Fund and Lottery Funds provide about two-thirds of the revenue distributed through the SSF funding formula. Local property taxes make up the bulk of the remaining one-third. Together, these moneys pay for public school districts' general operating expenses, student transportation costs and other specific purposes. In addition to the SSF revenue, public school districts also receive certain categorical grants and other revenues that, in total, add nearly 30 percent more to schools' budgets.

The Governor's Budget proposes $8,972.4 million for the State School Fund amount and an additional $100 million is dedicated to the school district PERS side account, which is reflected in the budget for PERS. The State School Fund amount includes Marijuana tax revenue. The proposed budget is 9.4 percent more than 2017-19 Legislatively Approved Budget. This includes $8,315.3 million General Fund and $550.5 million Lottery Funds. The budget exceeds the $8.771.5 million Current Service Level budget for the SSF. It adds $15.7 million for final net PERS rates and an additional $21.6 million for final gross PERS rates to the Current Service Level. Also, the 2017-19 budget was equally divided between the two years, and the 2019-21 Governor's budget acts as if it were unequally divided with the second year funded at 51 percent, not 50 percent. This results in an additional $163.5 million. The SSF budget assumes a 3.4 percent cap on health insurance cost increases consistent with Senate Bill 1067 (2017).

Common School Fund

The act of Congress admitting Oregon to the Union in 1859 granted sections 16 and 36 in every township "for the use of schools." Congress granted roughly six percent of the new state's land (nearly 3.4 million acres) for the support of schools. Due to various circumstances, less than 20 percent remain in state ownership today. These lands and their mineral and timber resources, as well as other resources under the State Land Board's jurisdiction (including the submerged and submersible lands underlying the state's tidal and navigable waterways) are managed "with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management."

The State Treasurer and the Oregon Investment Council invest the Common School Fund. The State Land Board distributes a portion of the funds twice per year to the Department of Education, which in turn distributes the funds to school districts. The Common School Fund revenues are considered local revenues. The Governor's Budget assumes distributions totaling $116.3 million; this is the same as the 2017-19 Legislatively Approved Budget. There are no positions in this program.

High School Graduation and College and Career Readiness Fund

The High School Graduation and College and Career Readiness Fund was established to create or expand programs in Oregon high schools focused on dropout prevention, Career Technical Education (CTE) and college-level experiences for students. The Governor's Budget maintains the 2017-19 Legislatively Approved Budget for the Fund at $170 million. This will provide an average of $475 per student annually and sustain existing local programs.

Under the Governor's investment plan, an additional $133.2 million will be provided to ensure full funding of $303.2 million and increase the per student allocation to $847 annually.

Educator Advancement Fund

The Educator Advancement Fund, established in 2017, replaces the Network for Quality Teaching and Learning and competitive grant programs. The Educator Advancement Council distributes moneys through the Educator Advancement Fund in coordination with all education state agencies to educator networks based on local need and educator voice to develop systems for supporting educators. This includes career pathways to meet educator workforce needs, supports and mentoring for novice educators, coaching for career advancement and retention, and culturally responsive professional learning.

Proposed statewide programs under the Educator Advancement Fund include scholarships and educator pathway programs developed in partnership with school districts, education service districts and higher education institutions in order to diversify the K-12 educator workforce and address hard-to-fill educator positions at $16 million. Expanded early childhood education programs at community colleges and regionally based professional learning for early learning educators are also proposed at $10.5 million involving both the Educator Advancement Council and the Early Learning Division.

Consistent and significant investment in this area will yield highly qualified teachers guided by effective leaders in every school, who better reflect the demographics of the students. This will translate into effective learning and improved outcomes for all students. The Governor's Budget for this fund is $58.6 million and 10 positions.

Grant In Aid

The Department of Education receives and administers dozens of grants through its K-12 Grant-in Aid Program. Most of these grants come from the U.S. Departments of Education and Agriculture and are distributed primarily to local education programs. The Department, however, will also distribute about $479.8 million in state General Fund to local education programs – not including the State School Fund. The Governor's Budget of $2,175.3 million is 10.6 percent more than the 2017-19 Legislatively Approved Budget. Major components of this program include special education, compensatory education, and career and technical education grants. It also includes child nutrition, educator development and the following miscellaneous grants.

- Closing the Opportunity Gap – This set of programs invests in students from communities that have been historically marginalized and have faced institutional barriers, including students of color, children from low-income households and English Language Learners. The Governor's Budget increases state funding for the American Indian/Alaska Native State Plan, the African American/Black Student Success State Plan, and the development and implementation of Native

American curriculum (Senate Bill 13). Federal Funding for English language learners, Title 1 low income, migrant education and 21 Century Community Learning Centers also support closing the opportunity gap.

- Student Success Grants – This set of programs include strategies that make education more relevant to students and includes grants for targeted programs, supports and interventions in schools to improve high school graduation outcomes. This includes the High School Graduation and College and Career Readiness Fund. Investments in reducing chronic absenteeism continue and funding is added for grants to districts with chronic absentee rates at or above 25 percent, implementing early indicator and intervention systems, and trauma informed practices.

- Career-Connected Learning and Postsecondary Pathways – Career Technical Education (CTE) and Science, Technology, Engineering and Math Education (STEM) programs provide high school and community college students with career-focused, industry-aligned academic and technical knowledge and skills, personalized career development and organized transitions to post-secondary education, employment, industry apprenticeships and training. Accelerated learning programs provide high school students opportunities to complete college-level course work and get a jumpstart toward earning a postsecondary degree. With funding provided for secondary CTE programs across all K-12 school districts under the High School Graduation and College and Career Readiness Fund, the Governor's Budget limits funding for CTE Revitalization Grants to $2.5 million and targets it to support American Indian/Alaska Native students. The budget provides additional funding to Career Pathway Fund grants to support intensive, high-quality CTE programs of study in high schools tied to high-demand occupations. It also increases funding for Regional Promise grants to expand partnerships between school districts, education service districts and higher education to expand college-level courses offered in high school with transferable credit to community colleges and public universities.

- Child Nutrition – Children who are experiencing poverty and show up to school hungry are at higher risk for developmental and academic problems, frequent illness and nutritional inadequacies. The Oregon Department of Education's Child Nutrition Programs address hunger through the administration of federal and state funds which provide funding for nutritious meals and snacks to eligible participants in schools and community-based programs, increase fresh fruit and vegetable consumption in low-income areas and encourage wellness activities related to nutrition and physical activity.

  Nearly all funding for meal reimbursements is federal. The Farm to School program is not funded in the balanced budget. Under the Governor's investment plan, funding the Farm to School program is doubled to $9.2 million.

- Special Education – the Department and school districts have a duty to ensure that students with disabilities receive a free, appropriate public education in the least restrictive environment. Special education is a broad range of programs and services offered by districts and the state for students with disabilities. Without these programs and services, students with disabilities will continue to have achievement gaps when compared with their non-disabled peers.

  School districts receive funds for special education primarily from the State School Fund (SSF) and federal Individuals with Disability Education Act funds. Regional programs receive funds from the

Department of Education and the Individuals with Disability Education Act funds from school districts.

Early Intervention (EI) serves infants and toddlers while Early Childhood Special Education (ECSE) serves children age three to kindergarten who have disabilities or developmental delays. Early Intervention/Early Childhood Special Education (EI/ECSE) services include coordinated health and educational services such as physical and cognitive therapies. The Governor's Budget is primarily General Fund. The Governor's Budget maintains current service levels of funding for EI/ECSE. Under the Governor's investment plan, an additional $45.6 million will be invested in EI/ECSE to substantially raise the level of service provided to infants and children age 0-5 identified with a disability or delay.

The Governor's budget includes one-time fund shifts for the Long Term Care and Treatment, Hospitals and Blind and Visually Impaired Student fund to ending balance. Also, Regional Programs and Long Term Care and Treatment program are reduced due to state funding constraints.

- Compensatory Education – these programs promote high-quality education and efforts to reach proficiency on state academic assessments. Compensatory Education programs are funded almost entirely through the federal Elementary and Secondary Education Act. These are primarily formula grants to school districts.
- Safe and Effective Schools – The Governor's Budget includes $6.3 million to implement recommendations of the Safe and Effective Schools for ALL Task Force. These funds will support initiatives that equip schools with the ability to create inclusive, safe, and welcoming environments conducive to learning for all students. It will include capacity for coordination between educator and health professionals, support for the anti-bullying strategies and suicide prevention, in addition to a statewide threat assessment system.
- Due to state funding constraints, standard inflation is reduced or eliminated for programs other than Early Intervention/Early Childhood Special Education and specific programs related to Closing the Opportunity Gap. Funding for vision screenings is eliminated.

School for the Deaf

The Department of Education provides a comprehensive school (residential and day program) for students, ages five through 21, who are deaf and hard of hearing. The program serves students from throughout the state on a 52-acre campus located in Salem. It supports the goal of ensuring these students are prepared for lifelong learning, rewarding work and engaged citizenship.

The Governor's Budget is $19.2 million total funds, which is 2.4 percent more than the 2017-19 Legislatively Approved Budget. The total budget includes $12.6 million General Fund, which is 1.8 percent greater than the 2017-19 Legislatively Approved Budget. Other sources of revenue include the State School Fund (based on a double weighting of the number of students), leasing of space at the campus, reimbursements from districts for certain services to students, minor grants, and miscellaneous receipts. The Federal Individuals with Disabilities Education Act and reimbursement from the U.S. Department of Agriculture for nutrition programs provide Federal Funds. The budget includes 82 positions.

Youth Correction Education Program

The Youth Correction Education Program exists to provide a standard education to all youth (ages 12-21) incarcerated in Oregon Youth Authority close custody correctional facilities. All programs are accredited to offer credits and high school diplomas. This program was moved into Grant in Aid in 2017.

Early Learning Council

The Early Learning Council was created in 2011 as part of the cradle to career education system with a focus on efforts to consolidate and coordinate state and federally funded early care childhood programs and services. The Early Learning Division was established in the Department of Education through the 2013-15 Legislatively Approved Budget to provide a unified system of early childhood services for children from birth to age six. Together, the Early Learning Council and the Early Learning Division are charged with achieving Oregon's three early learning system goals: 1) Children arrive at kindergarten ready to succeed, 2) Children live in healthy, stable, and attached families; 3) The Early Learning System is aligned, coordinated, and family-centered. The Governor's Budget for the Early Learning Division is $423.2 million total funds, which is 11.2 percent greater than the 2017-19 Legislatively Approved Budget.

The Governor's investment plan proposes $285.8 million in new investment in preschool and kindergarten readiness strategies to serve 10,000 more children, including the creation of a $15 million Equity Fund. In addition, her investment plan proposes $45.6 million for the EI/ECSE program to increase the levels of service provided to children under five with disabilities and delays, $9.2 million for community-based parenting support, including enhancements to Relief Nurseries and Healthy Families Oregon, and $18.3 million for additional supports to enhance the capacity and quality of our early childhood workforce.

- Preschool Promise –this program started in the 2015-17 biennium and currently provides for 1,300 slots for high-quality preschool for children 3-5 years of age living in families earning 200% of Federal Poverty Level or below. The Governor's Budget invests funding to the program to maintain the current level of service. Under the Governor's investment plan, an additional $169.7 million will be invested in Preschool Promise to expand access to 6,580 Oregon children.
- Oregon Pre-Kindergarten and Early Head Start - the Oregon Pre-Kindergarten (OPK) program provides preschool education, child health and nutrition, and family support services throughout the state to lowest income and highest need preschool children ages three to five years. OPK blends state and federal Head Start funds to serve approximately 8,100 children a year. OPK is modeled after and designed to work side by side with the federal Head Start program. Oregon Pre-Kindergarten is funded entirely with General Fund. The services are a critical link for children to gain necessary skills to be successful in school; to assist families in understanding the needs of their children; and to encourage families to be involved in their child's education.

  These programs remain funded at the current levels of service in the budget. Under the Governor's investment plan, $101.1 million will be invested in the enhancing the Oregon Prekindergarten Program to convert 3,420 slots from half-day to full-day, and to provide greater access to transportation services for families in the program. These improvements will align the program to Preschool Promise, and make OPK work better for working families. The investment also includes

expansion of Early Head Start to serve 960 more children from birth to three.

- Early Childhood and Family Support – Includes Healthy Start-Healthy Families, Relief Nurseries, and flexible funds serving high-risk families and their children with intensive home-visiting services, evidence- based best practices prevention and intervention services, and education services. The majority of the funding for these programs is General Fund, however some programs are able to use Medicaid for matching funds, Federal Title IV-B(2), private grants and local match. Many programs are able to leverage local funding streams and community donations. The proposed budget maintains the current levels of service.

  Under the Governor's investment plan, an additional $5 million would be allocated for Relief Nurseries, $2 million for Healthy Families Oregon, and $2 million for parenting education. Additionally, a new Early Learning Equity Fund will be established to provide culturally responsive early childhood services and supports to traditionally underserved children and families to improve kindergarten readiness. An initial investment of $15 million will be made in this fund to serve approximately 3,500 Oregon children and their families through partnerships with community-based and culturally specific organizations.

- Child Care – Promotes safe, quality, and accessible child care for Oregon parents and their children through licensure, regulation, resource, referral, and support. The Governor's Budget invests $10.0 million in early childhood services to increase the supply and affordability of infant and toddler childcare. It also provides $1.5 million funding to continue to promote and enforce childcare quality standards for health and safety of children in childcare facilities. This funds capacity to reduce licensing caseloads, which will help improve safety for children in care; it invests in the development of infant-toddler childcare, and it providers funding for local partners to improve the quality of child care by supporting early child care worker professionalism and expanding child care resource and referral networks.

  Under the Governor's investment plan, new Early Learning Professional Learning Networks will be established and funded at $18.3 million to provide existing childcare providers with assistance to enhance their ability to serve more kids and improve their quality rating.

- Early Learning Hubs – The sixteen regional hubs throughout the state are intended to meet the same goals shared by the Early Learning Council and Early Learning Division. Hubs strive to achieve these goals by aligning and coordinating early learning services to the needs of families within their community and by administering state-funded programs that will ensure young children and their families are successful. This system of partnerships ensures that early learning services are coordinated regionally. Hubs will be maintained at the current level of service.

- Kindergarten Readiness Partnership and Innovation Fund – This fund was established in 2013 to provide local communities with competitive, flexible grants for promising models for early learning/K-12 education across the state. Additionally, this grant program is helping to build a body of evidence that Oregon can use to create models for improving alignment between its early learning and K-12 education systems. This grant program is maintained at the current level of service.

Youth Development Council

The Youth Development Council was established in 2012 to assist the Oregon Education Investment Board in overseeing a unified system that provides services to school age children through 24 years of age in a manner that supports academic success, reduces criminal involvement and is integrated, measurable and accountable. The Youth Development Division within the Oregon Department of Education supports the Youth Development Council and administers the Juvenile Crime Prevention and Youth Investment – Title XX programs. The Council prioritizes funding for prevention and intervention services related to the reduction of gang violence and gang involvement. The Governor's Budget is $20.9 million total funds, which is a 3.8 percent increase from the 2017-19 Legislatively Adopted Budget. It includes $13.7 million General Fund, which is a 3.8 percent increase. In addition to General Fund, these programs utilize local funding and community donations.

Capital Bonding – School Facilities

This program includes bond proceeds from the Oregon School Capital Improvement Matching Program (OSCIM). The Legislature created this program in 2015 to encourage passage of school bond levies. The program provides matching grants to school districts for capital costs including construction, improvement, remodeling, equipment purchase and maintenance and repair of facilities. It also allows for assessments and long-range planning of district facilities and for hardship grants. Districts must match the state grants with funds from local voter approved bonds and grants are capped at $8.0 million. The grants are funded with Article XI-P general obligation bonds. The Governor's Budget for Capital Bonding is $230.9 million total funds. The total funds budget is a 60.8 percent increase from the 2017-19 Legislatively Approved Budget.

Debt Service

The Debt Service program provides debt service for two programs: The State Lottery Bond Program and the Oregon School Capital Improvement Matching (OSCIM). The State Lottery Bond program started with approval of House bill 3411 in 1997. Proceeds were intended for "state education projects," which are defined in statute as projects for the acquisition, construction, improvement, remodeling, maintenance or repair of public school facilities.

The OSCIM program began with the passage of Senate Bill 447 (2015). It has been a grant program, which provides matching grants to school districts for capital grants. The grants have been funded with the proceeds of Article XI-P general obligation bonds. Sixty percent of the grants are based on a priority list and forty percent is on a first-come first-served basis. Prior to receiving a grant under this program, a district must prepare and submit a facilities assessment and a long-rang facilities plan. The 2015-17 Legislatively Adopted Budget included $126.2 million in bonding authority. Three bond sales in the 2015-17 biennium were initially proposed; the second and third sales were combined into one scheduled for February 2017. About half of this second sale was for projects with levies on the November 2016 election ballot while the remaining half was uncommitted. The proposed budget sells bonds late in the 2019-21 biennium so there is no additional debt service.

Operations

The Operations program includes functions and activities which support the various programs within the agency. Examples include basic business services (budget, accounting, human resources, and information technology), research and data analysis, technical assistance for academic progress standards and assessments, oversight of special education (including early intervention, early

childhood special education, Individuals with Disabilities Education Act, and the school for the Deaf).

The Governor's Budget for Operations is $240.8 million total funds, including $99.0 million General Fund. The total funds budget is an 18.4 percent increase from the 2017-19 Legislatively Approved Budget; the agency has a portfolio of programs which has increased 56 percent over seven years while staffing has increased 10 percent. The Governor's Budget includes staffing to support the American Indian/Alaska Native State Plan, the African American/Black Student Success State Plan, the recommendations of the Oregon Task Force on School Safety and of the Advisory Committee on Safe and Effective Schools for ALL Students, civil rights workload, initiatives to reduce chronic absenteeism, efforts to increase infant-toddler childcare availability and quality day care, and reducing disproportionate minority contact for youth. The budget also includes staffing for school wellness/health grants, new assessments and basic support.

Higher Education Coordinating Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$1,784,086,935	$1,948,979,192	$1,945,718,581
Lottery Funds	55,540,827	96,567,082	100,727,363
Other Funds	452,801,193	569,403,685	313,056,157
Federal Funds	81,642,393	118,191,072	127,173,974
Other Funds (Nonlimited)	683,271,224	244,022,758	211,422,020
Federal Funds (Nonlimited)	3,114,849	23,556,205	24,286,877
Total Funds	$3,060,457,421	$3,000,719,994	$2,722,384,972
Positions	142	134	136
Full-time Equivalent	123.63	120.33	125.25

OVERVIEW

The Higher Education Coordinating Commission (HECC) is a 14-member, volunteer commission appointed by the Governor, with voting members confirmed by the Senate. The HECC's mission is to improve postsecondary educational attainment levels, improve Oregon's economic competitiveness and quality of life and ensure Oregon students have affordable access to colleges and universities. The HECC sets state policy and funding strategies and administers numerous programs. The agency manages approximately three billion dollars of public funding for postsecondary education. Led by its Commission, HECC determines state funding allocations to public institutions; approves new degree and certificate programs; licenses and authorizes private postsecondary institutions; makes budget and policy recommendations to the Governor and Legislature; collects and reports postsecondary data; administers state financial aid and other access programs; and undertakes a variety of other reporting and oversight responsibilities assigned by state law.

The HECC budget primarily consists of state funding for community colleges, public universities, Oregon Health and Science University (OHSU) programs, the Oregon Opportunity Grant program and the Oregon Promise program. While these are primarily distributed to the institutions and students, the Commission has a role in determining how the funds are allocated, except for OHSU, which is outside of HECC's statutory authority. The budget also includes funding for university and community college capital construction projects and debt service on the bonds sold to finance the projects.

GOVERNOR'S BUDGET

The Governor's Budget for HECC is $2,722 million total funds, a 9.3 percent decrease from the 2017-19 Legislatively Approved Budget. General Funds and Lottery Funds total $2,046.4 million, an o.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget maintains most programs at current funding, but reduces funding for the Oregon Promise and eliminates funding for the

Engineering Technology Sustaining Fund (ETIC) and Sports Lottery funding.

Over and above the Governor's Budget, the Governor's proposed investment plan includes $583.2 million for restoration of cut programs and services and allows for expansion of key programs to enhance access to Career Technical Education (CTE) and increase college affordability. This proposal includes $220 million for the Public University and Community College Support Funds to keep tuition increases below five percent. In addition, the state's largest need-based financial aid program, the Oregon Opportunity Grant, would nearly double with an additional $121.5 million investment. The Community Colleges would receive an additional $70 million to expand CTE programs to double the number of certificates and degrees awarded over three years, and a Public University Innovation Fund would be created to support economic development partnerships with business and public universities with an initial $10 million investment. Other restorations include: $60 million to restore and increase the Engineering Technology Sustaining Fund (ETIC), $22.8 million to fully fund the Outdoor School, $15 million to implement safety recommendations from the Oregon Task Force on School Safety/Governor's Task Force on Campus Safety, a $14.1 million increase to the Sports Lottery that supports intercollegiate women's athletics, $20 million additional for Statewide Public Service programs (including the Agriculture Experiment Station, Extension Service and Forest Research Lab), $23.8 million for OHSU Graduate Medical Education and $3.1 million to restore OHSU to current service level.

REVENUE SUMMARY

Approximately 71 percent of HECC's budget is funded with General Fund. This includes all or most of the cost of agency operations, support for community colleges and public universities, the Opportunity Grant and Oregon Promise programs, workforce initiatives and debt service. Lottery Funds, which make up about four percent of HECC's budget, pay for the Oregon Outdoor School program, Oregon Opportunity Grants and debt service.

The HECC receives a variety of federal grant funds. The Workforce Innovation and Opportunity Act (formerly the Workforce Investment Act) provides the largest source of funds. Other federal grant programs include Perkins Grants for career and technical education transferred from the Oregon Department of Education, Bureau of Land Management grants for youth employment opportunities through the Oregon Youth Conservation Corps (OYCC). Grants from the Corporation of National and Community Service provide grants to the Oregon Volunteer Commission as part of the AmeriCorps program.

The Degree Authorization, Private Careers Schools and General Education Development (GED) programs are authorized to charge fees to authorize post-secondary institutions, license private career schools and administer GED tests. Additionally, HECC administers about 600 different public and private scholarships. Administrative fees are charged to donors and granting agencies to cover the cost of operating the programs.

AGENCY PROGRAMS

HECC Operations

The HECC Operations program includes the commission, agency management and operations and nearly all staff positions supporting various agency programs. It includes the following offices:

- The Office of the Executive Director carries out the central executive role of the agency, as well as communications, legislative affairs, human resources, policy initiatives, and other roles for an integrated agency.
- The Office of Student Access and Completion (OSAC) administers a variety of state, federal, and privately funded financial aid programs for the benefit of Oregonians attending institutions of postsecondary institutions.
- The Office of Community Colleges and Workforce Development (CCWD) provides coordination and resources related to Oregon's 17 community colleges and adult basic skills providers.
- The Office Postsecondary Finance and Capital provides fiscal coordination related to Oregon's public postsecondary institutions.
- The Office of Academic Policy and Authorization oversees (1) the quality, integrity, and diversity of private postsecondary programs in Oregon for the benefit of students and consumers, and (2) public university academic policy.
- The Office of Workforce Investments (OWI) is responsible for convening partnerships in the workforce system, supporting the Oregon Workforce Investment Board (OWIB) as well as Local Workforce Development Boards (LWDBs), and implementing the Governor's vision and the OWIB strategic plan.
- The Office of Research and Data collects data on students, courses, demographics, enrollments, academic performance and academic awards in order to comply with state and federal reporting requirements, provides effective recommendations to state and agency policy, meets reporting responsibilities, and conducts research to better understand and manage the postsecondary enterprise.
- The Office of Operations provides business services to the Agency, including budget planning, financial analysis accounting services, employee benefits and payroll, collects funds owed to HECC, procurement and contracting, and information technology support.

HECC Operations is funded with a mix of General Fund, fee revenues, federal grants, bond proceeds, and administrative charges on scholarship funds allocated by the agency.

The Governor's budget for the HECC Operations is $70.2 million total funds, an increase of 13.1 percent, and 136 positions. The budget increases essential staff capacity for HECC to improve procurement, internal auditing and Human Resources practices. The budget makes investments in staff for the Workforce Program for the Future Ready initiative. Additionally, the budget invests $9.0 million to support scholarships for early childhood educators and partnerships with higher education institutions to create and expand credential programs aligned with early childhood system needs and other Educator Advancement Council initiatives.

The Governor's investment plan proposes additional investments in higher education, including $15 million to support campus safety and $2.6 million for HECC partnerships with K-12 and nonprofit organizations to create and implement a plan to expand career and college planning tools.

State Support to Community Colleges

This program contains the state funding for direct state investment in the operations of Oregon's 17 community colleges. Most of the funding in this unit is directed towards the Community College

Support Fund (CCSF), the state's contribution to college operations and student support. Five principles support the distribution of the CCSF, they are: access, quality, growth management, equity, and stability. The CCSF is distributed in two manners, one is through categorical funding and the second is through formula funding. General Fund constitutes the majority of revenues in this program unit. A small amount of timber tax revenue is received by the agency and transferred to the colleges.

The Governor's Budget is $546.8 million General Fund. General Fund is reduced by 4.7 percent from the 2017-19 LAB, in part due to anticipation of increased property tax revenues, which offset General Fund expenditures. The Community College Support Fund, which constitutes the majority of this program unit, is $543 million. The remaining programs in this unit, which include support for the Sabin-Schellenberg and Margaret Carter skills centers, grants to colleges to support underserved and first generation students, and funding for Career Technical Education and Science, Technology, Engineering, Arts and Mathematics (STEAM) programs, are funded at LAB.

Under the Governor's investment plan, $646.7 million will be provided for the Community College Support Fund. Community Colleges have indicated that this would ensure that tuition at community colleges would increase no more than 3.5 percent through a total investment of $646.7 million in the Community College Support Fund. In addition, the Governor's investment plan proposes $70 million to expand Career Technical Education (CTE) capacity at community colleges. This is projected to double the number of CTE certificates and degrees awarded in these programs over three years.

Public University Operations and Student Support

This program unit (known as the Public University Support Fund) contains state funding provided to the universities for instruction, research, public services, and operation of the institutions. State support for the universities is entirely funded with General Fund.

The Governor's Budget is $736.9 million General Fund, unchanged from the 2017-19 Legislatively Approved Budget.

Under the Governor's investment plan, $856.9 million will be provided for the Public University Support Fund. Universities have indicated that this would ensure that tuition at public universities in Oregon would increase no greater than five percent.

Public University State Programs

This program unit includes legislatively established programs with a research, public service, or economic development focus. This program unit is entirely funded with General Fund.

The Governor's Budget is $14.8 million General Fund, a 68 percent decrease from the 2017-19 Legislatively Approved Budget. The reduction is due to the elimination of one-time funding for certain projects and the elimination of the Engineering Technology Sustaining Fund (formerly called ETIC). Restoration of ETIC funding is proposed in the Governor's investment plan at $60 million, up from $25.6 million included in the Legislatively Approved Budget. The Governor will ask HECC to review the funding formula for ETIC prior to allocation of the new investment. In addition, the investment plan proposes an additional $20 million for Statewide Service Programs - Agriculture Experiment Station, Extension Service, and Forest Research Laboratory.

Agricultural Experiment Station

The Agricultural Experiment Station conducts research and demonstrations in the agricultural, biological, social and environmental sciences. Branch stations are located throughout the state to do

research, which is accommodating to the widely varying soil, climate, agricultural, cultural and economic conditions of Oregon. Many branch stations are combined in the same facility with OSU Extension Service offices and all work closely with the local Extension Office. This program unit is entirely funded with General Fund. The Governor's Budget is $66.1 million General Fund, a 0.6 percent reduction from the 2017-19 Legislatively Approved Budget, due to the elimination of one-time funding for certain projects.

Extension Service

The Extension Service is the educational outreach arm of Oregon State University (OSU). Extension faculty on campus and in county offices throughout the state work with researchers and an extensive network of volunteers to develop and deliver educational services. Approximately two-thirds of the OSU Extension faculty is assigned to county programs. The Governor's Budget includes $47.7 million General Fund, unchanged from the 2017-19 LAB.

The budget also includes $24.0 million Lottery Funds for the Measure 99 Outdoor Schools Program administered by Oregon State University. The Outdoor Schools Program is funded for the first year of the biennium. A second year of funding is proposed in the Governor's investment plan.

Forest Research Laboratory

The Forest Research Laboratory at Oregon State University conducts research on sustainable forest yields, use of forest products and stewardship of Oregon's resources. In addition to research in campus laboratories and university forests, studies are conducted cooperatively in public and private forests and in laboratories and manufacturing facilities throughout Oregon and the world. State support is entirely funded with General Fund. The Governor's Budget is $10.2 million General Fund, unchanged from the 2017-19 Legislatively Approved Budget.

Oregon Health and Science University

This program unit includes the General Fund appropriation supporting university operations and designated programs. Programs financed with state support include: the schools of Medicine, Dentistry, and Nursing; the Office of Rural Health; the Area Health Education Centers; the Child Development and Rehabilitation Center (CDRC); and the Oregon Poison Center. All state support provided for OHSU operations comes from the General Fund.

The Governor's Budget is $74.1 million General Fund, a decrease of 4.2 percent from the 2017-19 Legislatively Approved Budget. The transfer of the Scholars for a Healthy Oregon and Primary Health Care Loan Forgiveness program to the Oregon Health Authority resulted in a $3.3 million General Fund decrease in this program. The budget provides $63.1 million for education and rural programs, $8.3 million for the CDRC and $2.7 million for the Oregon Poison Center.

Under the Governor's proposed investment package, OHSU would receive current service level funding ($3.1 million), including for the CDRC and Oregon Poison Center, and $5 million for the Scholars for a Healthy Oregon Initiative, aimed to expand the health workforce in rural communities. Additionally, OHSU Graduate Medical Education, which was eliminated in the Oregon Health Authority budget, would be restored to the Oregon Health Authority at $23.8 million.

Student Assistance

This program unit includes state, federal, and private financial aid provided to students. Major programs include the following:

- The Oregon Opportunity Grant program is the state's only need based grant program. It is funded with General Fund, Lottery Funds from interest earnings on the state's Education Stability Fund, and expired JOBS Plus education awards.
- The Oregon Promise program provides last-dollar tuition assistance for two-years of education at community colleges to new high school graduates and GED recipients who meet academic and residency qualifications; and begin school within six months of receiving their secondary education credential. The program is not need based.
- Student childcare grants are available to assist students enrolled in post-secondary education in paying for childcare costs. Preference is given to students with demonstrated need who are making satisfactory academic progress.
- HECC administers about 600 private scholarships established by foundations, corporations, individuals, and others and awarded on a variety of criteria including high school attended, school and community activities, academic interests, and career goals.

The Governor's Budget is $195.7 million total funds, a decrease of 4.4 percent. The Oregon Promise program is reduced by $20.0 million General Fund, maintaining the funding for the 2019-20 academic school year. Under the Governor's proposed investment plan, the Oregon Opportunity Grant would nearly double with an additional $121.5 million for the biennium and Oregon Promise would be restored for the second year of the biennium.

Workforce and Other Special Payments

HECC's Office of Workforce Investments is responsible for convening partnerships in the workforce system, supporting the Oregon Workforce and Talent Development Board (WTDB) as well as Local Workforce Development Boards and implementing the Governor's vision and the WTDB strategic plan, including the findings of the State Talent Plan. The Office of Workforce Investments is a collaboration with the Oregon Employment Department and includes the Workforce Innovation and Opportunity Act (WIOA) Youth, Adult, Dislocated Worker and Federal Discretionary grants. Office of Workforce Investments also administers and staffs the Oregon Youth Conservation Corps and its Advisory Committee, the Oregon Volunteers and its Commission and the STEM Investment Council. A majority of funds that the Office of Workforce Investments provides direct services to Oregonians and Oregon businesses through a series of grants and contracts to Local Workforce Development Boards, non-profits and state agency partners. This unit contains Other Funds and Federal Funds distributed to community colleges, local workforce service areas and other local providers, including federal grants distributed to other agencies through interagency agreement to achieve coordinated expansions in apprenticeship.

The Governor's Budget includes $139.7 million total funds. General Fund is increased from the 2017-19 Legislatively Approved Budget by 54.1 percent with an investment of $4.1 million General Fund to increase federal match for workforce programs. Total funds are increased by 9.4 percent.

Under the Governor's proposed investment plan, an additional $15 million would be provided for the Oregon Youth Employment Program.

Sports Action Lottery

The Sports Lottery program is dedicated to intercollegiate athletics and graduate student scholarships, awarded equally on need and academic merit. The recommended budget eliminates funding for the

Sports Lottery program. The Governor's proposed investment plan restores Sports Lottery funding at $14.1 million.

Public University Debt Service

This program includes the cost of debt service on public university capital construction projects financed with bonds and Certificates of Participation. Debt service on Article XI-G bonds is paid with General Fund; lottery-backed bond debt service is paid with Lottery Funds. Payment of debt service on some Article XI-Q bonds, SELP loans and Certificates of Participation is split between General Fund and campus funds, depending on how each project was authorized. All debt service on Article XI-F (1) bonds is paid with campus funds, which are budgeted as Other Funds Non-limited. Debt service on federally supported Build American Bonds is paid with Federal Funds Non-limited.

The Governor's Budget is $204 million General Fund, $34.5 million Lottery Funds, and $447.0 million total funds. Combined, General Fund and Lottery Fund debt service is increased by 30.4 percent from the 2017-19 Legislatively Approved Budget. Total funds are increased by 10.8 percent from the Legislatively Approved Budget. The sale of bonds for new projects that will be repaid with General Fund or Lottery Funds will be delayed until the later part of the biennium, so debt payments will not be due until the 2021-23 biennium.

Community College Debt Service

This program includes the Debt Service on Article XI-G bonds and Lottery Bonds issued by the state on behalf of the 17 community colleges. Community colleges are units of local government with their own tax bases and independent access to capital markets. The debt service on Article XI-G bonds is paid with General Fund. Lottery Funds pay the debt service on lottery-backed bonds.

The Governor's Budget is $34.8 million General Fund and $11.5 million Lottery Funds. General Fund and Lottery Funds combined are 21.2 percent greater than the 2017-19 Legislatively Approved Budget. Bonds to finance new community college capital projects will not be sold until late in the biennium, delaying debt service payments until the 2021-23 biennium.

OHSU Debt Service

This program unit includes debt payments on Article XI-G bonds issued on behalf of OHSU when it was a part of the Department of Higher Education prior to 1995 (OUS Legacy Debt). These bonds will be paid off in 2019-21.

Up until 2018, debt service on other bonds issued to benefit OHSU capital projects, including the Knight Cancer Institute (Article XI-G), the Opportunity Program (Article XI-L), and Article XI-F(1) legacy bonds, was included in the Department of Administrative Services (DAS) budget. In 2018, the Legislature approved moving all debt service for OHSU from DAS to HECC. The Governor's Budget is $23.9 million General Fund.

Public University Capital Construction

This program unit includes state funding for capital projects for public universities. The Governor's Budget includes $173.0 million in project costs for seven projects distributed among all seven public universities. This includes three projects funded with proceeds from the sale of XI-Q bonds, which total $80.0 million in project costs for which debt service is paid with General Fund. Four projects are funded with Article XI-F (1) bonds, which are repaid with university funds. The projects are listed in

the following table.

Institution	Project	XI-Q	XI-G	XI-F	Total
All Universities	Capital Improvement and Renewal	65,000,000			65,000,000
EOU	Residence Hall			14,000,000	14,000,000
EOU	Inlow Hall Grand Staircase Replacement	3,000,000			3,000,000
PSU	12th & Market Residence Hall			60,500,000	60,500,000
PSU	Land Acquisition for University Center Building			15,000,000	15,000,000
UO	ShakeAlert & AlertWildfire Seismic Station Installation	12,000,000			12,000,000
WOU	Valsetz Dining & Auxillary Services Renovation			3,500,000	3,500,000
		80,000,000	**-**	**93,000,000**	**173,000,000**

The Governor's budget reserves $225 million in bonding capacity for Public Universities with the intention that universities return to the HECC by the February 2020 Legislative Session with an updated 10-year strategic capital plan.

Community College Capital Construction

This program unit includes state funding for capital projects for community colleges. The Governor's Budget includes $67.7 million in project costs for nine community colleges. All but one of the projects will be funded with proceeds from the sale of Article XI-G bonds, which are repaid with General Fund, beginning in the 2021-23 biennium. One project for Blue Mountain Community College will be funded through Lottery-back bonds to be repaid with Lottery Funds in 2021-23. The projects are listed below:

Institution	Project	XI-G	Lottery Bonds	Total
BMCC	Facility for Agricultural Resource Management	5,000,000	8,000,000	13,000,000
CCC	Marine Science Center Renovation & Expansion	7,996,994		7,996,994
COCC	Classroom Building Redmond Campus	8,000,000		8,000,000
KCC	Apprenticeship and Industrial Trades Center	3,910,000		3,910,000
LCC	Health Care Village Facility	8,000,000		8,000,000
MHCC	Maywood Park Center	8,000,000		8,000,000
OCCC	Workforce Education & Resiliency Center	8,000,000		8,000,000
SOCC	Dellwood Hall Remodel & Expansion	2,749,997		2,749,997
UCC	Industrial Technology Building	8,000,000		8,000,000
		59,656,991	**8,000,000**	**67,656,991**

Teacher Standards and Practices Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$200,000	$1,700,000	$0
Lottery Funds	0	0	0
Other Funds	6,576,291	9,106,410	8,941,685
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$6,776,291	$10,806,410	$8,941,685
Positions	26	27	23
Full-time Equivalent	24.42	25.71	22.50

OVERVIEW

The mission of the Teacher Standards and Practices Commission is to ensure every student in Oregon receives instruction by caring, competent and ethical educators. The Commission:

- Establishes rules and standards for licensure and charter school registration and issues licenses or registrations to public school teachers, administrators, school counselors, school psychologists and school nurses.
- Maintains professional standards of competent and ethical performance and proper assignment of licensed educators.
- Adopts standards for approval of college and university teacher education programs, which lead to licensure and approves such programs seeking to license educators in the state ofOregon.

GOVERNOR'S BUDGET

The Governor's Budget for the Teacher Standards and Practices Commission is $8.9 million Other Funds. The budget includes 23 positions. The budget adjusts existing staffing to address workload while living within revenue from current fee levels.

GENERAL PROGRAM

The General program includes four subprograms: Licensure, Accreditation (of institutions, which offer educator degrees), Professional Practices and Operations. Most of the work focuses on licensure while Professional Practices focuses on ethical, criminal or professional improprieties. The budget for this program is $7.3 million and 22 positions.

TEACHER EDUCATION PROGRAM ACCREDITATION

The Teacher Education program was established in 2015 under Senate Bill 78 and provides grants to educator preparation programs to obtain national accreditation. The budget for this program is $1.6 million and one position.

REVENUE SUMMARY

The Commission is funded solely by Other Funds received from application fees, initial licenses, renewal licenses and delinquent fees. In 2015, the Legislature approved changes to licensing fees, including changing the duration of the license and increasing fees by $40. Other changes, including legislation in 2017, have affected the generation of revenue from fees. Revenue is projected to be sufficient to cover the proposed 2019-21 biennium budget.

HUMAN SERVICES

Program Area and Agency Information

HUMAN SERVICES AGENCIES

Human Services Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$4,877,604,584	$5,373,761,074	$6,256,054,043
Lottery Funds	11,113,255	12,498,909	12,925,769
Other Funds	6,169,540,989	7,388,451,230	8,351,939,514
Federal Funds	15,804,353,102	16,747,968,294	17,653,303,566
Other Funds (Nonlimited)	212,475,263	40,000,000	40,000,000
Federal Funds (Nonlimited)	2,215,869,164	2,320,793,692	2,320,541,592
Total Funds	$29,290,956,357	$31,883,473,199	$34,634,764,484
Positions	12,571	13,343	13,743
Full-time Equivalent	12,360.01	13,015.24	13,448.98

OVERVIEW

The Governor's Budget for the Human Services Program Area seeks to protect and promote the health and safety of all Oregonians. The agencies within this program area provide funding for services and programs including physical health, mental health and addiction treatment, public health programs, employment and family support services that promote self-sufficiency and economic stability, child protective services for abused or neglected children, and long-term care services for Oregon's seniors and people with physical, intellectual and developmental disabilities.

The Governor's Budget supports a wide array of interconnected programs providing service to Oregonians to meet their basic needs and improve quality of life, focusing on preventative investments to avoid having to provide costly remedial services later. The Governor's Budget reinforces the state's commitment to making the health of Oregonians a core foundation of the state while ensuring the health care delivery model is sustainable during a time of rising costs and reduced federal funding.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Human Services Program Area agencies is $34,634.8 million total funds (including $6,256.1 million General Fund). This is an 8.6 percent total funds increase from the 2017-19 Legislatively Approved Budget. It represents a 16.4 percent increase in General Fund from the 2017-19 Legislatively Approved Budget.

The Governor's Budget builds on significant transformation efforts including focusing on preventive services and community supports for Oregonians. Key elements of the Governor's Budget include:

Advancing the Coordinated Care Model. The Governor's priorities for the next phase of health care transformation focus on improving the behavioral health system, increasing value and pay for performance, maintaining sustainable cost growth and addressing social determinants of health and equity. The budget for the Oregon Health Authority includes multiple investments to achieve these goals, including investing in a 21st century public health system; creating additional capacity in local community mental health programs; enhancing health care integration through foundational technology; and funding supportive housing services in collaboration with permanent supportive housing units being developed by Oregon Housing and Community Services.

Supporting Healthy Children and Families. Health care is at the intersection of children growing up to be successful adults and for families to thrive. In light of the increasing challenges children and families face, the Governor's Budget investment in several programs critical to creating pathways toward prosperity. These investments will support multi-generational addictions treatment, intensive in-home behavioral health services, universal home visiting, early intervention services in the K-12 system and regional assessment programs to ensure children receive the treatment and care they need.

Sustainably Funding Health Care. The Governor's Budget addresses the challenge of appropriately, sustainably, and equitably funding our health care system by reforming the way in which hospitals, insurers, coordinated care organizations and employers contribute to the system. Revenue reforms are not the only critical piece to sustaining the Oregon Health Plan. Without strong cost controls, health care will surpass the growth in available state revenue. Because of this, the Governor's Budget maintains Oregon's place as a leader in holding costs below national trends by capping annual cost growth for the Oregon Health Plan, Public Employees' Benefit Board and Oregon Educators Benefit Board at 3.4 percent per member.

Protecting Oregon's Children. This budget provides resources to protect vulnerable children through targeted investments, including a significant investment of General Fund to backfill a reduction in federal funding available to support child welfare staff. The Governor's Budget also provides funding to strengthen therapeutic foster care and to increase provider rates and expand eligibility for services in the Independent Living Program. To support foster families, the budget provides resources to expand the KEEP program statewide; creates a team of caseworkers dedicated to recruiting and retaining foster families across the state; and funds additional caseworkers to develop and deliver appropriate training to foster parents. The budget also funds the completion of two initiatives that began in the 2017-19 biennium; legal representation of DHS child protective service workers in legal proceedings statewide and the transition to a centralized screening operation known as the Oregon Child Abuse Hotline.

Helping Families Reach Self Sufficiency. The Governor's Budget maintains current eligibility for the Temporary Assistance for Needy Families (TANF) program and directs funding to housing assistance for the neediest families. It also funds an education program for TANF participants to give them the tools to obtain employment that will allow them to be self-sustaining.

Investments in services for seniors. The Governor's investments in seniors and people with

disabilities focus on providing in-home services and community based care as an ongoing priority, with a safety focus. The budget maintains existing rates for Home Care Workers' wages, with $12 million General Fund set aside to increase rates through the bargaining process. The budget invests in rate increases for Adult Foster Homes, Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, Providence Elder Place and In-Home Agencies. Furthermore, the budget provides additional staffing for required surveys of long-term care facilities in Oregon.

Serving individuals with disabilities in the community. All persons with developmental disabilities are served in the community through both DHS and the Oregon Commission for the Blind. The Governor's investments include a new rehabilitation case management system for the Commission for the Blind to track data between school districts and education services in order to meet requirements for federal reporting. The budget maintains support for the programs serving individuals with intellectual and developmental disabilities by protecting current eligibility criteria and service levels. The budget maintains existing rates for Personal Support Workers' wages with $12 million General Fund set aside to increase rates through the bargaining process. The budget continues the program's focus on prevention and community based care as an ongoing priority. The budget invests in expanding service capacity for children who experience an intellectual or developmental disability with significant support needs.

Commission for the Blind

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$3,690,478	$3,535,937	$6,598,039
Lottery Funds	0	0	0
Other Funds	1,035,705	1,482,049	1,557,852
Federal Funds	14,088,099	16,645,593	15,994,599
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$18,814,282	$21,663,579	$24,150,490
Positions	56	68	68
Full-time Equivalent	52.21	62.53	66.00

OVERVIEW

The mission of the Oregon Commission for the Blind is to empower Oregonians, who are blind, to fully engage in life. The Commission is composed of seven members appointed by the Governor, of which four members must be Oregonians who are legally blind. The other members represent employers, labor, optometrists, ophthalmologists or educators of the blind. The Commission provides vocational rehabilitation services, independent living services, vendor management training and assistance for licensed managers who are blind. The Commission operates five main programs:

- Administrative Services – Provides strategic planning and direction, liaison activities with stakeholders, data processing, accounting and human resource services.
- Rehabilitative Services – Develops and supports Oregonians with vision loss so they can achieve their full potential. Vocational rehabilitation activities help Oregonians who are blind gain and retain employment.
- Business Enterprises – Trains, licenses and supports individuals who are legally blind in operating food service and vending machines in public buildings.
- Orientation Center for the Blind – Provides skills training for newly blind adults to remain as independent as possible.
- Independent Living Services – Helps individuals develop skills allowing them to maintain independence in their homes and communities.

GOVERNOR'S BUDGET

The Governor's Budget for the Commission for the Blind is $24.2 million total funds. This is an 11.5 percent increase from the 2017-19 Legislatively Approved Budget (LAB). The budget includes 68 positions. The Governor's Budget includes an increase of General Fund, which

invests in a new Case Management System, critical to the agency's core functions.

REVENUE SUMMARY

The Commission for the Blind is largely funded with Federal Funds, primarily from the U.S. Department of Education, matched at a rate of 78.7 percent for basic vocational rehabilitation support and as high as 90 percent for in-service training and independent living. General Fund and certain Other Funds are used to meet the federal maintenance of effort and matching requirements. Other Funds sources include cooperative agreements with school districts and other providers as well as business enterprise vendor assessments.

AGENCY PROGRAMS

Administrative Services

The Administrative Services program unit provides leadership, fiscal services and data processing to support the direct service operations in the agency's other four program units. It includes the director's office, fiscal operations and data processing activities. The director's office supports the Commission and is responsible for strategic planning and direction. It also supports liaison activities with various stakeholders including the vision-impaired community, policymakers, federal officials, partner businesses and social support agencies. Fiscal operations includes budget and accounting, payroll and benefits functions, cash management, receivables, purchasing and payables and general ledger accounting. This unit also performs tasks associated with federal grant management, monitoring and reporting. The Governor's Budget for this program is $4.0 million total funds and 17 positions.

Rehabilitative Services

The primary function of the Rehabilitation Services program is to support Oregonians with vision loss to help achieve their full potential. The vocational rehabilitation activities support the development of a dynamic, resilient workforce by helping blind Oregonians gain and retain employment. The Rehabilitation Services program unit also operates a Summer Work Experience Program for students to gain work skills and provide an opportunity for students to have an independent living experience. The Governor's Budget for this program is $13.6 million total funds and includes 26 positions.

Business Enterprises

The Business Enterprises program trains, licenses and supports individuals who are legally blind in operating food service and vending in public buildings. This program is operated under the federal Randolph-Shepherd Act. The program contracts with public agencies and then sub-contracts with licensed blind managers to provide services desired by facilities. Licensed blind managers run the day- to-day operations and retain the majority of the profits they generate. The agency has focused on strengthening and improving the program in recent years, including adding necessary staff to train and support license managers who are blind. The budget for this program is $2.0 million total funds and includes five positions.

Orientation Center for the Blind

The Orientation and Career Center for the Blind provides skills training for newly blind adults to

remain as independent as possible. The center's training facilities are primarily located in Portland with satellite labs located in Salem, Eugene and Medford. Individuals are referred to these facilities by Vocational Rehabilitation Counselors. Training for each client is orchestrated around their individualized assessment and plan developed with their vocational counselor. During the 2017 federal fiscal year, the program served 427 clients with a client satisfaction rating of 97 percent. The Governor's Budget supports current operations and includes $2.7 million total funds and 10 positions.

Independent Living Services

The Independent Living Services provides training and resources to individuals who are blind so they can live life fully independent and continue to be active in their community. The staff in the Independent Living Services program teaches Oregonians who are blind or visually impaired the skills they need to live safely and independently. Specialized rehabilitation teachers provide individualized assessments and consultation to determine the scope of the teaching services required. The teachers also provide in home instruction on skill areas such as orientation and mobility (cane travel indoors and outdoors), meal preparation, bill paying, medication management, reading, writing, etc. This program results in blind individuals needing less or no additional services/supports. The Governor's Budget supports current operations and includes $1.8 million total funds and 10 positions.

Department of Human Services

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$2,713,968,780	$3,197,087,399	$3,797,162,519
Lottery Funds	0	0	0
Other Funds	484,567,909	654,392,908	623,272,839
Federal Funds	4,601,139,098	5,574,153,008	5,915,982,780
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	2,129,912,523	2,214,345,331	2,214,345,331
Total Funds	$9,929,588,310	$11,639,978,646	$12,550,763,469
Positions	8,029	9,056	9,339
Full-time Equivalent	7,877.90	8,640.17	9,122.81

OVERVIEW

The mission of the Department of Human Services (DHS) is to help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities, older adults and individuals with physical disabilities. DHS is responsible for serving Oregonians at times when they are most in need – when they have experienced abuse, when they are hungry, when they are homeless.

DHS's budget is divided into five distinct program areas: 1) Self-Sufficiency, 2) Child Welfare, 3) Vocational Rehabilitation, 4) Aging and People with Disabilities, and 5) Intellectual and Developmental Disabilities. These program areas are supported by Central Services and Shared Services.

GOVERNOR'S BUDGET

The Governor's Budget for DHS is $12,550.8 million total funds, including $3,797.2 million General Fund and 9,339 positions. This is a 7.8 percent total funds increase and an 18.8 percent General Fund increase from the 2017-19 Legislatively Approved Budget. This budget maintains and enhances the programs providing needed services for Oregonians and families in need.

In Child Welfare, the Governor's Budget maintains funding for core services with a significant investment of General Fund, to backfill a reduction in federal funding not available to support the work of child welfare staff. The budget provides additional resources to the Child Welfare program to keep children safe; the investments include funding to strengthen therapeutic foster care, increase provider rates, expand eligibility for services in the Independent Living Program, and expand the KEEP program statewide. It creates a team of caseworkers dedicated to recruiting and retaining foster families in all areas of the state and funds additional caseworkers to develop and deliver appropriate training to foster parents. The budget also supports representation of child

welfare caseworkers by the Department of Justice in all counties during the 2019-21 biennium. The budget adds 224 new positions in child welfare based on the anticipated workload and provides funding for the positions to be hired throughout the biennium.

To assist families facing homelessness, the Governor's Budget increases the investment of TANF funds in housing assistance through an agreement between DHS and the Oregon Housing and Community Services Department. The budget also expands targeted vocational and training opportunities for TANF participants to give them tools to move out of poverty permanently.

The budget continues both the Adult and People with Disabilities and Intellectual and Developmental Disabilities programs' focus on prevention and community based care as an ongoing priority. The budget invests in rate increases for providers caring for people needing services. The budget funds continuing the implementation and shift into maintenance and operations for the Centralized Abuse Management system, which will be an instrumental integrated statewide system for tracking, reporting, analyzing and investigating incidents of adult abuse. Furthermore, the budget provides additional staffing for required surveys of long-term care facilities in Oregon. The staff are a key investment in improving safety outcomes for vulnerable adults living in long-term care facilities or other settings. The budget funds the enhancement of service capacity for children with intellectual or developmental disabilities who have significant support needs by expanding residential group home capacity for children in need of services and also an expansion of waiver programs to support children with medical needs in their family homes.

REVENUE SUMMARY

The federal government is a major partner in funding Human Services programs. Over 64 percent of DHS's budget (including Supplementary Nutrition Assistance Payments) is federally funded. As a result, the state's ability to provide program services is greatly influenced by Federal Funds availability and by the rules guiding the use of those funds. In addition, the rate of federal revenue matching for many programs is tied to the Federal Medical Assistance Percentage (FMAP), which changes annually and is completely out of the control of state policy. This greatly impacts the amount of General Fund appropriated to maintain programs. For 2019-21, the FMAP adjustment is not working to the state's advantage. The federal matching rate will decrease from 63.33 percent in 2017-19 to 61.39 percent next biennium. This is projected to increase General Fund cost by approximately $57.7 million in DHS's budget.

AGENCY PROGRAMS

Child Welfare Programs

Within Child Welfare, the Department has four main program units:

Child Safety services are provided to children reported to be neglected or abused or under threat of harm as well as to families who are impacted by abuse dynamics; typically substance abuse and domestic violence. DHS is required by statute to assess reports of alleged child abuse or neglect, complete comprehensive safety assessments of children, assess parent or caregiver capacity to protect and determine whether child abuse or neglect has occurred. The program provides protective and social services.

In 2019, the Department intends to complete a transition to a centralized screening operation known

as the Oregon Child Abuse Hotline. The location will be staffed 24 hours, 7 days a week. It will receive all reports of child abuse statewide and will work with staff around the state if the report needs to be investigated. Simultaneously, the Child Welfare Program and DHS's Office of Reporting, Research, Analytics and Implementation (ORRAI) will roll out an assessment tool for screeners to use that will more accurately identify children who are at risk. This will allow more effective use of child welfare staff who perform investigations. The Governor's Budget invests in additional staff for ORRAI who will be dedicated to the child welfare research agenda.

Child Well Being, also known as the Foster Care Program, is designed as a critical safety net for children with immediate safety needs for their basic care. Family foster care homes and behavioral rehabilitation services foster care are the primary service elements. Residential Care is provided by private agencies in residential or therapeutic foster care settings for children who cannot live in a family setting. Providers are reimbursed the cost of a child's room and board, clothing, school supplies and personal incidentals; medical, dental and mental health services are also provided for children in the state's custody through the Oregon Health Plan. The independent living services program, for older youth, provides some services to help with the transition out of the foster care system. This program operates 24 hours a day, seven days a week to accept and care for children.

The *Permanency Program* (adoption) provides assistance to children in foster care to help achieve permanent living placements for children in the child welfare system who cannot return home, including subsidy payments to help remove financial barriers to adoption or guardianship for special needs children.

Child Welfare Program Delivery and Design is the field structure that supports the safety of children across Oregon who are abused or neglected. There are approximately 1,412 child welfare caseworkers across Oregon responding to over 32,000 reports of abuse and neglect and serving approximately 11,000 abused children annually within the foster care system. The program also finalizes approximately 800 adoptions a year to assist with creating a permanent home for children in foster care. This structure is administered in the central office in Salem to support field staff through technical support, policy and standards, evaluation, analysis and parameters program areas in Child Welfare.

The 2019-21 Governor's Budget is $1,327.2 million total funds ($761.9 million General Fund). The budget maintains funding for core services and staffing with a significant investment of General Fund to backfill a reduction in federal funding not available and provides the division with additional resources to fill caseworker and case-aid positions. The budget makes investments to strengthen therapeutic foster care, increase provider rates, expand eligibility for services in the Independent Living Program and expand the KEEP program statewide. The budget also supports representation of child welfare caseworkers by the Department of Justice in all counties during the 2019-21 biennium. It creates a team of caseworkers dedicated to recruiting and retaining foster families in all areas of the state and funds additional caseworkers to develop and deliver appropriate training to foster parents.

Self-Sufficiency

Self-Sufficiency programs provide assistance for low-income Oregon families with services to create stability and prepare participants for employment so they are equipped to work their way out of poverty. The major programs in this area are:

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance to Needy Families (TANF) and TANF related programs
- Employment Related Day Care (ERDC)
- Refugee Program
- Youth Services

DHS administers these programs through coordination and collaboration with families and individuals as well as community partners and through direct services provided by state staff. Field staff provides program services and benefits to clients through more than 100 field and branch offices throughout the state. SNAP and TANF provide an economic lift and access to nutritious foods for struggling households. Also, the SNAP Employment and Training program assists clients in gaining skills that will improve their employment prospects, which adds to the diversity and strength of Oregon's workforce.

The program is primarily supported by Federal Funds, however it also has General Fund and some Other Funds. The major source of Other Funds is federal Childcare and Development Fund dollars transferred from the Department of Education (ODE) for the Employment Related Day Care (ERDC) program. SNAP benefits are the single largest source and use of Federal Funds in Self-Sufficiency programs. SNAP benefits are projected at $2 billion for the 2019-21 biennium. Federal Funds also help pay for program administrative costs, on a 50 percent state/50 percent federal basis. Other Federal Funds come from capped or formula- based block grants, payments for partial reimbursement of eligible state costs and miscellaneous grants for specific amounts and purposes.

At $3,349.8 million total funds ($445.9 million General Fund), the Governor's Budget maintains current eligibility, timeline and benefit standards for Self-Sufficiency programs. The budget increases the investment of TANF funds in providing housing for the neediest families though an agreement with the Oregon Housing and Community Services Department; and funds an education program for TANF participants that will provide an opportunity for higher paying and more stable employment.

Vocational Rehabilitation Services

Vocational Rehabilitation (VR) Services assists Oregonians with disabilities to achieve and maintain employment and independence. VR helps Oregonians with disabilities gain employment through a variety of services. VR employees provide direct services through a network of local offices across Oregon and partners with and supports Tribal VR programs in several areas of the state. This program is designed under five primary areas:

Basic Services provides training, vocational and educational services to persons with disabilities who have substantial impediments to obtaining or maintaining employment throughout the state.

Youth Transition Program provides coordinated vocational rehabilitation services to students who are currently in school to ensure a smooth transition to adult services and employment after school completion.

Supported Employment Services provides services to individuals with the most significant disabilities for whom employment was not possible through traditional means, but whom can obtain and maintain competitive employment in the community with support.

Independent Living Program supports the State Independent Living Council and community-based

centers for independent living, which helps individuals with severe disabilities maintain independence at home, in the community and in employment.

Workforce Partnerships, as part of passage of the Workforce Opportunity and Innovation ACT (WIOA) of 2014, VR works as a core partner to create a workforce system that contains less silos. The budget funds additional positions for the VR Pre-Employment Transition Services Program. These Coordinators work with school districts and the new positions will be located in eastern and southern Oregon.

General Fund supports 28.9 percent of this budget; Other Funds, 2.5 percent; and Federal Funds, 68.7 percent. Section 110 of the Rehabilitation Act of 1973 (Basic 110 Grant) provides federal support for vocational rehabilitative services. This grant is distributed to states based upon population and per capita income. The grant requires a General Fund or Other Funds match, at a 21.3 percent state/78.7 percent federal rate. Rehabilitative services revenue also includes federal Rehabilitation Act funds for Supported Employment and staff training and for Independent Living Rehabilitation.

The 2019-21 Governor's Budget is $122.3 million total funds ($35.3 million General Fund).

Aging and People with Disabilities

The Aging and People with Disabilities (APD) program assists a diverse population of older adults and people with disabilities to achieve well-being through opportunities for community living, employment, family support and services to promote independence, choice and dignity. In 2013, Oregon moved most of its long-term care services into the 1915(K) State Plan Option (K Plan). The K Plan provides additional federal funding to provide Oregonians with the ability to choose the best environment in which to receive services. The focus of the K Plan is on in-home and community based services. Oregon Project Independence provides in-home services outside of the Medicaid program. Federal Older Americans Act services include help with abuse prevention, caregiver supports, medication management, nutrition services, senior employment, legal issues and other support services. The program also includes federally required supports to aged, blind and disabled persons who receive Supplemental Security Income.

Caseloads and the costs related to the complexity of acuity in caseload continue to increase. The Governor's Budget protects current eligibility criteria and service levels by continuing to support a staffing level of approximately 95 percent of the workload model, which includes a blend of workload percentage for the Area Agencies on Aging and state staff.

The budget continues the program's focus on prevention and community based care as an ongoing priority. The budget invests in rate increases for Adult Foster Homes, Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, Providence Elder Place and In-Home Agencies. The budget funds continuing the implementation and shift into maintenance and operations for the Centralized Abuse Management system, which will be an instrumental integrated statewide system for tracking, reporting, analyzing and investigating incidents of adult abuse. Furthermore, the budget provides additional staffing for required surveys of long-term care facilities in Oregon. This is an important tool used to keep Oregon's most vulnerable adults safe as they reside in such facilities.

The 2019-21 Governor's Budget for the Aging and People with Disabilities program is $3,900.4 million total funds, a 10.2 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund is $1,232.0 million, a 20.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 1,489.22 FTE.

Intellectual/Developmental Disabilities

The Intellectual/Developmental Disabilities (I/DD) program provides services to cover a lifetime of support to Oregonians with intellectual/developmental disabilities. I/DD's mission is to help individuals be fully engaged in life and, at the same time, address critical health and safety needs. The program supports individuals with intellectual and developmental disabilities and their families within communities by promoting and providing services that are person-centered, self-directed, flexible, community inclusive and culturally appropriate. The state, counties, brokerages, providers, families and self-advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with I/DD living in the community and having the best quality of life at any age. Oregon no longer has an institutional facility for persons with developmental disabilities, so all clients are served in the community. Currently, the I/DD program provides home and community based supports to over 26,000 adults and children living with intellectual and developmental disabilities to live their lives in their communities. About 12,000 of them receive services in their own family homes.

Oregon home and community-based services for people with Intellectual and Developmental Disabilities are provided under several Medicaid authorities including Community First Choice Option, also known as K-Plan; and five 1915c waiver programs. Supports provided under the K-Plan are services such as attendant services that support individuals in accomplishing Activities of Daily Living and Instrumental Activities of Daily Living, relief care, behavioral support services, transportation, environmental modifications and assistive technology and devices. By moving most services to the K-Plan most of the caps on services and limits on eligibility for services for those with I/DD were removed based on federal requirements to gain six percent in increased Federal participation in those programs. Additionally, the Lane v. Brown Settlement added additional requirements to I/DD programs around placement of those with I/DD into integrated settings and moving away from sheltered workshops which the federal government will no longer support as of April 1, 2019. The Stabilization and Crisis Unit (SACU) is also part of this program. General Fund makes up 33.9 percent of the I/DD budget.

Most of the General Fund is used to match federal Title XIX Medicaid and other Federal Funds. Other Funds revenue is 1.2 percent of the overall budget. The Other Funds come primarily from clients' contributions towards their care and estate recoveries. Federal matching funds for the Medicaid program are determined by the Federal Medical Assistance Percentage (FMAP), which is the federal share of eligible program expenditures.

The Governor's Budget protects current eligibility criteria and service levels for individuals in need of I/DD services. The budget continues the program's focus on prevention and community based care as an ongoing priority. The budget invests in expanding service capacity for children who experience an intellectual or developmental disability with significant support needs. This investment will establish a new "enhanced foster care" service level, which will increase residential capacity in order to allow children and youth to move out of more restrictive care settings. This investment also expands residential group home capacity for children in need of those services and an expansion in the capacity of waiver programs to support children with intensive medical needs in their family homes. The Governor's Budget expends the corpus of the Fairview Housing Trust Fund on I/DD programs, and proposes to close the SACU Eliott homes in a phased approach. Finally the budget recommends funding equity for Brokerages and County Developmental Disability Programs (CDDPs) at 93 percent.

The 2019-21 Governor's Budget for the Intellectual and Developmental Disability program is $2,916.0

million total funds, a 7.5 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund is $988.6 million, an 11.2 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 924 positions.

Central Services

Central Services includes functions directly related to policy and programs in the Department. Central Services includes: the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer and the Office of the Chief Administrative Officer. Central office also includes the Office of Equity and Multicultural Services , the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Public Affairs Office (which includes Legislative Relations and Communications), the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services and the Integrated Eligibility and Medicaid Eligibility ONE Project Office. These offices provide essential business supports to programs in achieving the Department and programs' mission, vision and outcomes. The budget is 20.5 percent General Fund, 15.8 percent Other Funds and 63.7 percent Federal Funds; the funding mix is dependent on the services provided. Federal funding is subject to a federally approved cost allocation plan that charges programs for the services received.

The 2019-21 Governor's Budget for Central Services is $255.6 million total funds, a 0.2 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 255 positions.

Shared Services

A number of support functions, including information technology, financial services, budget, human resources, facilities and procurement are designated as shared services. Some of these functions are housed in OHA and some in DHS, but all shared services units support both agencies. The two agencies developed a joint governance model under which service-level agreements define the relationship between the agency providing the service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from other parts of DHS and OHA for purchased services.

The DHS Shared Services budget includes Shared Services Administration, which includes the following: Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Office of Human Resources; the Background Check Unit ; Office of Facilities Management; Office of Imaging and Records Management; Office of Contracts and Procurement; Office of Training and Investigation Services; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery; and the Office of Publications and Creative Services. Funding for Shared Services is included in the Shared Services Special Payments portion of the Statewide and Enterprise-wide Costs budget.

The Shared Services program provides critical business and administrative supports necessary to achieve the mission of the agency. The 2019-21 Governor's Budget is $146.4 million Other Funds, a 4.5 percent increase from the 2017-19 Legislatively Approved Budget. It funds 675 positions.

Statewide Assessments and Enterprise-wide Costs (SAEC)

The budget for Statewide Assessments and Enterprise-wide Costs (SAEC) contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library and

Secretary of State audits. It also includes the budgets for rent, debt service and computer replacements. The budget includes the funding for DHS Shared Services, which are made through a Special Payment to Shared Services to cover Shared Services costs (including General Fund, Other Funds and Federal Funds). The 2019-21 recommended budget is 52.7 percent General Fund, 7.4 percent Other Funds and 39.9 percent Federal Funds; the funding mix depends on specific assessment or charge and cost allocation. Federal funding is subject to a federally approved cost allocation plan

The 2019-21 Governor's Budget for SAEC is $533.1 million total funds, a 10.4 percent increase from the 2017-19 Legislatively Approved Budget.

Oregon Health Authority

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$2,152,357,931	$2,163,688,359	$2,441,537,660
Lottery Funds	11,113,255	12,498,909	12,925,769
Other Funds	5,683,251,462	6,731,665,968	7,726,255,646
Federal Funds	11,189,125,905	11,157,169,693	11,721,326,187
Other Funds (Nonlimited)	212,475,263	40,000,000	40,000,000
Federal Funds (Nonlimited)	85,956,641	106,448,361	106,196,261
Total Funds	$19,334,280,457	$20,211,471,290	$22,048,241,523
Positions	4,450	4,181	4,297
Full-time Equivalent	4,394.40	4,276.04	4,221.17

OVERVIEW

The Governor's Budget for the Oregon Health Authority (OHA) reinforces the state's commitment to making the health of Oregonians a core foundation of the state while ensuring the health care delivery model remains sustainable during a time of increasing cost pressures and reduced federal funding. The budget helps achieve critical health care outcomes through strategic investments, revenue reforms and cost savings measures—all while preserving health care benefits and holding the state's health care programs to high standards.

OHA achieves its mission of helping people and communities reach optimal physical, behavioral and social well-being through the following health care programs: the Oregon Health Plan, Non-Medicaid Behavioral Health, the Oregon State Hospital, Public Health, Health Policy and Analytics, the Public Employees' Benefit Board (PEBB), and the Oregon Educators Benefit Board (OEBB).

The OHA budget directly impacts a significant portion of Oregon's population:

- Nearly 1,300,000 individuals receive health care coverage through the Oregon Health Plan, PEBB and OEBB;
- Over 50,000 individuals receive behavioral health support and treatment services through local community mental health and substance use disorder programs;
- Approximately 600 individuals receive 24-hour psychiatric care through the Oregon State Hospital system; and
- Every Oregonian benefits from disease prevention and wellness services provided by the Public Health Division.

In 2017, Governor Brown expanded coverage even further by signing Cover All Kids into law, which extended eligibility for medical assistance to all Oregon children residing in families with incomes up to 300 percent of the poverty level.

In less than a decade, Oregon's focus on health care has vastly increased the overall number of Oregonians who have comprehensive coverage—pushing the rate of coverage from 85 percent of all Oregonians in 2011 to 94 percent today. Yet coverage alone is not enough. Meaningful improvement in health requires having the same kind of access to oral health and behavioral health as for traditional physical health care services. The state must also continue to improve the affordability and sustainability of our health care system while ensuring Oregonians can be as healthy as possible.

Governor Brown's 2019-21 budget addresses these important issues by taking a multi-biennia approach to ensure our health care programs remain sustainable and implements a robust health care agenda focused on addressing underlying costs and raising the bar for health outcomes.

GOVERNOR'S BUDGET

The 2019-21 Governor's Budget for OHA totals $22,048.2 million, which represents a 9.0 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $2,441.5 million and represents a 12.8 percent increase from 2017-19. The budget supports 4,297 positions.

The Governor's plan advances Oregon's success with health care transformation through the following interrelated strategies: helping children achieve their full potential; enhancing the behavioral health system; improving overall health outcomes; and extending Oregon's health care model.

Helping Children Achieve their Full Potential

As shown in recommendations by the Children's Cabinet and the strategies outlined in the Governor's Health Care and Addictions and Recovery Agendas, health care is at the intersection of children growing up to be successful adults. To address the increasing challenges faced by children and families, the Governor's Budget makes key investments in evidence-based health care solutions that improve the conditions of all Oregonians while creating pathways for resiliency and success.

- Multi-Generational Addictions Treatment - To help break the cycle of addiction passed through generations, the Governor's Budget invests $5 million to expand prenatal and postpartum treatment and support for mothers.

- Intensive In-Home Behavioral Health Services – Due to a lack of intensive community-based services, many Medicaid-eligible youth are referred to residential care instead of receiving treatment in their home community. The Governor's Budget includes $19.6 million to enable coordinated care organizations and providers to deliver these services in the community and help families stay together.

- Universal Home Visiting – Home visiting programs are a proven way of creating a safe

and healthy environment for children by supporting parents and families with information and services that provide the foundation for a lifetime of physical and mental well-being. The Governor's Budget recognizes this through an $8.7 million investment for a Universal Home Visiting program to complement existing home visiting services by helping families enter into their community system of care.

- Regional Assessments – The Governor's Budget includes $10.4 million to support integrated evaluations and care planning for children and their families. This reflects a new model, with a priority to assist the children who are inappropriately placed in certain settings, such as temporary lodging or emergency department boarding, through evaluation, assessment and stabilization services.

- Reduce Risk Factors for Suicide – To stem the rising rate of suicide, the Governor's Budget provides $13.1 million to implement the early intervention priorities outlined in the Youth Suicide Intervention and Prevention Plan, support mental health services in schools, help communities in crisis and develop a comprehensive adult suicide prevention plan.

- Office of Child Health – OHA currently lacks a defined team to provide essential coordination and focus on prenatal and child health initiatives. To remedy this, the Governor's Budget creates the Office of Child Health to enhance OHA's ability to improve health outcomes, with a focus on the prenatal through age five population.

Improving Health Outcomes

Improving the health status of every Oregonian requires advancing the coordinated care model beyond the success of the past six years by spurring sustainable community innovation, investing in social determinants of health and equity, and strengthening connections to public health, human services and long-term support.

- CCO 2.0 – OHA is currently undertaking a significant advancement of the coordinated care system in preparation for a new procurement of coordinated care organizations (CCOs) in 2020. This next phase of health care transformation is referred to as "CCO 2.0." The priorities outlined by the Governor for this endeavor focus on improving the behavioral health system, increasing value and pay for performance, maintaining sustainable cost growth and addressing social determinants of health and equity. While many of the investments included in the Governor's Budget for OHA support this initiative, the budget also includes a $1.9 million for OHA to achieve the goals of CCO 2.0.

- Public Health Modernization – Public Health Modernization remains a top priority and the Governor builds on the existing $5 million modernization budget with an additional $13.6 million in the 2019-21 biennium. A modern public health system ensures foundational public health protections are in place for every person in Oregon, the public health system is prepared to address emerging health threats, and eliminates health disparities.

- Housing Support – Access to safe, quality and affordable housing—including the support necessary to maintain that housing—represents one of the most critical social

determinants of health. Under the Governor's leadership, OHA and Oregon Housing and Community Services are collaborating to create 500 new units of permanent supportive housing across Oregon. The Governor's Budget includes $4.5 million for OHA to provide behavioral health and other critical supports to these individuals as these housing units become available later in the 2019-21 biennium.

- Tobacco Cessation – Tobacco use remains the number one cause of preventable death and disease in Oregon. Increasing the price of tobacco products is one of the most effective policy tools to reducing tobacco use, yet Oregon's cigarette tax remains lower than most other states, currently ranking 32nd in the nation, and is far behind neighboring California and Washington. To reduce the use of tobacco and its enormous consequences, the Governor proposes a $2.00 per pack increase on the state's cigarette tax, extends the existing wholesale tax on other tobacco products to vaping products and increases other non-cigarette tobacco taxes. Not only will the increased cost of these products reduce tobacco use and increase the health of Oregonians, the additional revenue through this proposal will support tobacco prevention programs, the Oregon Health Plan and Public Health Modernization.

- Ending Hepatitis C – New treatments exist to cure individuals living with Hepatitis C. An investment in the 2017-19 biennium enabled OHA to expand treatment to Oregon Health Plan patients with later stages of the disease. The Governor's Budget increases this investment with an additional $10 million General Fund to ensure treatment is available to Oregon Health Plan members with any stage of the disease and puts the state on track to eradicate the cascading effects of Hepatitis C infections.

Enhancing the Behavioral Health System

Physical health, behavioral health, and oral health services are too often delivered in separate, fragmented ways. By integrating these services and making targeted investments, Oregon can expand access to appropriate treatment at the right time, maximize the opportunity to achieve better health outcomes and lower costs.

- Advancing Behavioral Health Integration – To establish a more connected system, the Governor's Budget provides $5.9 million to incentivize providers to invest in foundational technology, help adapt the primary care home model within behavioral health settings, and improve access to evidence based pharmaceutical treatments. The budget also invests $2.4 million to support efficient forms of connecting with doctors and treatments, such as telehealth and Project Echo, which is important for improving access in Oregon's rural communities.

- Oregon State Hospital and Community Mental Health – The Oregon State Hospital currently does not have the capacity to accept and treat the number of Aid and Assist patients sent to the hospital under court orders. This constraint also negatively impacts other types of patients who need hospital level of care and impairs communities struggling to find appropriate placements for care. The Governor's Budget addresses this situation through the following multi-faceted strategy: 1) opening a new unit at the State Hospital Junction City campus for 12 months as a stop-gap solution to resolve the immediate

capacity needs; 2) investing $7.6 million to increase capacity at the community level; and 3) proposing statutory reforms to ensure the State Hospital's costly level of care intended for the hardest to treat patients is not used for patients who would be more appropriately treated in community settings.

- Develop Alternatives to Opioids – As part of the Governor's strategy to address the opioid epidemic, the budget makes further investments to train providers in appropriate opioid prescription practices and alternative approaches to pain management.

Sustaining Oregon's Health Care Model

One of the predominant challenges facing the Oregon Health Plan continues to be the growth in the level of state funds needed to sustain health care services absent any reforms to program revenue or significant reductions in health care. The Governor convened a workgroup of health care partners to arrive at a consensus-driven plan to secure long-term, sustainable funding for the Oregon Health Plan. The recommended plan includes broad-based sustainable revenue over a six-year timeline. The Governor's Budget also continues strong cost containment measures to further ensure the Oregon Health Plan remains on a sustainable path without sacrificing coverage or quality of care.

- Hospital Assessment – The budget revises the Hospital Assessment structure to maximize the fully reimbursable hospital assessment from 5.3 percent to six percent of net patient revenue for Diagnostic Related Group (DRG) hospitals.

- Health Insurance, Managed Care, and Stop-Loss Assessments – The budget reinstates the current insurance and managed care tax that expires at the end of 2019 at two percent of premiums and broadens the base by including an assessment on stop-loss coverage. This plan not only funds the Oregon Health Plan, but also provides revenue for the Oregon Reinsurance Program in the Department of Consumer and Business Services.

- Subsidized Employer Assessment – Many working Oregonians seek health care coverage through publicly supported programs like the Oregon Health Plan because they are unable to afford or otherwise obtain health care coverage through their employers. Put differently, public programs are subsidizing some employers who do not provide health care coverage to low-income workers, or whose workers cannot afford the coverage they are offered. A new Subsidized Employer Assessment will levy an assessment on certain employers who do not meet threshold health care contributions on behalf of their workers.

- Tobacco Taxes – As discussed above, the Governor's Budget increases cigarette taxes by $2.00 per pack and extends the existing wholesale tax on "other tobacco products" to vaping products. The net proceeds from the additional tobacco tax revenue will help support tobacco prevention, the Oregon Health Plan and Public Health Modernization.

- Bending the Cost Curve – The Governor's Budget maintains Oregon's place as a leader in holding costs below national trends by capping annual health care cost growth at 3.4 percent per member. Compared to the forecast national annual cost growth trend of 5.5 percent, holding CCOs, PEBB and OEBB to a 3.4 percent per capita growth rate is

estimated to save a total of $638 million in 2019-21 and $1,559 million in 2021-23.

In addition to these revenue reforms and on-going efforts to bend the cost curve, OHSU continues to be a strong partner in helping to sustain Oregon's health care system through the intergovernmental transfer (IGT) program established in 2017-19. As Oregon's only public academic health center, OHSU is a critical part of the safety net for Oregon's most vulnerable population, providing health care services to a large number of Medicaid members, training Oregon's health care workforce across the state, and engaging in research to improve care and bring significant federal dollars to Oregon. By removing OHSU from the hospital tax in the 2017 legislative session, the state and OHSU have collaborated to increase the amount of funding available for the Medicaid program. The Governor's Budget reflects an additional $252 million in state funds, which raises the total state funds to $432 million from the OHSU IGT program for the Medicaid program. The budget reflects providing critical funding for OHSU at 87 percent of cost for the Medicaid members OHSU serves and holds OHSU's unit cost growth to no more than 3.4 percent annually for the Medicaid program.

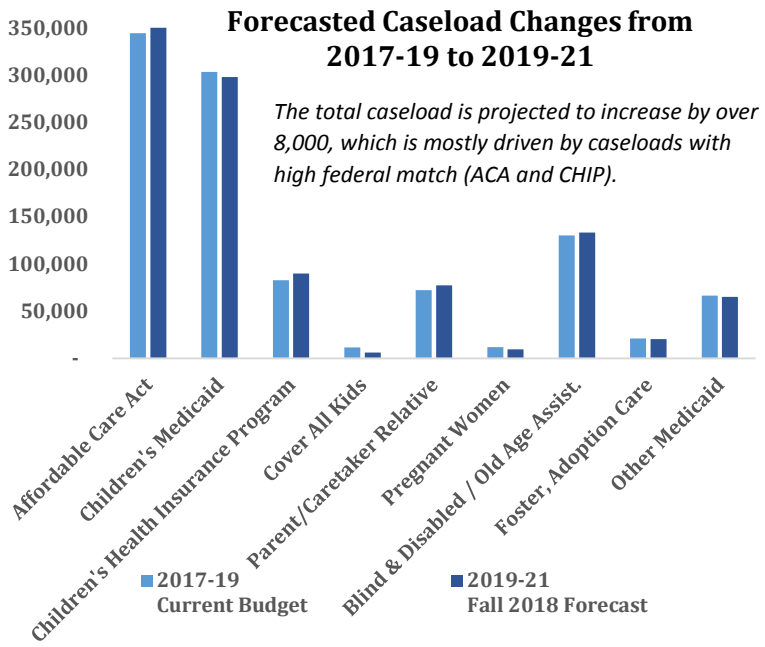
REVENUE SUMMARY

Approximately 54 percent of the budget is supported with Federal Funds, of which a significant portion represents federal Medicaid dollars matched with state funds. Federal Medicaid reimbursement is based on the Federal Medical Assistance Percentage (FMAP). Decreases in FMAP rates shifts costs to the state by an additional $442 million in Medicaid expenses compared to 2017-19. Other important Federal Funds includes revenue for the Women, Infants, and Children program, mental health and substance abuse block grants and various federal grants supporting the Public Health Division. Important sources of Other Funds revenue are from health care providers to support the Oregon Health Plan, tobacco taxes, the national Tobacco Master Settlement Agreement, and fees related to health care regulatory functions. Similar to the decrease in federal Medicaid revenue, decreasing Other Funds revenue also resulted in budget challenges in 2019-21. Specifically, the Governor's Budget backfills declining medical marijuana revenue and tobacco revenue. Overall, General Fund comprises 11 percent of OHA's budget.

AGENCY PROGRAMS

Health Systems Division

The Health Systems Division (HSD) ensures the systematic transformation of health care in Oregon by delivering integrated health care services, strengthening the coordinated care model and improving health outcomes through administration of the state's Medicaid and non-Medicaid programs.



Medicaid: OHA is the state designated agency responsible for Medicaid, which is jointly funded by states and the federal government. Most of the state's Medicaid coverage is provided through a managed care delivery system in the Oregon Health Plan, which provides comprehensive physical, behavioral and oral health care coverage to low-income adults and children. Currently, approximately one million individuals across several caseload categories receive Medicaid coverage in Oregon.

Oregon's health care system experienced significant changes in 2012 with the creation of coordinated care organizations (CCOs), which are accountable for delivering most Oregon Health Plan services. The coordinated care model emphasizes prevention, team-based and patient-centered care, and helping people manage chronic conditions which, in turn, helps reduce unnecessary and expensive medical services and supports healthy living. There are currently 15 CCOs operating in Oregon.

Non-Medicaid Behavioral Health: The Non-Medicaid Behavioral Health budget supports critical elements in Oregon's community behavioral health system, which serves as a safety net for all Oregonians regardless of health care coverage. A significant portion of non-Medicaid services is provided through community mental health programs and alcohol, drug and gambling addiction treatment providers. An important focus of the non-Medicaid system is to respond to individual and community crises and meet immediate behavioral health needs. Non-Medicaid funds also support OHP members through the purchase of social support services not included in the Medicaid benefit package, such as outreach and peer-based recovery.

The services provided through Non-Medicaid Behavioral Health must be in compliance with an agreement reached with the United States Department of Justice (USDOJ) in 2012. This agreement requires the state to take steps to better provide individuals with serious and persistent mental illness with the critical community services necessary to help them live in the most integrated setting appropriate to their needs and achieve positive outcomes.

The overall Health Systems Division budget, including Medicaid, Non-Medicaid Behavioral Health, and related administration, totals $16,183.3 million, which represents a 9.5 percent increase from the 2017-19 Legislatively Approved Budget. The recommended General Fund budget is $1,568.5 million, which represents a 14.1 percent increase from 2017-19. The increased level of funding is primarily a result of the investments for Regional Assessments, Rental Assistance, Suicide Prevention, Community Mental Health Services, and expanding Hepatitis C treatment. Other key investments in this division include $6.7 million General Fund to replace OHA's outdated behavioral health data systems and $9.1 million General Fund to backfill declining Other Funds revenue for Non-Medicaid Behavioral Health. The budget also eliminates the Graduate Medical Education Program, resulting in General Fund savings of $23.8 million. In the Governor's investment plan, this program is restored in full.

Health Policy and Analytics

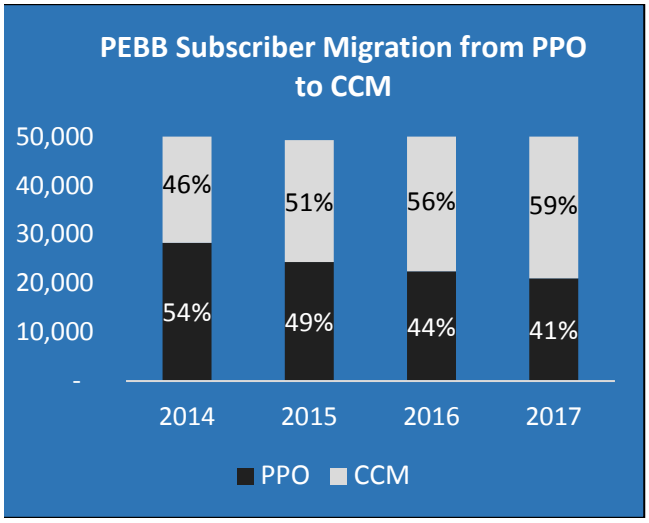
Health Policy and Analytics (HPA) provides policy support, technical assistance and access to health information statistics and tools to all organizations and providers participating in Oregon's health system transformation. The key functions of HPA are: Health Policy; Clinical Improvement Services; Health Analytics; Health Information Technology; Business Support; and PEBB and OEBB, which are operationally situated in HPA but have separate budget structures. Additionally, the Governor's Budget establishes the Office of Child Health within HPA to help improve long-term health outcomes for the prenatal through age five population.

HPA is largely supported by federal Medicaid dollars matched with General Fund. The program also receives Federal Funds from the Health Resources and Services Administration Primary Care grant and Health Information Technology Electronic Health Record funds. HPA receives Other Funds revenue from various grants and fees. The Governor's Budget for HPA totals $195.3 million, which represents a 7.1 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $51.3 million, which represents an 18.2 percent increase from 2017-19. The change in General Fund is largely due to the Governor's investments in CCO 2.0, the creation of the Office of Child Health and investment in Intensive In-Home Behavioral Health Services.

Public Employees' Benefit Board (PEBB)

PEBB designs, contracts for, and administers health plans, group insurance policies, and flexible spending accounts for state and university employees and their dependents, for nearly 140,000 Oregonians. In 2006, PEBB moved toward self-insurance, which gives the Board more flexibility in plan design to meet specific goals, which contributes to the Board's success in keeping premium increases low.

The PEBB budget is funded entirely with Other Funds revenue from premiums collected for insured individuals, a significant portion of which comes from General Fund resources paid by other state agencies for their premium costs. Consistent with the state's strategy for transforming health care and bending the cost curve, PEBB holds annual growth in per member costs to 3.4 percent.



Similar to the Oregon Health Plan, a key part of PEBB's strategy to improve health outcomes and bend the cost curve relates to promoting the coordinated care model (CCM) through the use of patient-centered primary case homes, which focus on primary care and prevention. CCM plans provide an opportunity for reducing utilization of unnecessary services, improving coordination of disease management across providers, and using innovative reimbursement models.

The Governor's Budget for PEBB is $2,099.7 million, which represents a 6.8 percent increase from the 2017-19 Legislatively Approved Budget. The budget invests in PEBB's share of a planning project to replace the legacy benefit management systems of both PEBB and OEBB with a modern solution.

Oregon Educators Benefit Board (OEBB)

OEBB designs and administers medical, dental, vision, and other benefits for more than 130,000 employees, retirees and their family members in Oregon's K-12 school districts, education service districts, and community colleges. OEBB's goal is to provide high-quality benefits for its members at the lowest possible cost, and to work collaboratively with members, entities and insurance carriers to further advance the triple aim of health care. As with PEBB and the Oregon Health Plan, OEBB limits annual premium increases to no more than 3.4 percent per member per year.

OEBB has controlled costs by using alternative payment models, offering its members a wide-range of plans, and—much like PEBB—encouraging the migration from preferred provider organization plans to coordinated care model plans. The OEBB budget is funded entirely by Other Funds revenue from members' premium payments. The Governor's Budget for OEBB is $1,740.4 million, which represents a 6.8 percent increase from the 2017-19 Legislatively Approved Budget. Similar to PEBB, the budget invests in OEBB's share of the planning project to replace the PEBB and OEBB benefit management systems.

Public Health Division

The Public Health Division promotes health and prevents the leading causes of death, disease and injury in Oregon. Public Health does this by administering a variety of programs addressing behavioral and social drivers of health, and by working to ensure the physical and social environments promote health and make it easier for people to make healthy choices. Oregon's public health system includes federal, state, counties and local agencies, private organizations

and other partners. Public Health operates some programs directly and funds and coordinates other programs through local health departments across the state.

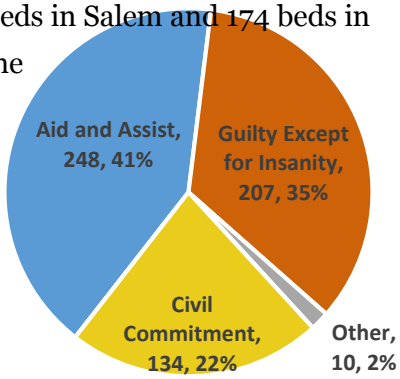
Public Health is funded primarily through federal funds, including over 120 grants categorically dedicated to specific programs, such as emergency and hospital preparedness, cancer prevention and control, and safe drinking water. Public Health also collects Other Funds through various fee-based programs, including newborn screening tests, licensing of hospital and inpatient care facilities, registration and inspection of x-ray equipment, testing and certification of emergency medical technicians, registration of medical marijuana cardholders, growers and dispensaries, and fees for issuing certified vital records.

The Governor's Budget for Public Health totals $725.4 million, which represents an 18.6 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $83.3 million, which represents a 28.3 percent increase from 2017-19. The budget supports the Governor's investments for Universal Home Visiting and Public Health Modernization. The budget also supports the purchase of a strategic stockpile of Naloxone to save lives in fighting the opioid epidemic and maintains support for county public health authorities by backfilling decreasing Other Funds revenue with $5.5 million General Fund.

Oregon State Hospital

The Oregon State Hospital (OSH) is an integral part of the statewide behavioral health system by providing psychiatric care for adults at OSH's Salem and Junction City campuses. The hospital's primary goal is to help people recover from their mental illness and return to life in their **Oregon State Hospital** communities. OSH's two campuses currently have the capacity to serve up to 766 individuals, with 592 beds in Salem and 174 beds in Junction City. Patients receiving treatment in OSH fall into one of the following three commitment types:

Total Patient Census of 599



- Civil Commitment - people who have been found by the court system to be an imminent danger to themselves or others, or who are unable to provide for their own basic health and safety needs due to their mental illness.
- Guilty Except for Insanity – people who committed a crime and are found by a court to be guilty except for insanity.
- Aid and Assist – people who have been arrested but have been found unable to participate in their legal proceedings due to a mental illness and are in need of treatment to help them understand their criminal charges and "aid and assist" in their own defense.

OSH's services include 24-hour on-site nursing, psychiatric treatment, pharmacy, laboratory, food and nutritional services, and vocational and educational services. To ensure only people who need hospital-level care are admitted, a robust array of preventive, treatment and crisis services must be available in local communities. The community behavioral health system must also have sufficient capacity to provide services and support once patients at the State Hospital return to their communities. Any restrictions within this continuum can result in a backup of the behavioral health system.

The 2019-21 Governor's Budget for OSH totals $608.1 million, which represents an 8.3 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $500.8 million, which represents a 7.9 percent increase from 2017-19. As discussed above, the Governor's Budget supports opening a 25-bed unit at the Junction City campus for 12 months as a stop-gap measure to appropriately treat the current high-level of Aid and Assist patients. As part of this strategy, the budget also invests $7.6 million General Fund in the Health Systems Division budget to create additional treatment capacity in local communities, which will enable the new unit to eventually draw down its population and close.

Central Services

Central Services provides the leadership and business support to achieve the agency's mission. This budget structure supports the following functions:

- Director's Office – responsible for the overall leadership, policy development and administrative oversight for the agency.
- External Relations – responsible for building strong relationships with the public, media, legislature and other agencies at the state and federal levels.
- Agency Operations – provides operational support and human resources services to OHA.
- Fiscal Operations – provides oversight of financing policies and coordinates budget development and execution for OHA.
- Office of Equity and Inclusion – works on behalf of OHA and the broader health system in the state to ensure the elimination of avoidable health care gaps.

Central Services is funded based on a federally approved cost allocation plan where programs are charged for the services they use. The Governor's Budget for Central Services totals $36.9 million, which represents a 0.6 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $28.2 million, which represents a 14.6 percent increase from 2017-19 Legislatively Approved Budget.

Shared Services

Shared Services supports certain business functions for both the Department of Human Services (DHS) and OHA under a joint governance agreement. Shared Services contains the Office of Information Services (OIS) and the Information Security and Privacy Office (ISPO). OIS provides information technology systems and services for nearly 16,000 staff at numerous locations across the state. ISPO provides information security services by using business risk-management practices to protect confidential information and educating staff and agency partners on how to protect this information and report incidents when they occur. The functional scope of this office continues to change with the implementation of Senate Bill 90 (2017), which centralized certain information technology security functions within the Office of the State Chief Information Officer.

Shared Services is funded entirely by Other Funds transferred from different OHA and DHS programs through a federally approved cost allocation plan. The 2019-21 Governor's Budget for Shared Services totals $176.6 million, which represents a 6.0 percent increase from the 2017-19

Legislatively Approved Budget.

State Assessments and Enterprise-wide Costs

State Assessments and Enterprise-wide Costs (SAEC) is the budget structure for payments to the Department of Administrative Services (DAS) and third parties for goods and services serving the entire agency, such as rent, state data center charges, DAS risk assessment, state government service charges, unemployment assessments, mass transit taxes, computer replacement and debt service.

SAEC is funded based on cost allocation statistics to determine the distribution of expenditures and the revenue distribution by General Fund, Other Funds and Federal Funds. The Governor's Budget for SAEC totals $282.7 million, which represents 3.9 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $209.5 million, which represents a 9.2 percent increase from the 2017-19 Legislatively Approved Budget.

Long Term Care Ombudsman

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$4,929,019	$6,401,552	$7,553,107
Lottery Funds	0	0	0
Other Funds	679,823	908,057	853,177
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$5,608,842	$7,309,609	$8,406,284
Positions	25	27	28
Full-time Equivalent	24.50	25.50	28.00

OVERVIEW

Oregon's Long Term Care Ombudsman (LTCO) protects individual rights, promotes independence and ensures quality of life for Oregonians living in long-term care and residential facilities and for Oregonians with decisional limitations. The Long Term Care Ombudsman program coordinates a network of trained and certified volunteer ombudsmen who regularly visit long-term care residents and monitor the facilities in which they reside. As the volunteers receive complaints, they investigate and work to resolve them within the facility or, in the case of abuse, they refer the complaint to local adult protective services offices for investigation. The LTCO professional staff provides technical support and training for the volunteers. The staff also monitors facilities and respond to complex resident problems.

In addition to long-term care facilities, the LTCO established a new Residential Facilities Ombudsman Program (RFO) in 2014. The RFO staff provides advocacy for persons with intellectual/developmental disabilities and a mental health diagnosis living in licensed community residential facilities. Volunteers for this program engage in complaint investigation, resolution, rights education and advocacy for improvements in resident care and quality of life.

In 2014, the LTCO began providing public guardian and conservator services for persons without relatives or friends willing or able to serve as guardians and conservators and lacking the financial resources to obtain a private guardian or conservator. The Oregon Public Guardian program allows the state to serve as a statewide court-appointed guardian and/or conservator, trustee and payee for incapacitated Oregonians who have no other resources to serve in such capacity.

GOVERNOR'S BUDGET

The Governor's Budget for LTCO continues funding for core services and personnel, and provides resources (including positions) to enhance volunteer recruitment in both the LTCO and RFO programs. The budget is $8.4 million total funds for 28 positions. This is 15 percent

higher than the 2017-19 Legislatively Approved Budget.

REVENUE SUMMARY

The agency's main source of revenue is General Fund. The Other Funds portion of the budget comes from civil penalties and fines levied against licensed programs serving individuals with intellectual and developmental disabilities and individuals with a mental health diagnosis, which are dedicated to the RFO program. The agency's remaining Other Funds reflect the pass-through of a portion of the Senior Medicare Patrol grant and Older Americans Act funds from the Department of Human Services.

AGENCY PROGRAMS

Long Term Care Ombudsman

The Long Term Care Ombudsman program, mandated by the Federal Older Americans Act, serves long-term care facility residents through complaint investigation, resolution and advocacy for improvement in resident care. Program staff works with a statewide network of 160 to 190 volunteers who work in communities in which they live. In 2014, the RFO program was implemented to address the needs of residents of care facilities who have mental illness, intellectual or developmental disabilities.

Oregon Public Guardian

The Oregon Public Guardian (OPG) program serves as a court appointed, surrogate decision maker for adults incapable of making some or most decisions about their persons and affairs, who have no one else to serve as their guardian or conservator and have no less restrictive or costly options. Those in need of OPG services include people with age related neurocognitive issues, persons with serious and persistent mental health issues and persons with intellectual/developmental disabilities. The Public Guardian (as ordered by a court) is responsible for developing individual care plans for these clients. The OPG program serves as a fiduciary in a variety of areas, including estate issues, making all health, placement and fiscal decisions for the client and taking legal action, if necessary. The OPG program is relatively new to Oregon. Prior to the passage of Senate Bill 1553 (2014), Multnomah and Jackson counties had the only existing public guardian programs.

Psychiatric Security Review Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$2,658,376	$3,047,827	$3,202,718
Lottery Funds	0	0	0
Other Funds	6,090	2,248	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$2,664,466	$3,050,075	$3,202,718
Positions	11	11	11
Full-time Equivalent	11.00	11.00	11.00

OVERVIEW

The Psychiatric Security Review Board protects the public by ensuring the persons placed under its jurisdiction receive the necessary behavioral health services and support to reduce the risk of future dangerous behavior. To achieve this, the core function of the Board is to supervise both adults and youth who successfully assert the "guilty except for insanity" defense in criminal proceedings.

The Board includes a five-member adult panel and a five-member juvenile panel appointed by the Governor. The Board has the authority to:

- Commit a person to a state hospital designated by the Oregon Health Authority;
- Conditionally release a person from a state hospital to a community-based program with close monitoring and supervision, and authorize modification of a release when appropriate;
- Revoke the conditional release of a person under its jurisdiction and order the person to return to the state hospital pending a full hearing before the Board; and
- Discharge a person from its jurisdiction.

The Board also conducts the following actions based on recent expansions of its statutory mandate:

- Processes gun relief petitions and hearings for persons barred from possessing firearms due to a mental health determination;
- Monitors and supervises certain civilly committed persons as statutorily mandated; and
- Reviews and evaluates guilty except for insanity adults who are also required to register as sex offenders in accordance with a three-tier ranking system based on risk.

GOVERNOR'S BUDGET

The Governor's Budget for the Psychiatric Security Review Board is $3.2 million total funds, which represents a five percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 11 positions and supports all current agency programs.

REVENUE SUMMARY

The General Fund is the Board's sole source of revenue supporting its budget.

PUBLIC SAFETY

Program Area and Agency Information

PUBLIC SAFETY AGENCIES

Public Safety Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$2,360,902,235	$2,509,655,168	$2,694,833,259
Lottery Funds	7,740,839	8,145,961	9,035,781
Other Funds	666,107,536	802,361,830	808,290,581
Federal Funds	358,864,226	552,979,795	578,349,175
Other Funds (Nonlimited)	31,590,585	0	0
Federal Funds (Nonlimited)	16,863,980	1,038,513	940,120
Total Funds	$3,442,069,401	$3,874,181,267	$4,091,448,916
Positions	8,909	9,098	9,160
Full-time Equivalent	8,677.00	8,887.22	9,015.48

OVERVIEW

The agencies within the Public Safety program area are responsible for ensuring the public safety of Oregon's people, property and natural resources by maintaining a trained militia providing law enforcement services, prosecuting crimes and incarcerating juvenile and adult offenders. Other major program objectives include legal representation of state agencies and consumer protection.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The 2019-21 Governor's Budget for the Public Safety agencies is $4,091.4 million total funds, a 5.6 percent increase from the 2017-19 Legislatively Approved Budget. General Fund, at $2,694.8 million, is an increase of $185.2 million, or 7.4 percent over the 2017-19 Legislative Approved Budget.

The Governor's Budget reflects her commitment to prioritizing the most critical public safety services provided by state government.

Law Enforcement

From State Police to the Department of Justice, state agencies enforce the law and provide safety for law-abiding citizens and businesses. During the 2019-21 biennium, the Governor's Budget expands key statewide law enforcement services.

- For decades now, the State Police has seen stagnant funding, while Oregon's population and

the Department's assigned duties have multiplied. Governor Brown acknowledges the agency cannot continue to operate in this manner. For 2019-21, Governor Brown has restored vacancy savings and added funding to address long-term double-filled positions which will allow the agency to fill approximately 30 vacant patrol trooper positions. In addition, she has made additional investments by adding 10 patrol trooper positions to the agency providing a more uniform presence throughout the state and setting a course for the number of troopers to better reflect Oregon's population. Additional targeted investments in the Medical Examiner's Office add a Forensic Anthropologist position to work through over 170 unidentified remains. Finally, to preserve the delivery of core law enforcement the budget continues the use of Marijuana Funds and utilizes Transportation Operating Funds to reduce General Fund costs.

- In the Department of Public Safety Standards and Training, the budget supports sustaining 20 basic police classes and adding two training specialists to provide statewide instruction on the Transparency of Policing. In addition, the budget includes capital improvement for their academy facilities.
- The budget adds permanent resources for the Board of Parole and Post-Prison Supervision to continue to address mandatory sex offender risk-based assessments to be conducted on all registered sex offenders in the state.
- The budget supports the Department of Justice (DOJ) as it transitions away from hourly billing to assessing agencies a fixed flat rate amount each quarter, based on an estimate of legal services. The new flat rate assessment model will increase stability and predictability of state agency expenses for legal services, as well as provide revenue predictability for DOJ. The budget supports one-time resources to build the flat-rate assessment model by the spring of 2020 and used for agency request budget development for the 2021-23 biennium.
- The budget also supports investing in the defense of Oregon's interests from incursion by the current federal administration. The Department of Justice is engaged in significant litigation against the federal government to protect the State's interests.
- By July 2019, it is anticipated that DOJ will fully represent the Department of Human Services child welfare case workers in 35 counties. That same month, the project is expected to expand into Multnomah County to complete statewide implementation. The budget also continues investments in Child Support enforcement efforts statewide, including the new system project known as "Origin."

Adult Corrections, the Oregon Youth Authority and the Criminal Justice Commission

The safety of citizens is enhanced by the reduction of crime through incarceration and rehabilitation of offenders. The Governor's Budget continues to invest in evidence-based programs to reduce recidivism and divert offenders from prison, while also providing resources to address needed repairs and upgrades to facilities.

- The Justice Reinvestment Initiative, administered by the Criminal Justice Commission, is continued by providing approximately $39 million in grant funding. While the amount has been marginally reduced, funding will continue to be a targeted resource available to the Commission to invest in counties that utilize funding in a way that effectively reduces recidivism, prison usage and saves prison costs.

- Funding has been added to the Criminal Justice Commission budget to establish the Oregon Domestic Violence Commission to make investments in domestic violence prevention.
- The Governor's Budget has made a much-needed investment in addressing long-term double-filled positions within in Oregon Youth Authority (OYA) facilities. This will support OYA's commitment to implementing the Youth Reformation System, which is designed to deliver the right services to youth in the most appropriate settings in order to improve youth outcomes. The budget provides increased rates to Behavioral Rehabilitation Service providers who serve Oregon's most vulnerable youth. In addition, capital investments continue to be budgeted to address the ongoing health, life, safety and security concerns across multiple OYA facilities.
- Within the Department of Corrections, the budget makes investments in a pilot project providing security officers for hospital watches in two facilities. Capital construction investments are being supported throughout multiple facilities. Other budget investments include deferred maintenance, finding an electronic medical records solution and software licensing upgrades.

Emergency Preparedness

The Oregon Military Department is there when needed to assist with natural disasters, emergencies and overseas deployments. The Governor's Budget is making key investments in the Office of Emergency Management so the agency can make further strides in improving Oregon's Resilience for major catastrophic events. The Department is funded to increase public awareness with the goal that within three years, 250,000 Oregon households will have 14-days worth of supplies ready in the event of a major catastrophic event.

Additional investments are being made to upgrade aging regional armories and to ensure facilities in key locations can serve as essential emergency operation centers in a major catastrophic seismic event or other natural disasters.

Department of Corrections

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$1,604,985,118	$1,706,635,363	$1,824,439,471
Lottery Funds	0	0	0
Other Funds	50,911,308	82,099,322	96,713,703
Federal Funds	4,134,712	4,352,986	4,533,582
Other Funds (Nonlimited)	27,167,985	0	0
Federal Funds (Nonlimited)	1,123,728	1,038,513	940,120
Total Funds	$1,688,322,851	$1,794,126,184	$1,926,626,876
Positions	4,562	4,605	4,630
Full-time Equivalent	4,493.39	4,572.07	4,605.86

OVERVIEW

The Department of Corrections manages felony offenders sentenced to more than 12 months of incarceration by the courts. The Department's mission is "...to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior." The Department consists of the following divisions:

- Operations – provides intake, security, housing, meals, transportation, work program management and population management of Oregon's incarcerated adult felony offenders.
- Central Administration – provides leadership for the agency and participation in statewide public safety initiatives. The division houses the Director's Office and includes budgeting, research, audits, investigations and communications.
- Administrative Services– supports much of the day-to-day business of the organization such as facilities maintenance and services, human resources, procurement, central distribution, information systems management and fiscal services.
- Community Corrections – directly delivers supervision, services and sanctions to offenders in local control, on post-prison supervision or parole, and on probation in Linn and Douglas counties. The division oversees intergovernmental agreements with the 34 other counties to deliver comparable services and manages inmate transfers between states.
- Health Services – provides a managed-care model of delivering legally mandated health-related services including medical, dental, mental health and pharmacy. Functionally, it is part of the Operations Division.

- Offender Management and Rehabilitation – provides intake processing, offender records management, sentence computation, custody level classification and services to help offenders move successfully back into the community, including alcohol and drug treatment, education and apprenticeship and work skills.
- Debt Service, Capital Improvements and Capital Construction – these divisions provide funding for maintaining, repairing, improving and replacing capital assets.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of Corrections provides $1,926.6 million total funds and 4,630 positions. This is a 7.4 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget continues funding for safe and effective management of incarcerated offenders in state prisons and provides for the treatment of those offenders. The budget makes investments in opioid overdose prevention through the purchase of mail scanners, additional positions to cover hospital security watches, funding for an Electronic Health Records system and a rebuild for their Corrections Information System. Additionally, bond-supported projects including camera and radio replacements and deferred maintenance project funding is included the budget. Lastly, the budget reduces funding to counties with a proposed change to Earned Discharge funding.

REVENUE SUMMARY

The Department's need for revenue is influenced primarily by the number of inmates in prison, the severity of their medical and other treatment needs, the need to comply with legal mandates guiding conditions of incarceration and federal programs such as the Prison Rape Elimination Act, the costs of purchased goods and services such as medical Services and Supplies, and collective bargaining agreements with corrections workers' unions. General Fund makes up 94 percent of the Department's revenue. Other Funds comprise 5.3 percent of the budget and come primarily from inmate work and sales programs, inmates' commissary purchases and bond proceeds for capital projects. Federal Funds, which make up the remainder of the budget, are primarily from the State Criminal Alien Assistance Program grant, which provides a minimal subsidy to the cost of managing alien offenders. The funds are used to offset medical costs.

AGENCY PROGRAMS

Operations

The Operations Division is responsible for the overall security, housing, and population management of Oregon's felony offenders sentenced to more than 12 months of incarceration. It provides a safe, secure environment for adults in custody and for staff to perform their duties and hold offenders accountable for their actions while reducing the risk of future criminal behavior. The Department reports approximately 93 percent of adults in custody will eventually return to the community and division staff works with the Community Corrections Division and the Parole Board to prepare release plans for each adult in custody, increasing the individual's chances of success as he or she transitions back into the community. The primary cost driver for the Operations Division is staff to maintain proper coverage.

The Governor's Budget provides $920.3 million total funds, an 11 percent increase from the 2017-19 Legislatively Approved Budget, and 3,353 positions for the Operations Division. This increase is related to 12 additional security officer positions provided for hospital watches, 10 additional security officer positions for work crews and funding to purchase mail scanners for staff safety.

Central Administration

Central Administration includes the Director's Office and Deputy Director's Office, Chief Financial Office, Research and Projects, Internal Audits, Inspector General, Diversity and Inclusion, Government Efficiencies and Communications. The division provides leadership for the agency and participation in statewide public safety initiatives. The division's largest unit – the Inspector General's Office – oversees management of high-risk offenders, investigates suspected wrongdoing and conducts disciplinary hearings. A focus for Central Administration continues to be enhancing administrative effectiveness and accountability as well as strengthening internal and external communication.

The Governor's Budget provides $102.8 million total funds, a 10.2 percent increase from the 2017-19 Legislatively Approved Budget, and 171 positions for the Central Administration Division. This increase is related to funding for licensing and maintenance of the agency's SAS system, the cost of issuance for bond-supported projects, funding to purchase handheld narcotics analyzers and an additional position for financial oversight.

Administrative Services

Administrative Services provides services that are fundamental to the day-to-day operations of the department. Services are provided directly to the employees, offenders, volunteers, community corrections and other partner agencies. The division provides information technology services, facility services, human resources and distribution services.

The Governor's Budget provides $81.6 million total funds, a 22.1 percent increase from the 2017-19 Legislatively Approved Budget, and 251 positions for the Administrative Services Division. This increase is related to funding for critical capital renewal projects in multiple facilities and positions for facilities maintenance.

Community Corrections

In the 2019-21 biennium, the Community Corrections Division will be responsible for providing supervision, services and sanctions to more than 31,000 offenders in Oregon's communities. This includes felony offenders sentenced to probation, offenders released to parole or post- prison supervision and offenders sentenced to 12 months or less in prison to be served at the county level. Community Corrections supervision, services and sanctions are provided directly by the Department in Linn and Douglas Counties and indirectly by counties through intergovernmental agreements with the Department in the remaining 34 counties.

The probation and parole officers identify criminal risk factors and tailor case management plans to address them, thus mitigating the chances of an offender engaging in future criminal activity. The Community Corrections agencies provide correctional programs such as alcohol and drug treatment, sex offender treatment, employment counseling, and mental health services in order to promote long-term behavior change. Research has demonstrated treatment combined with supervision has the greatest impact on reducing criminal activity, compared to any other criminal

justice system sanction.

The Governor's Budget provides $289.1 million total funds, a 4.0 percent decrease from the 2017-19 Legislatively Approved Budget, and 76 positions for the Community Corrections Division. The decrease is primarily due to the proposed statutory change to HB 3194 (2013) eliminating Earned Discharge and resulting in a decrease of $10 million General Fund for distribution to counties.

Health Services

The Health Services Division provides legally mandated medical, dental, mental health and pharmacy services to the approximately 14,900 adults in custody in Oregon's prisons. To accomplish this task effectively and efficiently, the Department uses a managed care model emphasizing patient education, a limited benefit package, on-site primary care with coordinated care and management of diseases, controlled access to specialists and specialist procedures, restricted pharmacy medication formulary, controlled utilization, utilization review and claims review. The division maintains a team of professionals that includes physicians, nurse practitioners, physician assistants, registered nurses, dentists, psychiatrists, mental health specialists, pharmacists, as well as other licensed professionals.

The Governor's Budget provides $276.9 million total funds, a 4.2 percent increase from the 2017-19 Legislatively Approved Budget, and 570 positions for the Health Services Division. The increase is related to funding for the Electronic Health Records project.

Offender Management and Rehabilitation

The Offender Management and Rehabilitation (OMR) program is responsible for carrying out the Department's mission to reduce the risk of future criminal conduct. The program uses dynamic case management strategies involving the offender, guide and target corrections interventions and enhance linkages to community-based networks of support. The program includes the operation of offender intake processing, offender records, sentence computation, offender custody level classification, coordination of transfers between institutions, alcohol and drug treatment, cognitive behavioral restructuring, parenting, education, apprenticeship and work skills, religious services, victim services, volunteer services, inmate and community advocacy, transition programs and release planning. OMR targets resources to offenders with a moderate to high risk of recidivating using evidence-based practices in a multidisciplinary case management approach from admission to release.

The Governor's Budget provides $85.3 million total funds, a 2.3 percent increase from the 2017-19 Legislatively Approved Budget, and 209 positions for the Offender Management and Rehabilitation Division.

Debt Service

The Debt Service budgetary division contains funding to repay principal and interest on funds borrowed through the sale of Certificates of Participation (COPs) and bonds. Proceeds generated by the sales of COPs and bonds are used to construct and improve correctional facilities.

Additionally, bond financing has been used to replace outdated computer systems and upgrade the agency's camera and radio systems. The Governor's Budget provides $119.0 million total funds for the Debt Service division. This is a 3.4 percent increase from the 2017-19 Legislatively Approved

Budget.

Capital Improvements

The Capital Improvements budgetary division includes funding for those projects that change, adapt, or replace the use or function of a facility or reconfiguration of a program workspace. Capital Improvements also include asset protection, which is defined as maintenance, repair, replacement or adaptation of a facility with a total project cost under $1.0 million. The Department is responsible for maintaining 325 owned buildings and over 5.4 million square feet of building space. The estimated current replacement value is estimated at $2.5 billion. Capital Improvements division funding will allow the Department to perform only the most critical and immediate protection activities on its real property assets. The Capital Improvements division is fully supported by General Fund. The Governor's Budget provides $2.8 million, representing no change from the 2017-19 Legislatively Approved Budget.

Capital Construction

The Capital Construction budgetary division contains funding for the purchase of land, buildings, support systems and equipment and information technology-related projects. New building and equipment and deferred maintenance projects are included in the Capital Construction program. Capital Construction also incorporates those major projects or activities whose aggregate cost will equal or exceed $1.0 million.

The Governor's Budget provides $48.8 million total funds for the Capital Construction division, all of which is Other Funds from bond revenues. Capital Construction projects included in the budget are: $24.5 million for high-priority capital renewal projects, $14.0 million for radio system replacements in seven facilities, $8.6 million for camera upgrades and $1.7 million to rebuild the Corrections Information System (CIS).

Criminal Justice Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$54,221,723	$65,021,569	$72,371,040
Lottery Funds	0	0	0
Other Funds	695,077	2,461,392	4,052,011
Federal Funds	4,209,944	8,224,498	1,211,441
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$59,126,744	$75,707,459	$77,634,492
Positions	11	15	20
Full-time Equivalent	11.00	14.04	20.00

OVERVIEW

The Oregon Criminal Justice Commission (CJC) is a nine-member body that serves as a centralized and impartial forum for statewide public safety policy development, planning and agency coordination. The Commission staff collects and analyzes crime and sentencing data and develops estimates of the impact of crime-related legislation and initiatives on the criminal justice system. The Commission also develops state criminal justice policy and Oregon's long-range comprehensive public safety plan.

Consistent with the constitutional direction to both penalize and reform offenders, CJC analyzes data to determine the optimal balance of incarceration, treatment and program provision and post-release supervision to maximize the value of criminal justice investment. The Commission strives to make the criminal justice system effective and efficient in preventing crime by analyzing outcomes from the use of incarceration and services with the aim of reducing recidivism. Toward this goal, the Commission evaluates sentencing policy and prospective sentencing practices. In addition to this central mission, the Commission has several other responsibilities:

- Sentencing Guidelines – The Commission administers Oregon's sentencing guidelines, which establish sentences for felony crimes committed on or after November 1, 1989. The Commission provides analysis and data to agencies, the Legislature and the public, assists local Public Safety Coordinating Councils and adopts rules established for sentencing felony crimes. Specific goals of the Commission include prioritizing prison space, enhancing truth in sentencing, providing sentence uniformity and maintaining a sentencing policy consistent with correctional capacity.

- Statistical Analysis – The Statistical Analysis Center (SAC) provides the state with objective criminal justice research and data analysis. The SAC has access to arrest, charge and conviction data used to develop policy recommendations and make informed decisions. The SAC's mission provides, promotes and maintains reliable and valid criminal justice system data.

- Specialty Court Grant Program – The Commission administers grants for 41 specialty courts designed to serve non-violent felony offenders with substance use disorders. These courts use an integrated, systematic approach to reduce drug abuse and recidivism while increasing public safety and supporting family reunification. In the 2017-19 biennium, over $16.8 million dollars in grant awards were allocated to Specialty Courts.
- Asset Forfeiture – Established in 1989, the Asset Forfeiture Oversight Advisory Committee (AFOAC) collects data on asset forfeiture in Oregon and makes recommendations to the Legislature on modifications of statutory authority. Since 1997, the Commission has provided staff support for AFOAC. Funds from asset forfeiture are available for the Commission to distribute to drug courts.

The Commission manages the state's Justice Reinvestment Initiative (JRI) Grant Program, which provides funding to local criminal justice systems to control prison growth, reduce recidivism, increase public safety and increase offender accountability.

GOVERNOR'S BUDGET

The Governor's Budget for CJC provides $77.6 million total funds. This is a 2.6 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget equals $72.4 million, an 11.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 20 positions. The Governor's Budget continues to support JRI by providing for approximately $39 million in grant funding. While the Commission's funding for JRI is a slight reduction from the Legislatively Approved Budget, the Commission will target these resources to incentivize counties that have effectively utilized funding to reduce recidivism, prison usage and save prison costs. Additionally, $3.0 million General Fund has been provided to establish the Oregon Domestic Violence Commission and make investments in domestic violence prevention.

REVENUE SUMMARY

The agency is primarily supported by General Fund. Additionally, CJC receives Other Funds from civil forfeitures to staff the Asset Forfeiture Oversight Committee and to support specialty court programs. Additionally, $3.0 million Other Funds has been granted to CJC from the Marijuana Tax Fund to establish the Illegal Marijuana Market Enforcement Grant Program to address unlawful marijuana cultivation or distribution operations. It also currently administers six federal grant programs. These federal grants focus on drug treatment and enforcement, mental health programs, as well as planning, evaluation and technology improvement programs. Several partial federal grant awards are phased-out for the 2019-21 biennium. These include Federal Justice Reinvestment: Maximizing State Reforms, Justice Assistance Grants (JAG) and the Sex Offender Registration and Notification Act grants. The CJC does not anticipate an influx of federal funds to cover the decrease in JAG funding.

District Attorneys and Their Deputies

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$11,995,440	$12,592,454	$12,884,488
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$11,995,440	$12,592,454	$12,884,488
Positions	36	36	36
Full-time Equivalent	36.00	36.00	36.00

OVERVIEW

The District Attorneys' mission is to uphold laws, the Constitution of the State of Oregon and the United States Constitution; to preserve the safety of the public; to protect the rights of crime victims; and to pursue justice for all with skill, honor and integrity.

There are 36 District Attorneys (DAs) in Oregon; they are non-partisan and are elected by each county to serve four-year terms. The DAs and their Deputies prosecute state criminal offenses committed by juveniles and adults. In their effort to support public safety goals and strategies, the legal duties of the DAs include the following:

- Enforcing child support obligations in non-welfare cases;
- Prosecuting civil forfeitures;
- Presenting evidence at mental health hearings;
- Ruling on public records requests;
- Representing local interests in child dependency cases;
- Assisting juvenile courts; and
- Advising and representing county officers.

District Attorneys support the Justice Reinvestment Initiative through careful decisions at the initial charging stage of a case and subsequent plea negotiations prior to trial and by supporting the belief that non-violent offenders are better managed in the community. The DAs and their Deputies promote the use of specialty and alternative courts such as drug courts. They participate in statewide crime prevention programs through involvement in local public safety coordinating councils, child abuse prevention teams and community outreach activities.

GOVERNOR'S BUDGET

The Governor's Budget is $12.9 million General Fund. This is a 2.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 36 positions and includes salaries for the 36 elected DAs, who are state employees. State government service charges cover tort liability, other insurance related costs and services.

REVENUE SUMMARY

The DAs are funded with General Fund and their Deputies are funded through the counties in which they are employed.

Department of Justice

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$77,042,764	$85,709,883	$102,050,752
Lottery Funds	0	0	0
Other Funds	294,674,558	330,308,027	342,613,896
Federal Funds	154,388,574	186,688,612	214,728,819
Other Funds (Nonlimited)	4,361,977	0	0
Federal Funds (Nonlimited)	15,740,252	0	0
Total Funds	$546,208,125	$602,706,522	$659,393,467
Positions	1,326	1,379	1,367
Full-time Equivalent	1,295.51	1,355.40	1,349.56

OVERVIEW

The mission of the Department of Justice (DOJ) is to serve state government and support safe and healthy communities throughout Oregon by providing essential justice services. The Department is comprised of eight major divisions:

- Administration – includes the Office of the Attorney General and Administrative Services for the Department.
- Appellate – represents the state in all cases appealed to state and federal appellate courts.
- Civil Enforcement – enforces consumer law and coordination of protection services.
- Criminal Justice – conducts specialized criminal investigations that support district attorney assistance, organized crime investigation and criminal intelligence gathering.
- Crime Victims Services – administers victims' assistance programs.
- General Counsel – provides varied legal services to state officials, agencies, boards and commissions.
- Trial – defends the state when sued.
- Child Support – establishes and enforces child support obligations.

GOVERNOR'S BUDGET

The Governor's Budget for DOJ is $659.4 million total funds, $102.1 million General Fund, $342.6 million Other Funds and $214.7 million Federal Funds. This represents a 9.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 1,367 positions.

Currently, the Department charges state agencies an hourly rate for legal services; the Governor's Budget assumes an attorney rate of $208 per hour, which is a 13.0 percent increase from the 2017-19 rate of $182 per hour. The rate is expected to generate a total of $215.5 million. The Governor's Budget supports the Department of Justice's transition away from hourly billing to assessing agencies a fixed amount each quarter based on an estimate of legal services. The new flat assessment model will increase stability and predictability of state agency expenses for legal services, as well as provide revenue predictability for DOJ. This new rate structure is designed to encourage agencies to seek preventive legal advice to help avoid more costly legal problems that may arise. Governor Brown is committed to developing a methodology to transition from hourly billing to a flat assessment model during this biennium so it can be built into agency's 2021-23 Current Service Level Budget.

The Governor's Budget also supports investing in the defense of Oregon's interests from incursion by the current federal administration. The Department of Justice is engaged in significant litigation against the federal government to protect the State's interests and the Governor's Budget commits $2.0 million to fund these continued efforts.

REVENUE SUMMARY

The Department relies on a variety of funding sources. General Fund accounts for 15 percent of the budget and is devoted to public safety programs and services, primarily: the Oregon Child Support Program; the Defense of Criminal Convictions program; crime victims programs; legal work, which no state agency can be billed directly (e.g., ballot-title measure related); the law enforcement activities of the Criminal Justice Division and Defending Oregon's Statutes and Constitution.

Other Funds resources include charges to agencies for legal services, settlements, license and other fees, as well as charges and fines. Federal Funds include the federal share of the Child Support and Medicaid Fraud programs and crime victims' grants.

AGENCY PROGRAMS

Administration

The Administration Division includes the Office of the Attorney General and Administrative Services. The Office of the Attorney General provides executive management, establishes the state's legal position, manages public affairs, coordinates government-to-government tribal relations and sets the policy direction for the Department.

The Governor's Budget for this program is $38.3 million total funds, which represents a 6.6 percent increase from 2017-19 Legislatively Approved Budget. The budget includes 112 positions. The Governor's Budget includes funding and position authority for an internal auditor position while supporting core service programs.

Appellate

The Appellate division represents the state in all cases appealed to state and federal appellate courts in which the state is a party or has a significant interest. The division strives both to advocate on the state's behalf in the individual case and to influence the development of case law that serves the state's long- term legal interests.

Approximately two-thirds of the division's cases involve appeals from criminal convictions. There are three types of challenges to criminal convictions: direct appeal, State post-conviction challenges, and federal habeas corpus challenges. One-third of the cases typically involve a challenge to actions or decisions by state officials or employees. They involve labor-relations, challenges to the constitutionality of state statutes and claims that the state engaged in wrongful conduct. Other responsibilities include appeals related to dependency proceedings involving neglected or abused children, and preparing and defending ballot titles for initiative measures and some referenda.

The Governor's Budget for this program is $23.7 million total funds, which is a 12.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 57 positions.

Civil Enforcement

The Civil Enforcement division provides essential public services through the following sections:

- *The Child Advocacy* (ChAS) section helps to protect abused, neglected and abandoned children throughout Oregon by providing representation and comprehensive legal advice to the Department of Human Services (DHS), Child Welfare Program. ChAS attorneys address the needs of children in juvenile dependency court, which can often include guardianship or adoptions. ChAS attorneys advocate for safe placements that are in the best interests of the child.

  The Governor's budget strongly supports the continuing efforts of DOJ attorneys representing DHS caseworkers in court. This will promote attorney-caseworker collaboration, improve caseworker job satisfaction and retention, avoid the risk of unlawful practice of law by caseworkers and improve efficiency and cost-effectiveness of the child welfare system. It is anticipated that by July 2019 DHS child welfare caseworkers will be fully represented by DOJ attorneys in thirty-five counties, with the anticipated rollout of DHS social workers representation in Multnomah County starting in July 2019.

- *The Financial Fraud/Consumer Protection* section works to ensure fair competition and to educate consumers against marketplace fraud and abuse.
- *The Civil Recovery* section undertakes civil litigation seeking monetary recoveries for the State in civil actions statewide, including handling State claims in bankruptcy, civil rights law enforcement, and defense of Oregon's rights in national Tobacco Master Settlement Agreement. This section provides legal representation and advice to the Division of Child Support in child support matters. The Governor's budget provides additional resources to the Civil Recovery Section to address increases in child support caseloads.
- *The Medicaid Fraud Control Unit* investigates and prosecutes Medicaid fraud. Incidents include patient abuse or neglect committed by long-term care facilities or their employees and fraud in the administration of the Medicaid program.
- *The Charitable Activities* section supervises and regulates the activities of charitable, professional fundraisers and other nonprofit organizations.

The Governor's Budget for this program is $119.7 million total funds, which represents a 32.1 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 286 positions and supports their core programs and the expansion of their Child Advocacy and Civil Recovery activities.

Criminal Justice

The Criminal Justice division conducts specialized criminal investigations and prosecutions. It combines highly trained and experienced special agents, prosecutors and analysts into a single unit to comprehensively fight crime across Oregon. Overall the unit has a broad spectrum of public safety programs with the following services: trial and investigative assistance, technical-legal and prosecutorial advice, and continuing legal education and training in criminal law and procedures.

The *Special Investigation and Prosecution* section includes the District Attorney Assistance Program, Internet Crimes Against Children Taskforce, and the Cooperative Disability Investigation unit. The DA Assistance Program provides assistance to Oregon DAs and their deputies in criminal cases on matters relating to prosecution and law enforcement in their respective counties. Many counties lack investigative personnel on staff and the unit assists with complex criminal cases, in-depth witness interviewing, in-depth case investigation, and financial investigative assistance with the more sophisticated white-collar crimes.

The *Organized Crime Section* detects and combats organized criminal activities in the state. The section is trained and experienced to conduct complex multi-jurisdictional Racketeer Influenced and Corrupt Organization Act (RICO) investigations. Additionally, the staff is well trained in investigating and prosecuting complex financial crimes.

The *Criminal Information Services Section* gathers and analyzes information about criminals and their organization to assist law enforcement agencies. This section includes:

- Oregon TITAN Fusion Center is the focal point for receiving, analyzing, gathering and sharing threat-related information to better detect, prevent, investigate and respond to criminal activities.
- High Intensity Drug Trafficking Areas (HIDTA), Investigation Services & Watch Center sections: A portion of the services among these three sections include promoting, facilitating and coordinating the exchange of criminal intelligence information, as well as providing analytical reports. One other major function includes officer safety through "*deconfliction*" services for the designated HIDTA counties. This promotes local law enforcement safety when an operation is active within their jurisdiction.
- Western States Information Network for Oregon, which is a federally funded program that shares intelligence information among five western states (Alaska, California, Hawaii, Oregon and Washington).

The Governor's Budget for this program is $24.0 million total funds, which represents a 17.1 percent decrease from 2017-19 Legislatively Approved Budget. The budget includes 58 positions to support specialized investigations and criminal prosecutions.

Crime Victim and Survivor Services

The Crime Victim and Survivor Services programs work to provide safety and ensure the health of Oregonians by serving people who have been victims and survivors of crime. The program's compensation ensures that victims of violent crime have financial assistance so they can address their health and safety, without having to sacrifice other essential needs.

The division delivers grant funding to direct service providers for crime victims throughout the state; pays out compensation claims to victims of crime; collects restitution and judgments on behalf of crime victims, as well as the state of Oregon; and provides direct advocacy services to victims of crime

as mandated by the Oregon Constitution and statutes.

The *Victim Compensation* section manages the following activities:

- Provides assistance to innocent victims who sustain injuries resulting from criminal activities.
- The Child Abuse Medical Assessment program pays for child abuse medical assessments in certain cases.
- The Sexual Assault Victims' Emergency Medical Response Fund provides assistance to victims of sexual assault to ensure they have access to an immediate medical exam and forensic evidence collection.
- The Address Confidentiality program provides a substitute address for forwarding mail for victims of domestic violence, sexual assault and stalking.

The *Victim Response* section manages four programs: the Victim Rights program; the Post-Conviction Advocacy program; the Trafficking Intervention Program; and, the Domestic Violence Resource Prosecutor.

The Governor's Budget for this program is $122.7 million total funds, which represents a 57 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 41 positions. The increase is attributed to Federal Funds received from the Victim of Crime Assistance (VOCA) Program and Other Funds received through the Punitive Damage Awards.

General Counsel

The General Counsel division provides a full range of essential legal services to state agencies and officers to ensure state agencies operate programs according to established laws and legal precedent, thus minimizing legal exposure and enhancing public trust through consistent interpretation of law across state agencies. The program provides oral and written legal advice, drafts or reviews contracts and other documents, represents agencies in administrative hearings and furnishes legal opinions.

Given the diverse legal needs of state agencies and the broad range of subject matter, General Counsel is organized into the following eight sections: Chief Council's Office, Business Activities, Government Services, Human Services and Education, Labor and Employment, Natural Resources, Tax and Finance and Business Transactions.

The Governor's Budget for this program is $62.8 million Other Funds, which represents a 12.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 150 positions and supports current core programs.

Trial

When the state is sued, the Trial Division defends it. The division has represented the Governor, the Legislature, state agencies, as well as thousands of individual state employees who were sued for their work on behalf of the state. It also represents agencies when it is necessary for them to file contract or commercial lawsuits in furtherance of their mission. The division is focused on developing agency-specific training to avoid future legal exposure and enable agencies to focus on service delivery.

The Governor's Budget for this program is $38.2 million Other Funds, which represents a 17.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 114 positions and supports current programs.

Defense of Criminal Convictions

The Defense of Criminal Convictions program is a budget structure containing funding for work performed in the Appellate and Trial divisions to preserve convictions and sentences obtained by the state's prosecutors, as well as to appeal adverse trial court decisions that place criminal prosecutions in jeopardy. Oregon centralizes criminal post-conviction and appellate work in the Department of Justice to achieve quality legal work, consistency in the legal positions taken by the state, and efficiency.

The Governor's Budget for this program is $20.8 million General Fund, which represents a 2.6 percent decrease from the 2017-19 Legislatively Approved Budget. This budget supports the projected mandated caseload anticipated for the 2019-21 biennium.

Division of Child Support

The Division of Child Support (DCS) administers the Oregon Child Support Program through its 12 statewide offices and 22 county district attorney offices—enhancing the wellbeing of children by assisting families with child support services. It locates parents, establishes paternity, enforces and modifies child support obligations, and receives and distributes support payments from absent parents. The program serves families who currently are (or formerly were) receiving Temporary Assistance for Needy Families (TANF) or Medicaid, as well as families who apply directly for child support services but who have never received public assistance.

Services are provided under federal and state law. The program manages approximately 176,100 active cases, each representing a family. Additionally, it establishes and secures medical support for children in the form of additional cash support or by enforcing health insurance enrollment through parents' employers.

The program is largely funded by leveraged Federal Funds, with General Fund and Other Funds providing the balance. Federal Funds provide 66 percent of eligible program costs to maintain the Child Support Program, as mandated under Title IV-D of the federal Social Security Act. Additionally, the program received an average of $6.4 million annually in federal incentive awards dollars for the past four years. The program is projecting to receive and distribute $761.4 million in child support payments during the 2019-21 biennium.

The division collects TANF recoveries and uses the funding to support a portion of its operational costs. TANF caseloads are diminishing as the economy is improving and due to changes in federal law. The amount of TANF recoveries assignable to the state and collectible as Oregon Child Support Program revenue continues to decline.

The Governor's Budget for this program is $179.9 million total funds, which represents a 6.7 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 522 positions to support the program.

Child Support Enforcement Automated System

The present Oregon Child Support Enforcement System (CSEAS) is an antiquated mainframe computer system. DOJ is the process of replacing the system, which will allow the agency to comply with the federally mandated State plan, prevent the loss of eligibility for federal financial participation and incentive funds, and reduce the state's potential exposure to financial penalties. This new federally mandated system must function as a case management system, accounting and distribution

system, and a data exchange system, that interfaces with multiple agencies within Oregon and throughout the United States. The federal government reimbursement rate for this project is at 66 percent.

The new CSEAS (to be named "ORIGIN" once implemented) solution is a hybrid system combining the features from three states' systems (California, Michigan and New Jersey). The new system is expected to be fully operational and online by the end of the 2019-21 biennium.

The Governor's Budget for this project is $14.8 million total funds for the 2019-21 biennium. This represents a 74.1 percent decrease from the 2017-19 Legislatively Approved Budget. The budget includes 27 positions to support the life of this replacement project.

Debt Services and Related Costs

The Division of Child Support is currently undergoing a replacement project for the existing Child Support Enforcement Automated System (CSEAS), which involves debt service and related costs. The debt service funding is intended to support this project, and is being partially funded by the sale of State Article Xl-Q bonds.

The Governor's Budget for Debt Services and related costs is $14.7 million total funds.

Oregon Military Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$25,478,056	$27,578,231	$34,178,284
Lottery Funds	0	0	0
Other Funds	123,541,931	126,246,339	131,931,413
Federal Funds	156,967,173	296,098,794	297,219,587
Other Funds (Nonlimited)	60,623	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$306,047,783	$449,923,364	$463,329,284
Positions	464	477	520
Full-time Equivalent	418.60	426.82	465.63

OVERVIEW

The Oregon Military Department is responsible for the administration of the Oregon Army National Guard, the Oregon Air National Guard, the Oregon State Defense Force and the Office of Emergency Management. The Department has a dual mission: providing combat-ready units and equipment to be deployed in support of national defense under the direction of the President and providing trained personnel and equipment to protect life and property in Oregon during natural disasters or civil unrest, under the direction of the Governor. The Department also runs the Oregon Youth Challenge Program, a program serving at-risk youth who are failing in high school. The Department is organized into the following programs:

- Agency Administration – provides senior-level leadership and support for the command, control and administration of the Department.
- Operations – maintains and supports facilities utilized by the National Guard and provides the infrastructure to respond to natural or human-made disasters.
- Office of Emergency Management – plans, prepares and mitigates for emergencies and disasters presenting a threat to Oregon, as well as manages response when incidents occur.
- Community Support – delivers the Oregon Youth Challenge Program and the Science and Technology Academy Reinforcing Basic Aviation and Space Exploration program (STARBASE).
- Capital Debt Service and Related Costs, Capital Improvements and Capital Construction – includes initial funding and debt repayment for capital improvement and capital construction projects.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Military Department provides $463.3 million total funds, $34.2 million General Fund, $131.9 million Other Funds and $297.2 million Federal Funds. This represents a 3.0 percent increase from 2017-19 Legislative Approved Budget. The budget includes 520 positions. In addition to the expenditures and positions accounted for by the state's budget system, the Department

houses more than $606 million in biennial federal revenues and more than 2,000 positions under the National Guard Bureau's budget.

The Governor's Budget makes key investments in the Office of Emergency Management to make further strides in improving Oregon's Resilience for major catastrophic events; the budget provides funding to ensure 250,000 homes have two-week ready supplies within the next three years. Additional investments provide bond financing to upgrade aging regional armories and to ensure facilities in key locations can serve as essential emergency operation centers in a major catastrophic seismic event or other natural disasters.

REVENUE SUMMARY

The Department's largest single source of revenue is Federal Funds from cooperative agreements with the National Guard Bureau. The second-largest source of revenue is Other Funds collected by the Department of Revenue as taxes on telephone service for transfer to the Office of Emergency Management for operation of the 9-1-1 emergency telephone service system. General Fund will be used to support the Governor's new investments in resiliency, debt services on major construction projects and a portion to satisfy federal match requirements.

AGENCY PROGRAMS

Administration

The Administration program provides leadership and support for command, control and administration of the Oregon National Guard, the Oregon State Defense Force and Office of the Emergency Management. This program unit consists of the Command Group, the Financial Administration Division, the State Personnel Office, the Public Affairs Program, the Emergency Financial Assistance Program and the Reintegration Program. The program supports roughly 2,500 state and federal full-time employees, commands more than 8,400 soldiers and airmen and provides oversight of over 5.6 billion in facilities and equipment.

The Governor's Budget for this program is $7.6 million total funds, which represents a 3.1 percent decrease from the 2017-19 Legislatively Approved Budget. The program operates with 25 positions. The Governor's Budget includes funding and position authority for an internal auditor while maintaining the operations of this program.

Operations

The Operations Division includes programs to manage the acquisition, disposal, design, construction, operation and maintenance of all Army National Guard facilities in Oregon. It also includes programs that provide air defense of the northwestern United States from northern California to the Canadian border and trains fighter pilots, flight surgeons and weapons controllers. Other programs in this division support law enforcement drug interdiction efforts; funds installation of intrusion detection systems at armories and other facilities where small arms and ammunition are stored; provides federal funding for Oregon Army National Guard telecommunications systems; and provides video teleconferencing, computer- and web-based training, interactive audio and video services, e-mail and electronic network systems to National Guard members and their communities.

The Governor's Budget for this program is $109.4 million total funds, which represents a 5.6 percent decrease from 2017-19 Legislatively Approved Budget. The budget supports 362 positions. The majority of the reductions are attributed to one-time federal funding used in the lead dust abatement project in eight armories, which is scheduled to be completed during the 2017-19 biennium.

Office of Emergency Management

The Office of Emergency Management (OEM) coordinates statewide emergency services and maintains emergency communications systems used for public warnings, emergency notifications and emergency support. OEM also provides cities, counties and tribes throughout Oregon with planning, training and technical assistance in disaster preparedness, emergency response, recovery services and hazard mitigation. The OEM manages the state's 9-1-1 Emergency Telephone System, oversees the Search and Rescue program and supports the technologies used by the Oregon Emergency Response System. OEM executes planning, training and exercises to improve the state's domestic preparedness. It also offers guidance to local governments receiving grant funds through the program and chairs the Oregon Emergency Response System Council. Finally, the program administers federal disaster assistance, which allows communities to restore and repair critical infrastructure in response to federal disaster declarations.

The Governor's Budget for OEM is $283.1 million total funds, which represents a 4.9 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund budget is $8.7 million, a 130.4 percent increase from 2017-19 Legislatively Approved Budget. The program operates with 47 positions. The General Fund investment provides funding to continue current operations as program expenditures are not eligible for federal funding and will allow the agency to move forward with improving Oregon's Resilience for major catastrophic events. This includes adding funds to increase public awareness with the goal that within three years, 250,000 Oregon households will have 14-days worth of supplies ready in the event of a major catastrophe event. Other Funds, primarily come from Emergency Telephone 9-1-1 taxes and the Federal Funds come from the Emergency Management Performance grants (FEMA).

Community Support

The Community Support program includes the Oregon Youth Challenge Program (OYCP) and the STARBASE program. OYCP is located in a National Guard facility near Bend providing educational and other services to 16 to 18-year-old youth who have dropped out of, or are failing, high school. STARBASE demonstrates real-world applications of math and science to at-risk students in third to eighth grades in Portland and Klamath Falls through hands-on aerospace-related classes and tours at the Portland Air Base, Kingsley Field; the program will be expanding to Camp Rilea in Warrenton, Oregon this biennium.

The Governor's Budget for this program is $19.4 million total funds, which represents a 3.1 percent decrease from the 2017-19 Legislatively Approved Budget. The program operates with 86 positions. The Governor's Budget supports the expansion of the Youth Challenge Program and the STARBASE programs.

Capital Debt Service and Related Costs

The Capital Debt Service and Related Costs program provides funding to make payments on principal, interest and financing costs for Certificates of Participation (COP) and Article XI-Q general obligation bond debt used to construct and upgrade agency facilities and for acquisition of land and facilities. The program is funded primarily by General Fund, assisted with a small amount of Other Funds from bond

proceeds for the cost of debt issuance.

The Governor's Budget for this program is $12.6 million total funds, of which $12.2 million is General Fund for debt service payments. The Governor's Budget maintains the funding related to bringing several facilities to essential emergency operation center facility standards and to conduct Armory Service Life Extension Projects at the Jackson Armory and Grants Pass Armory.

Capital Improvements

This program provides for capital improvements to existing facilities. Capital improvements projects are those with a total cost of less than $1.0 million. Program expenditures are used to address the Department's backlog of deferred maintenance on its buildings. Typical capital improvement projects are roof, structural, HVAC system and window and door replacement projects. These deferred maintenance projects directly affect the operational readiness of Oregon National Guard facilities used for soldier and airman training as well as the ability to fill extra facility space with paying tenants. The program is funded with Federal Funds and, when available, General Fund. The Governor's Budget maintains this program with $5.1 million Federal Funds expenditure limitation.

Capital Construction

The Capital Construction division houses funding for planning, designing and building all capital construction projects for the Oregon Army National Guard. The program addresses the agency's most critical facility shortfalls either through replacing facilities no longer capable of serving the needs of the assigned units or extending the lifespan of facilities through alterations and additions. State matching funds are required for most federally funded construction projects for planning, permitting, design and environmental impacts. Federal funding varies from 75 percent to 100 percent of the total project costs.

The Governor's Budget provides $26.1 million in bond financing to upgrade several facilities to essential emergency operation center facility standards and to conduct Armory Service Life Extension Projects at the Salem Owen and Anderson Readiness Center and at the Jackson Armory. In addition, the Salem and Pendleton Army Aviation Support Facilities will receive funding to perform facility emergency enhancements.

Oregon Youth Authority

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$290,295,711	$312,595,798	$327,214,716
Lottery Funds	0	0	0
Other Funds	55,497,491	60,852,433	15,053,678
Federal Funds	26,348,882	37,328,320	40,652,558
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$372,142,084	$410,776,551	$382,920,952
Positions	1,014	1,023	1,002
Full-time Equivalent	981.80	950.68	974.88

OVERVIEW

The Oregon Youth Authority (OYA) serves youth ages 12-25 who have engaged in serious delinquent or criminal conduct prior to their 18th birthday. The mission of OYA is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments. Juvenile courts may commit youth offenders to OYA for out-of-home probation placement or incarceration in a state youth correctional facility. As the state's juvenile corrections agency, OYA operates correctional facilities, work-study camps and accountability camps. OYA also manages the state's juvenile parole and probation programs; contracts for foster care, residential treatment and specialized treatment programs for adjudicated youth; and distributes funds to county juvenile departments. The agency's vision is for all youth who leave OYA go on to lead productive, crime-free lives. The agency is implementing the Youth Reformation System (YRS), which uses analysis and evidence-based practices to improve outcomes. The agency is organized into the following divisions:

- Facility Services program – Operates close-custody facilities located in communities across Oregon and is responsible for the custody and care of about 550 youth offenders.
- Community Services program – Provides public safety, youth offender accountability and reformation services for about 800 youth offenders in communities throughout Oregon.
- Program Support division – Provides agency leadership, business services, information technology support and offender treatment services.
- Debt Service, Capital Improvements, and Capital Construction divisions – contains funding for maintaining, repairing, improving and replacing capital assets.

GOVERNOR'S BUDGET

The Governor's Budget for OYA provides $382.9 million total funds and 1,002 positions. This is a 6.8 percent decrease from the 2017-19 Legislatively Approved Budget. The General Fund budget is $327.2 million, a 4.7 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget maintains agency operational needs by funding 30 double-filled positions within facilities across the state. Bond financing is provided to improve medical facilities in three facilities and capital construction projects are continuing to address the remodel of living units and security improvements at multiple facilities. The budget also right sizes the residential bed funding to meet available community resources.

REVENUE SUMMARY

The Department's budget is mostly General Fund with a much smaller amount of Federal Funds and Other Funds. Federal Funds come from Title XIX Medicaid funding for targeted case management, administration and behavioral rehabilitation services. Other Funds come from child support payments, Social Security benefits and nutrition program funds transferred from the Department of Education.

AGENCY PROGRAMS

Facility Services

This program operates close-custody facilities located in communities around the state. The program is responsible for the custody and care of approximately 550 youth age 12 – 25 who have committed crimes prior to their 18th birthday. Custody includes providing physically, emotionally and psychologically safe living conditions for the youth and working conditions for staff while ensuring the security of the facility. Care of the youth includes health care, classroom education, evidence-based treatment to address youths' criminogenic risks and needs, vocational education opportunities, access to online college level courses, and opportunities to pay restitution to victims. Programs also allow for youth to give back to the community through charitable activities and other projects and include services to promote connections to the youths' families and other forms of community support.

The Governor's Budget provides $173.4 million total funds and 734 positions for Facility Services. This is a total funds increase of 2.7 percent from the 2017-19 Legislatively Approved Budget. The budget provides funding for double filled positions which allows for a more transparent view of facility staffing costs.

Community Programs

The Oregon Youth Authority's Community Services program provides public safety, youth offender accountability and reformation services for youth offenders placed in communities throughout Oregon. This is accomplished through multiple field offices, residential treatment programs and foster homes. The field offices provide supervision by parole and probation officers supported by a continuum of sanctions and services. The OYA works in partnership with Oregon's county juvenile departments, private sector providers and other stakeholders to develop and implement individual youth case plans and provide assessment and treatment services aimed at preventing youth from re-offending.

The Governor's Budget provides $137.5 million total funds and 138 positions for the Community Services Program. This is a total funds increase of 2.3 percent from the 2017-19 Legislatively Approved Budget. The Governor's budget continues support for grant funding to counties. Funding for the number of

budgeted community placement beds is reduced to better represent the number of beds OYA is currently utilizing.

Program Support

The Program Support division provides both leadership and support to the Department. This includes Department leadership, strategic planning, program direction and rule and policy development. It also includes accounting, payroll, purchasing, budgeting, contracts, human resources, physical plant, risk management and training. The division provides oversight of Department programs from the perspective of diversity, inclusion and intercultural relations and supports the Department with data management. In addition, the division delivers evidence-based treatment services for youth offenders, including cognitive-behavioral restructuring, substance abuse and dependency treatment, emotion and impulse control, treatment for depression, sex offender treatment, life skills training and skill development.

The Governor's Budget provides $47.7 million total funds and 130 positions for Program Support. Total funds increase by 5.3 percent from the 2017-19 Legislatively Approved Budget. The Governor's Budget includes planning funds to upgrade the Juvenile Justice Information System, which is used by more than 2,500 statewide professionals, including county juvenile departments.

Debt Service

This is the budget for principal and interest payments on Cost of Issuance (COI) and Article XI-Q bonds issued to build youth correctional facilities and fund selected deferred maintenance projects. General Fund pays for debt service. The Governor's Budget provides $15.6 million General Fund for repayment of scheduled principal and interest in the 2019-21 biennium. This is an increase from $4.3 million in the 2017-19 Legislatively Approved Budget and is primarily related to new bond financing in the 2017-19 biennium.

Capital Improvement

The Capital Improvement program includes projects valued at less than $1.0 million and provide for land acquisition, construction of structures, assessments and improvements or additions to existing structures. Capital Improvement also includes asset protection, which is defined as maintenance, repair, replacement or adaptation of a facility. Most buildings maintained by OYA provide secure residential spaces for youth offenders. Other facilities are used for youth offender education, vocational training, recreation, administration and support services.

The Governor's Budget maintains the current level of operations of the program by providing $1.6 million General Fund to pay for deferred maintenance, electronic and physical security projects, general building improvements and emergency repair projects. This is a 3.3 percent increase from the 2017-19 Legislatively Approved Budget.

Capital Construction

The Capital Construction program includes projects with values of $1 million or more that build, adapt, replace or change the use or function of an information technology-related system, a facility or a group of related facilities. Capital Construction projects usually follow a two-phase process, including a planning and design phase, followed by a construction phase. The Governor's Budget provides $7.1 million Other Funds for Oak Creek, Tillamook and MacLaren medical and dental facilities improvements, Electronic Security Improvements and needed capital improvements. The Department continues to work on the capital construction projects from the previous biennium, which includes

renovations at Rogue Valley and MacLaren facilities.

Board of Parole and Post-Prison Supervision

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$6,728,521	$9,048,876	$9,083,612
Lottery Funds	0	0	0
Other Funds	523	11,254	11,682
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$6,729,044	$9,060,130	$9,095,294
Positions	28	28	31
Full-time Equivalent	26.04	28.00	30.50

OVERVIEW

The Board of Parole and Post-Prison Supervision works within the criminal justice system to achieve the following: protect the public; reduce the risk of repeat criminal behavior (through decisions involving incarceration and evidence-based community supervision and intervention); and ensure legal integrity. The Board's release and post-prison supervision decisions are informed by its partnerships with the Department of Corrections, local supervisory authorities, stakeholder groups as well as victim involvement and support. The Board is comprised of five full-time members.

The responsibility of the Board is to:

- Impose prison terms and make parole decisions on offenders whose criminal conduct occurred prior to November 1, 1989.
- Impose prison terms and make parole decisions for offenders who have been sentenced as "Dangerous Offenders," for those convicted of aggravated murder and are eligible for parole, and for those convicted of murder after June 30, 1995. For these offenders, the Board has the legal authority to decide when, or if, the inmate is released from prison. When these inmates are released into the community, they are ordered to serve a term of parole. As of July 2018, the Board has designated 173 out of 1,216 inmates as "Dangerous Offenders."
- Support the Sex Offender Notification Level program as enacted under 2015 legislation. The Board is charged with conducting risk-based community notification (level I – low, level II – moderate, level III - high) on all registered sex offenders. Currently, the Department is responsible for classifying over 27,000 existing registered offenders awaiting assessment by December 2022.
- Notify victims and criminal justice stakeholders of hearings and releases. The Board corresponds with approximately 6,324 active victims and conducts an average of 117 notifications per month.
- Determine the conditions which must be met by an offender during their sentence of post-prison

supervision. A court determines the sentence duration.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Parole and Post-Prison Supervision is $9.1 million total funds, which represents a 0.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget supports 31 positions, including five additional permanent positions to conduct the risk-based community notification assessments.

REVENUE SUMMARY

The Board is dependent upon General Fund to support its core programs and functions. The increase in General Fund supports key program areas and services the Department must provide for the safety of Oregon communities. These services include offender psychiatric or psychological evaluations. The Board relies on qualified providers to conduct the necessary evaluations of inmates being considered for parole.

Department of State Police

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$280,102,391	$280,677,031	$302,945,886
Lottery Funds	7,740,839	8,145,961	9,035,781
Other Funds	101,465,180	151,266,325	168,980,557
Federal Funds	6,420,284	12,274,226	12,638,622
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$395,728,694	$452,363,543	$493,600,846
Positions	1,314	1,370	1,398
Full-time Equivalent	1,268.08	1,346.62	1,379.01

OVERVIEW

The Department of State Police was created in 1933 to serve as a rural patrol and to assist local city police and sheriffs' departments. Their mission is to enhance livability and safety by protecting the people, property and natural resources of Oregon. The Department fulfills this mission by serving, protecting and educating Oregon's citizens and visitors and through leadership, action, coordination and cooperation with its public safety partners.

The Oregon State Police provides patrol services on Oregon's highways, at the Capital Mall and at Oregon State University, as well as dignitary protection, drug recognition experts, Fish and Wildlife and gaming industry law enforcement and Special Weapons and Tactics experts. The department houses the State's Medical Examiner's office, who investigates all deaths due to homicide, suicide, accident, drug overdoses, and deaths in state custody, on the job or occurring while not under medical care. The department investigates major crimes, drug trafficking, arson, explosives and acts of terrorism, provides forensic and criminal justice information services. Lastly, the State Fire Marshal provides fire prevention and intervention programs and coordinates with other agencies on statewide issues and during conflagrations, mobilizations, and major emergency incidents.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of State Police is $493.6 million total funds, this represents a 9.1 percent increase from the 2017-19 Legislatively Approved Budget and support 1,398 positions.

The Governor's Budget is investing resources in the following areas:

- Investing in 10 new sworn Patrol Trooper positions to place strategically throughout the state.
- The Governor's Budget reduces vacancy savings for the department, this combined with all other investments will allow the department to fill over 30 vacant sworn patrol Trooper positions.

- Properly funding long-term double-filled positions in Administration, Criminal Investigation, agency support and in the State Medical Examiner's Office.
- Establishing a new Forensic Anthropologist position to continue the Department's efforts to resolve 171 unidentified remains, including 11 unidentified children.
- Providing permanent lease funding for the new Pendleton laboratory expected to be open in May 2019.
- Investing in the State Radio project and lifecycle replacement of Trooper data terminals and cameras.
- The Governor's Budget also includes a series of cost savings measures by shifting General Funds to Other Funds. The Department will see an increased share of Marijuana Funds based on the November 2018 Revenue forecast, which would be invested into the Criminal Investigations unit and a fund shift of $10.2 million from General Fund to Transportation Operating Funds.

REVENUE SUMMARY

The Department's primary source of revenue is General Fund, which makes up 61 percent of their budget. Additionally, the Department receives roughly $27.0 million in Other Funds revenue from the Fire Insurance Premium Tax, which supports the operations of the State Fire Marshal and related activities. The Department also receives more than $21.0 million in Other Funds revenue from charging other organizations for its services. These organizations include the Oregon State Lottery, Oregon State University, organizations requesting information from the Law Enforcement Data System, and Oregon Department of Fish and Wildlife (ODFW) to support enforcement of fish and wildlife laws. The Department also receives $9.0 million in dedicated (Measure 76) Lottery Funds from the Oregon Watershed Enhancement Board to support enforcement of fish and wildlife laws. Federal Funds are a small part of the Department's revenue and come primarily from agreements with and grants from federal agencies.

AGENCY PROGRAMS

Agency Support

The Agency Support program provides executive leadership, policy direction, budget oversight, professional standards management, training and recruitment, internal audit, dispatch of troopers to calls for service, vehicle management and management of records generated by sworn officers.

The Governor's Budget for this program is $54.2 million total funds, a 22.3 percent increase from the 2017-19 Legislatively Approved Budget. The program supports 145 positions. The Governor's Budget adds resources to eliminate the final four double filled positions in this program, which ultimately allows the Patrol Services Division to fill vacant Trooper positions.

Administrative Services

The Administrative Services program includes budget and financial reporting, accounting, payroll, grant management, human resources, information technology, contracting and procurement, and facilities management.

The Governor's Budget for this program is $23.2 million total funds, a 2.7 percent decrease from the 2017-19 Legislatively Approved Budget. The program supports 82 positions. The Governor's Budget is

investing in providing resources to address the long-term double filled positions, allowing the Department to fill some of their vacant Trooper positions.

Patrol Services

The Patrol Services division provides uniform sworn police services throughout the state with a primary responsibility for the protection of human life and property through crash reduction, crime reduction, responding to emergency calls for police services and responding to other transportation safety issues on Oregon's rural state and interstate highways. The Patrol Services division also augments and supports local law enforcement efforts by providing a safety net of police services, including assisting in cases of civil disobedience and natural or man-made disasters and with city and county emergency calls for service.

The Governor's Budget for this program is $188.5 million total funds, which is a 14.9 percent increase from the 2017-19 Legislatively Approved Budget. The program supports 553 positions. The Governor's Budget invests an additional $3.0 million in General Fund adding 10 new Patrol Troopers as well as funding to purchase up to 36 new patrol vehicles, which provides a needed uniform presence to maintain public safety. Given the importance to enhance trooper presence across the state, the budget includes a $10.2 million General Fund shift to Transportation Operating Funds.

Fish and Wildlife

The primary responsibility of the Fish and Wildlife Division is enforcement of fish, wildlife and commercial fishing laws and protection of natural resources. The division is the single enforcement entity designated by law to protect fish and wildlife resources. The division's officers have special training in fish and wildlife enforcement and are positioned throughout the state. These officers are often the only law enforcement presence available in some of Oregon's more rural communities. In addition to fish and wildlife enforcement, they also enforce traffic, criminal, boating, livestock and environmental protection laws and respond to emergency situations.

The Governor's Budget for this program is $47.2 million total funds, a 7.4 percent increase from the 2017-19 Legislatively Approved Budget. This budget is largely support by Other Funds from the Oregon Department of Fish and Wildlife and from agreements with federal and other state agencies. The Governor's Budget supports 136 positions and maintains the operations of this program.

Criminal Investigation

The Criminal Investigation division provides investigative services in support of criminal justice agencies statewide. The following five major areas of investigation are provided by the division:

- *Major Crimes* is the largest section where the detective and crime analysts are assigned to support local law enforcement investigation efforts related to multi-jurisdictional drug trafficking, child physical and sexual abuse cases, identity theft and embezzlement cases, elder abuse and major violent crimes.
- *Drug Enforcement* provides a leadership role in the coordination and support of law enforcement agencies in drug enforcement efforts throughout the state.
- *Sex Offender Registration* section maintains the state sex offender database and actively manages over 27,000 offenders who live, work or attend school in Oregon communities.
- *Counter-Terrorism* section is committed to the protection of Oregon's citizens from acts of

terrorism, whether international or domestic.

- *Arson & Explosive Units* protect life and property through effective investigation, enforcement, and responding to incidence involving suspicious objects or packages.

The Governor's Budget for this program is $51.3 million total funds, an 11.1 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund need is offset by $8.0 Marijuana tax revenue based on the November 2018 forecast. The Governor's budget supports 135 positions and provided resources to address five long-term double filled positions.

Forensic Services

The Forensic Services Division supports the criminal justice system by providing forensic analysis of evidence related to crimes. This division provides analysis and investigative assistance in several disciplines, including biology, chemistry, toxicology, crime scene investigation, DNA, latent prints, firearms and tool marks. The Department operates five forensic laboratories, which are located in Bend, Central Point, Pendleton, Portland and Springfield.

The Governor's Budget for this program is $51.4 million total funds, an 11.3 percent increase from 2017-19 Legislatively Approved Budget. The program includes 137 positions. The Governor's Budget supports the new Pendleton forensics lab.

Office of the State Medical Examiner

The State Medical Examiner is responsible for the investigation of all deaths due to homicide, suicide, accident, drug overdose, deaths in state custody, deaths on the job, and natural deaths occurring while not under medical care. The main activity of the division is to certify the cause and manner of death requiring investigation within the authority of ORS Chapter 146. This activity includes post mortem examination and alcohol and drug analyses. The Medical Examiner has responsibility for technical supervision of county offices in each of the 36 counties of Oregon. Members of the Medical Examiner division also work closely with public health officials to monitor emerging infectious disease, bioterrorism, and other public health threats.

The Governor's Budget for this program is $6.1 million total funds, which is a 19.8 percent increase from 2017-19 Legislatively Approved Budget. The program supports 12 positions. The Governor's Budget added resources to address the two double-filled Medical Examiners. The office will also receive funding for a new Forensic Anthropologist to continue work in resolving cases of 171 unidentified remains, including the remains of 11 children.

Criminal Justice Information Services

The Criminal Justice Information Services Division includes the following two sections:

- *Law Enforcement Data System (LEDS)* section is responsible for the policy and user aspects of the statewide criminal justice telecommunication network and the central repository of criminal justice related information. It provides all law enforcement and criminal justice agencies in Oregon with access to online information in the FBI's National Crime Information Center, the Interstate law enforcement data-switching network, and the National Law Enforcement Telecommunications System.
- *Identification Services* section is responsible for maintaining Oregon's criminal offender records comprised of arrest fingerprint and palm print images and crime data reported by all law

enforcement, corrections, agencies, Oregon courts and District Attorneys for the purpose of establishing and maintaining a history of criminal events related to individuals. This is Oregon's sole source criminal records interface with the FBI's National Fingerprint File and National Crime Information Center. The information is used for many law enforcement purposes, such as to solve crimes, pre-screen people seeking to purchase firearms, screen people seeking concealed handgun licenses, and screen people applying for certification and licensing for various positions such as working with children and vulnerable adults.

The Governor's Budget for this program is $29.8 million total funds, an 8.4 percent increase from the 2017-19 Legislatively Approved Budget. The program supports 95 positions. The Governor's Budget maintains the operations of this program and supports the final stages of LEDS 2020, the replacement of the CRIMEvue data system.

Gaming Enforcement

The purpose of the Gaming Enforcement division is threefold: (1) to assure the fairness, integrity, security and honesty of the Oregon State Lottery by providing independent and specialized gambling regulatory services to the Oregon State Lottery Commission; (2) to assure the fairness, integrity, security and honesty of Class III gaming by providing the required independent Tribal-State Compact monitoring of the operations of the nine federally recognized tribes of Oregon; and (3) to ensure the integrity and honesty of the professional boxing, wrestling, and mixed-martial arts industry in Oregon and to protect the interests of the professional athletes and the public concerning medical standards, fairness, financial fraud and event environmental safety.

The Governor's Budget for this program is $12.3 million total funds, where almost all of which is Other Funds that come primarily from a contract with the Oregon State Lottery, compacts with Oregon Tribes, and gross revenue tax on various ring sports events. The program supports 36 positions.

Office of the State Fire Marshal

The Office of the State Fire Marshal is responsible to protect citizens, their property, and the environment from fire and hazardous materials. It carries out its duties through prevention, preparedness and response activities. The Office provides expertise, technical assistance, model programs, and materials to local, state, private and public groups to collaboratively reduce fire losses. It develops, adopts, and interprets the State Fire Code. It also coordinates with other agencies on statewide issues and during conflagrations, mobilizations and major emergency incidents. It locates and identifies the types and amounts of hazardous substances manufactured, stored and used within Oregon. The program equips, trains and administers 13 regional hazardous materials response teams and incident management teams. It also plans, coordinates, and manages emergency response by local fire service providers for the Oregon Conflagration Act, natural disasters, and structural collapses. The Office regulates, licenses and inspects to ensure fire and life safety protection for fireworks, liquefied petroleum gas and non-retail fuel dispensing.

The Governor's Budget for this program is $29.5 million total funds, a 26.7 percent decrease from 2017-19 Legislatively Approved Budget. The decrease is due to one-time funding provided by the state to address the 2017 and 2018 fire seasons. It is estimated the 2017 and 2018 fire seasons for the agency totaled more than $30.0 million, directly attributed to 15 Conflagration Declarations.

The Governor's Budget supports existing staff resources, and approved the Petroleum Load Fee increase for the 2019-21 biennium. The increase in fee revenue by $0.8 million allows the agency to

replace aging emergency response vehicles and issue them to the regional teams. General Fund support of $0.4 million is included in the budget to coordinate outreach and to develop the oil and hazardous material spill response plan. The program supports 67 positions.

Department of Public Safety Standards and Training

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$10,052,511	$9,795,963	$9,665,010
Lottery Funds	0	0	0
Other Funds	39,321,468	49,116,738	48,933,641
Federal Funds	6,394,657	8,012,359	7,364,566
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$55,768,636	$66,925,060	$65,963,217
Positions	154	165	156
Full-time Equivalent	146.58	157.59	154.04

OVERVIEW

The Department of Public Safety Standards and Training (DPSST) is responsible for providing basic and ongoing training, certifying officers and monitoring compliance with professional standards established by the Board on Public Safety Standards and Training. The Department trains and certifies more than 41,000 public safety professionals including city, county, tribal and state law enforcement officers, corrections officers, parole and probation officers, fire service personnel, telecommunicators, emergency medical dispatchers, polygraph examiners, private security providers and private investigators. DPSST also certifies qualified instructors, reviews and accredits public safety training programs throughout the state and administers the Public Safety Memorial Fund.

DPSST is overseen by a 24-member, Governor-appointed board of professionals representing each of the public safety disciplines at all levels of jurisdiction, as well as one private citizen. The Board establishes professional standards for training and certification of Oregon's public safety professionals and makes determinations on waiver requests and cases involving potential decertification. The Board is supported by six policy committees and a number of subcommittees who provide technical expertise and serve as vital links to public safety organizations. The Board and policy committees operate in close partnership with DPSST.

GOVERNOR'S BUDGET

The 2019-21 Governor's Budget continues funding for DPSST's core programs by providing $66.0 million total funds and 156 positions. This is a 1.4 percent decrease in total funds from the 2017-19 Legislatively Approved Budget. Funding for the Public Safety Memorial Fund continues with no reduction from the current level.

REVENUE SUMMARY

General Fund covers $9.7 million in debt service for the construction of the academy. Revenues from the Criminal Fine Account (CFA) equal $37.5 million and make up 53 percent of DPSST's total available

revenue. CFA revenues fund criminal justice training, certification and records management and agency administration. Revenues from the Fire Insurance Premium Tax totaling $5.0 million in the 2019-21 biennium are dedicated to the Fire Training and Certification Program. Likewise, the 9-1-1 telecommunications tax and fees charged to private security officers and to private investigators are dedicated to the related programs.

AGENCY PROGRAMS

Criminal Justice Standards and Training

The purpose of the Criminal Justice Standards and Training program is to train and certify, to the appropriate level of competency, all law enforcement, city and county corrections, parole and probation officers, 9-1-1 telecommunicators and emergency medical dispatchers. The Criminal Justice Standards and Training program affects more than 200 public safety agencies employing more than 11,000 public safety officers in Oregon.

The Governor's Budget for this program includes $25.4 million, funded by the Criminal Fine Account, and 84 positions. The budget funds approximately 800 students in Basic Law Enforcement classes per year. Basic training classes range from three weeks for telecommunicators and emergency medical dispatchers to 16 weeks for law enforcement officers. Costs of the program are primarily driven by the number of individuals requiring training and certification. Retirements as well as economic and revenue fluctuations at local government levels provide a level of difficulty when forecasting training needs of public safety agencies. However, DPSST carefully monitors the number of applications to see if the allocated funding is sufficient to meet statewide training needs.

Fire Training and Certification

The purpose of the Fire Training and Certification program within DPSST is to train and certify career and volunteer firefighters. This program also provides critical wildland firefighter training to the Oregon National Guard at the request of the Oregon Department of Forestry when the Governor mobilizes troops to assist with fire suppression efforts. Fire program employees also participate in and respond as part of the State Fire Marshal's Incident Management Team.

The Governor's Budget for this program provides $5.0 million Other Funds and 15 positions. This program is funded primarily through the Fire Insurance Premium Tax, a 1.15 percent surcharge on all fire insurance policies written in the State of Oregon. The program provides training and certification for over 12,000 fire service professionals.

Private Security and Private Investigators

The purpose of the Private Security and Private Investigators program is to certify and license private security providers and private investigators according to established standards. Additionally, this program assures compliance with standards and issues certifications for qualified instructors. The program focuses on education, technical assistance and enforcement to maximize industry awareness and compliance with the law.

The Governor's Budget for this program provides $2.7 million Other Funds, which is supported by industry imposed fees, and 10 positions. There are currently more than 21,000 private security officers and about 800 private investigators. On average, from 2008 through 2017 there are over 4,365 newly certified private security officers and 109 new private investigator applicants per year with another

4,095 officers and 252 investigators renewing each year.

Public Safety Memorial Fund

The Public Safety Memorial Fund was established in recognition of the dangers faced by Oregon's public safety officers. The purpose of the Fund is to provide immediate and long-term financial assistance to permanently and totally disabled public safety officers and families of public safety officers who are killed in the line of duty. When line-of-duty tragedies occur, DPSST staff promptly assists the officer's public safety employer in working with the officer's family members. Benefits may include a statutorily mandated one-time $25,000 lump sum payment, payment of health and dental insurance premiums for up to five years, mortgage payments for up to one year and higher education scholarships.

The Governor's Budget for this program provides $0.3 million and is funded from the Criminal Fine Account. The benefits paid vary based on the number of officers suffering a qualifying death or disability and the number and age of their dependents. Since the inception of the program in 1999, more than $1.9 million has been paid to more than 35 families of injured or killed public safety officers. The annual number of claims processed has a 10-year average of 10.9 claims per year.

Administration and Support Service

The Administration and Support Services program includes the Director's Office, Human Resources, Business Services, Information Services and Facility Operations and Maintenance. The program is responsible for the maintenance and upkeep of the Oregon Public Safety Academy, which sits on 237 acres of land. The facility includes more than 350,000 square feet of space within 22 buildings located throughout the campus.

The Governor's Budget for this program provides $25.2 million total funds and 45 positions. The program's budget includes $9.7 million in General Fund for debt service on the Oregon Public Safety Academy.

Oregon – Idaho High Intensity Drug Trafficking Areas (HIDTA)

The Oregon-Idaho High Intensity Drug Trafficking Areas (HIDTA) initiative has a mission to facilitate, support and enhance collaborative drug control efforts among law enforcement agencies and community-based organizations, thus significantly reducing the impact of illegal trafficking and use of drugs throughout Oregon and Idaho. To accomplish this mission, the program has two main objectives:

- Disrupt the market of illegal drugs by dismantling drug trafficking and money laundering organizations, and
- Improve the effectiveness and efficiency of program participants.

This is a federal grant program with a multi-jurisdictional executive board comprised of 11 federal agencies, 9 state agencies, 48 local law-enforcement agencies, 2 tribal agencies and the US Attorney's Office in the District of Oregon. The Board establishes policy direction for the initiatives receiving federal grant funding. There are 23 initiatives: one each for management, training, intelligence, drug fugitives and investigations, two for interdictions, three for prevention and 13 investigation initiatives.

The Governor's Budget for this program provides $7.4 million Federal Funds and two positions for support of the HIDTA program.

Economic and Community Development

Program Area and Agency Information

ECOMOMIC and COMMUNITY DEVELOPMENT AGENCIES

Economic and Community Development Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$60,963,227	$123,544,685	$207,154,550
Lottery Funds	112,172,578	150,495,493	174,422,338
Other Funds	467,628,008	973,869,362	1,320,101,659
Federal Funds	281,852,056	331,266,040	333,029,760
Other Funds (Nonlimited)	2,095,323,254	2,781,281,821	3,389,919,788
Federal Funds (Nonlimited)	179,681,705	191,165,609	233,231,628
Total Funds	$3,197,620,828	$4,551,623,010	$5,657,859,723
Positions	1,637	1,724	1,825
Full-time Equivalent	1,586.99	1,645.53	1,762.42

OVERVIEW

Oregon's vision is to support a diverse, dynamic and sustainable economy as well as vibrant communities throughout the state that drives job creation and prosperity for all. State government agencies partner with the private sector, local governments, and nonprofits to grow a vibrant and innovative economy based on Oregon values.

Agencies in the Economic and Community Development Program Area aid Oregonians by partnering with and investing in communities and businesses throughout the state. Economic development activities include job creation, placement, retention services, business recruitment and assistance, and workforce assistance and training. Agencies in this program area administer housing and infrastructure financing programs and provide technical assistance to individuals, businesses and communities.

Agencies in the Economic and Community Development Program Area have a broad impact on Oregonians. Programs within these agencies support Oregon by:

- growing, supporting and attracting new businesses and jobs,
- coordinating state investments with local governments and the private sector, and
- developing a dynamic and resilient workforce.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Economic and Community Development Program Area is $5,657.9 million total funds, which includes $381.6 million General Fund and Lottery Funds. This is a 28 percent increase in General Fund and Lottery Funds from the 2017-19 Legislatively Approved Budget.

Key elements of the Governor's Budget for the Economic and Community Development Program Area

include:

Affordable housing for families. The Governor's Budget addresses the housing crisis in Oregon by investing over $370 million in housing programs with a focus on housing stability for families with children, veterans and the chronically homeless, as well as accelerating the supply of housing through Oregon.

- The budget invests $220 million in bond financing for low-income rental housing units to provide affordable housing for Oregonians, preserve existing affordable housing units, acquire naturally occurring multifamily affordable housing and build permanent supportive housing with wrap-around services for chronically homeless Oregonians. An additional $30 million of Document Recording Fees in available for gap financing for new construction of affordable housing.
- A permanent investment of $50 million the Emergency Housing Assistance and State Homeless Assistance Program to prevent and address homelessness in included in the budget.
- The budget supports Oregon Housing and Community Services and the Department of Human Services collaborating to invest $20 million to house Oregon families with young children who are experiencing unsheltered homelessness.
- To build on successful strategies, a $20 million investment is included in the budget to provide tenant and landlord resources which will help Oregonians navigate tight, dynamic rental markets, meet housing needs of domestic violence/sexual assault survivors and their children, enhancing renters' access to legal resources and providing landlords fair housing training.
- With the increased resources of $22 million from Document Recording Fees, the budget provides resources for veteran's homelessness services.
- The budget includes $15 million to provide incentives for partnerships between employers, housing developers and communities across the state to help accelerate overall housing supply and ensure moderate income Oregonians can have housing choices in the communities they work.

Infrastructure investments for rural Oregon. The Governor's Budget provides additional capital to the Special Public Works Fund, the Brownfields Redevelopment Fund and the Regional Infrastructure Fund. Most loans and grants from these funds go to support critical infrastructure projects in rural Oregon. The Regional Solutions program uses the Regional Infrastructure Fund to leverage co-investment by federal, local, private and philanthropic partners.

Innovation and Entrepreneurship. The Governor's Budget provides support for continued investments in the Oregon Growth Fund (OGF), which invests in early-stage businesses by providing institutional capital to match private investment dollars. Studies show that minority, women, and rural entrepreneurs have less access to traditional funding sources to grow their businesses. The OGF is critical to supporting these under-represented entrepreneurs. Over and above the Governor's Budget, the Governor's investment plan includes a new University Innovation Research Fund that will increase Oregon public university competitiveness for federal research awards, leveraging federal funding to develop new technologies and create jobs.

Seismic retrofits. The Governor's Budget includes additional investments in seismic retrofitting to assure the infrastructure stability of schools and emergency service buildings. This investment strives to make

schools and emergency service buildings resilient to a large earthquake event.

Oregon Business Development Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$14,811,095	$55,013,540	$70,567,441
Lottery Funds	100,496,117	117,789,412	129,457,797
Other Funds	62,403,430	379,574,014	519,166,639
Federal Funds	25,924,065	41,457,527	43,131,975
Other Funds (Nonlimited)	125,309,446	237,886,281	342,480,274
Federal Funds (Nonlimited)	0	0	0
Total Funds	$328,944,153	$831,720,774	$1,104,804,126
Positions	139	136	146
Full-time Equivalent	135.34	134.50	141.25

OVERVIEW

The Oregon Business Development Department (Business Oregon) is charged with maintaining and promoting the economic development policy of the state. Business Oregon enables the creation, retention, expansion and attraction of businesses to provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies, communities and entrepreneurs. Functionally, Business Oregon is organized into the following divisions:

- Operations – the Director's Office, Employee Services, Fiscal and Budget Services, Facilities Services and the Technology Project Office.
- Business, Innovation, Trade – Promotes business retention, growth, and job creation.
- Infrastructure Finance Authority – Assists communities to build infrastructure capacity.
- Film and Video – Recruits and facilitates film and television production throughout the state.
- Arts – Increases access to cultural participation and experiences for Oregonians.
- Lottery and General Obligation Bond Debt Service –tracks the payment of Lottery and General Obligation Debt Service.

GOVERNOR'S BUDGET

The Governor's Budget for Business Oregon is $1,104.8 million total funds. This is a 33 percent increase from the 2017-19 Legislatively Approved Budget. The largest share of this increase is the result of issuing General Obligation and Lottery Bonds to make strategic investments assuring infrastructure stability and resiliency for schools and emergency services buildings and to capitalize existing programs revolving loans and grant programs which provide Oregon communities with access to capital. Additional growth is the result of bond proceeds carried over from the 2017-19 biennium.

Major investments include:

- $100.0 million in General Obligation bonds, for the seismic retrofitting of schools.
- $20.0 million in General Obligation Bond for the seismic retrofitting of emergency service buildings.
- $79.5 million in Lottery Bonds to respond to critical public works and regional infrastructure needs around the state through the Special Public Works Fund. Of the funds dedicated to Special Public Works, $16 million is set aside for a grant to repair and replace Wallowa Lake Dam.
- $15.0 million Lottery Bonds for projects chosen by Regional Solutions, an innovative collaborative approach to community and economic development in Oregon.
- $10.0 million Lottery Bonds for the Brownfields Redevelopment Fund.
- $2.0 million for the Oregon Growth Fund, a tool to invest in start-ups by under-represented groups.
- $1.1 million for a new Broadband Office with the department.
- Investments in administrative capacity by replacing the agency's loan and grant management system and creating an internal auditor position.

The Governor's Budget also makes reductions to meet General Fund and Lottery Funds constraints. Major reductions include discretionary grants given by Oregon Inc., truing up the budget for Solar Incentive Fund to match predicted expenditures and eliminating funding for the Regional Accelerator and Innovation Network. Over and above the Governor's Budget, $10 million for the Innovation Fund is included in the Governor's Investment Plan. The Innovation Fund provides matching funds for university grant requests for applied research.

REVENUE SUMMARY

Business Oregon's main source of revenue is Lottery Funds. General Fund finances the Arts Commission, pays for the Department's energy finance programs and is used to make General Obligation Debt Service payments. Federal Funds received from the Community Development Block Grant support programs in the Infrastructure Finance Authority and also support the Brownfields program and the State Small Business Credit Initiative Grant. Other Funds revenues include loan repayments, bonding and transfers from other agencies.

AGENCY PROGRAMS

Operations

The Operations program includes the Director's Office, Employee Services, Fiscal and Budget Services, Facilities Services and the Technology Project Office. The majority of Shared Services customers are department staff or stakeholders. The Governor's Budget for this program is $12.0 million total funds. This is a 29 percent increase from the 2017-19 Legislatively Approved Budget, largely due to an agency reorganization, the addition of an internal auditor position and funding to replace the Department's unsupported loan and grant management system. Program funding comes primarily from Lottery Funds, but it also relies on Other Funds assessed against agency programs. The program operates with 37

positions.

Business, Innovation, Trade

The Business, Innovation, and Trade program promotes business retention, growth and job creation by removing barriers to industry competitiveness, working with economic development partners across the state to address business needs, and working directly with businesses to help them grow. The division works to create prosperity for Oregonians through a robust economy that provides living-wage jobs. The Governor's Budget for this program is $100.9 million total funds. This is a one percent decrease from the 2017-19 Legislatively Approved Budget, largely due to program reductions and an agency reorganization. The program is primarily supported by direct Lottery Funds, but also receives Federal Funds and Other Funds. The program operates with 59 positions.

Investments in the Governor's Budget for Business, Innovation, Trade include funding for the Oregon Growth Fund.

Infrastructure Finance Authority

The Infrastructure Finance Authority assists communities build infrastructure capacity to address community facilities for public health, safety and compliance issues as well as support communities' ability to attract, retain and expand businesses. The program is a low cost and readily available infrastructure funding source for Oregon rural communities, counties, special districts, ports and tribes. The Governor's Budget for this program is $847.9 million total funds. This is a 39 percent increase from the 2017-19 Legislatively Approved Budget. This increase is driven by investments of seismic retrofitting of schools and emergency service buildings and adding capital to make loans and grants from the Brownfields Redevelopment Fund and the Special Public Works Fund. The program operates with 39 positions.

The program is funded by Other Funds from revolving loans, initially capitalized with lottery-backed bond sales, Safe Drinking Water Act funds transferred in from the Oregon Health Authority and Federal Funds for the Community Development Block Grant program.

Film and Video

The Oregon Film and Video office is a semi-independent agency designed to recruit and facilitate film and television production throughout the state. The office acts to enhance the industry's revenue, profile and reputation within Oregon and internationally. It also recruits the industry to film features, movies, and television series in Oregon and actively recruits film-related businesses to relocate to Oregon permanently. The Governor's Budget for this program is $1.2 million total funds, no change from the 2017-19 Legislatively Approved Budget. The activities of the Film and Video office are funded with Lottery Funds. Because the office is a semi-independent state agency, its employees are not state employees and the budget does not include any positions.

Arts

The Arts program includes both the Arts Commission and the Oregon Cultural Trust. The Commission provides leadership, funding and arts programs to arts organizers, artists and communities. The Oregon Cultural Trust promotes Oregon's arts, humanities, heritage preservation and history. Through a tax credit, the Oregon Cultural Trust encourages citizen participation in donating directly to over 1,300 cultural trust organizations and to the Trust. The Arts Commission develops statewide policy and provides services to art organizations, artists and communities. The Commission also provides statewide

funding to art organizations, individual artists and art programs through grants and special initiatives.

The Governor's Budget for this program is $19.0 million total funds. This is a seven percent decrease from the 2017-19 Legislatively Approved Budget, largely due to the expiration of one-time funding for grants approved during 2017-19. Funding for the program comes from a combination of General Fund, Other Funds and Federal Funds. Federal Funds are from the National Endowment for the Arts and Other Funds are received primarily from Public Arts Management Fees. The program operates with 11 positions.

Lottery and General Obligation Bond Debt Service

The Lottery and General Obligation Bond Debt Service program tracks the payment of Lottery and General Obligation debt service, including both principal and interest payments. The Governor's Budget for the program is $123.9 million total funds. This is a 39 percent increase from the 2017-19 Legislatively Approved Budget, which is driven by new bond financing and debt service on bonds approved in 2017-19 but will not be sold until the end of that biennium. Funding to repay debt service comes from the General Fund and Lottery Funds. The program does not include positions.

Oregon Employment Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$5,868,497	$0	$0
Lottery Funds	0	0	0
Other Funds	126,017,147	152,904,308	192,540,284
Federal Funds	134,330,971	159,644,349	154,194,760
Other Funds (Nonlimited)	1,012,699,018	1,424,000,000	1,582,000,000
Federal Funds (Nonlimited)	60,480,860	70,000,000	100,000,000
Total Funds	$1,339,396,493	$1,806,548,657	$2,028,735,044
Positions	1,259	1,320	1,356
Full-time Equivalent	1,226.45	1,259.03	1,302.83

OVERVIEW

The Oregon Employment Department (OED) promotes employment and supports businesses with the following three programs:

- Unemployment Insurance Division— oversees the Unemployment Insurance program, which provides wage replacement income to workers who are unemployed and meet program requirements, thereby helping workers to meet their financial obligations while looking for a new job.
- Workforce Operations Division— connects Oregon employers with job seekers and works across agencies to ensure all job seekers can advance their careers.
- Workforce and Economic Research—collects, estimates, analyzes, publishes and distributes much of the economic and workforce information that Oregonians, businesses and policy makers need to make educated, sound economic decisions.

The Department also provides administrative support to the Office of Administrative Hearings and the Employment Appeals Board.

OED is part of a broader statewide workforce development system. The Oregon Workforce and Talent Development Board provides direction for the Department's strategic and business plans. As Oregon's economy continues to change, collective action is needed to assure workers are prepared with the right skills to find career path jobs and support business growth, increase productivity and improve prosperity for individual Oregonians and our state as a whole.

In July 2014, a new federal Workforce Innovation and Opportunity Act was signed into law, replacing the 1988 Workforce Investment Act. The goals are to improve the quality of the workforce, increase economic self-sufficiency, reduce welfare dependency, meet employer skill requirements and enhance the productivity and competitiveness of the nation. The Oregon Workforce and Talent Development Board developed a four-year strategic plan (Unified State Plan) to address the Workforce Innovation and Opportunity Act requirements.

The Oregon Unified Plan includes four main strategic goals:

- Create a customer-centric workforce system that is easy to access, highly effective, and simple to understand.
- Provide business and industry customized workforce solutions to prepare and deliver qualified, viable candidates and advance current workers.
- Invest in Oregonians to build in-demand skills, match training and job seekers to opportunities, and accelerate career momentum.
- Create and develop talent by providing young people with information and experiences that engage their interests, spur further career development, and connect to Oregon employers.

The Department coordinates with local governments and the private sector as they strive to assist in the development of a dynamic, resilient workforce that will be attuned to Oregon priorities.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Department is $2,028.7 million total funds. It includes $192.5 million Other Funds, $154.2 million Federal Funds, $1,582.0 million Other Funds Nonlimited and $100.0 million Federal Funds Nonlimited. This is a 12.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 1,356 positions.

REVENUE SUMMARY

The Employment Department receives funding from both federal and dedicated state sources. The Department receives increased federal funding during economic downturns. From 2009 to 2013, OED received increased federal funding; this increased funding has now ceased and funding has returned to a much lower level.

The U.S. Department of Labor provides the Department with federal funding through a variety of programs. The majority of funds come through Unemployment Insurance and a number of re-employment related programs. The Unemployment Insurance program funds are derived from employer payroll taxes collected by the Internal Revenue Service. Many of the federal programs funding the Department have formulas that do not include inflationary increases resulting in a decline over time in the value of moneys being transferred.

Other Funds revenue comes from various employer related activities. One source is Employer Unemployment Taxes derived from state payroll taxes, collected by the Department and held by the U.S. Treasury. These funds are continuously appropriated by Congress and are used for the payment of Unemployment Insurance benefits only.

The Supplemental Employment Department Administrative Fund is the next largest Other Funds resource. These funds are diverted from taxable payroll at a rate of 0.09 percent of one percent and used

to support the Department's administrative expenses. The Supplemental Employment Department Administrative Fund makes up approximately 26 percent ($89.4 million) of the funding budgeted to support operational costs in the 2019-21 biennium.

In 2009, Congress provided a special distribution (one-time only funding) from the Federal Unemployment Trust Fund to states under the Assistance for Unemployed Workers and Struggling Family Act. These funds can be expended under strict U.S. Department of Labor guidelines. The agency is moving forward this biennium to use these funds to support their modernization initiative aimed specifically to upgrading their legacy information technology infrastructure. The Department plans to spend up to $19.9 million of these funds during the 2019-21 biennium.

AGENCY PROGRAMS

Shared Services

The Shared Services Division consolidates operational support services for the Employment Department programs. Core administrative functions are provided to the agency through the Director's Office, Project Management Office, Legislative Affairs and Communications, Administrative Business Support, Information Technology Services and Employee Services. The Governor's Budget for this program is $41.2 million total funds. This is a 3.9 percent decrease from the 2017-19 Legislative Approved Budget. This budget funds 131 positions and maintains current services.

Unemployment Insurance

The Unemployment Insurance program provides wage replacement income to workers who are unemployed and meet program requirements, thereby helping workers to meet their financial obligations when looking for a new job. Eligible claimants receive benefits on a weekly basis. The program is a federal-state partnership. It insures workers against wage loss, employers against loss of a trained workforce, and communities against economic loss associated with unemployment. Every dollar of Unemployment Insurance program benefits paid to unemployed workers produces two dollars of increased economic activity.

Primary cost drivers of the Unemployment Insurance program are the number of people unemployed, the length of time they stay unemployed, and the number of employers in the state. In 2017, 150,000 workers claimed benefits and received approximately $513 million in unemployment benefits.

The Governor's Budget for this program is $124.7 million total funds. This is a 2.0 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 532 positions.

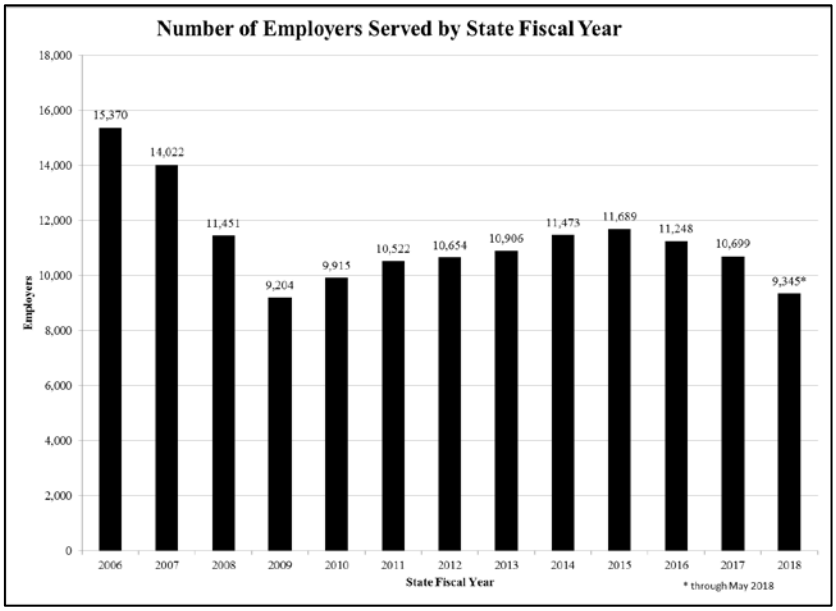
Workforce Operations

The Workforce Operations Division serves Oregon businesses by recruiting and referring the best qualified applicants to jobs and provides resources to diverse job seekers in support of their employment needs. Through customizable services, solving challenges such as recruitment and training, Workforce Operations employees identify, screen and refer job applicants to employers. The division is a partner in a network of 37 WorkSource Oregon offices located around the state. They partner with regional and local training providers, Oregon Workforce and Talent Development Board and local workforce development boards serving both businesses and job seekers.

Additionally, the division provides training and reemployment services to workers adversely affected by foreign trade and assists Oregon companies in securing tax credits for hiring individuals with

barriers to employment.

Unemployment Insurance claimant reemployment is a key strategy of the division, in which the Reemployment and Eligibility Assessment program is a vital component. On average, 1,000 claimants attend a Reemployment and Eligibility Assessment interview each week.



The program typically serves over 11,000 employers and close to 300,000 job seekers. The demand for these services from job seekers fluctuates with the business cycle. Demand has returned to pre-recession levels.

Through a collaborative and customer-centric service delivery model, Workforce Operations works with partner agencies and organizations to assess and improve the job-readiness of candidates and assist job seekers in obtaining employment by teaching them job search skills and coaching them on job search strategies, options and expectations. In practice, Workforce Operations staff spends more time with the customers who want and need assistance.

The Governor's Budget for this program is $115.9 million total funds. It represents a 15.0 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 480 positions.

Workforce and Economic Research

The Workforce and Economic Research division collects and analyzes much of the economic and workforce information needed by Oregonians, Oregon businesses and Oregon policy makers to make educated, sound economic decisions. The analyses help to explain current economic conditions and forecasts future economic conditions and workforce trends. These analyses are necessary in determining the success of policies aimed at producing "a diverse and dynamic economy providing jobs and prosperity for all Oregonians."

The division collects key data and provides a wealth of information to many stakeholders on a daily basis through emails, phone, in-person or through *QualityInfo.org*.

In the 2017-19 biennium, the division provided the following information:

- Responded to more than 5,400 customer information requests, mainly from private sector businesses;
- Provided more than 230 presentations to nearly 10,000 participants; and
- Distributed more than 590,000 reports and publications (both hard copy and electronically). *Oregon CAREERS* is the most widely distributed publication with almost 11,000 copies distributed across the state.

The Governor's Budget for this program is $15.7 million total funds. It represents a 9.2 percent increase from the 2017-19 Legislatively Approved Budget. This budget funds 55 positions.

Modernization Initiative

The Department is moving forward with the plan to upgrade legacy technology system to meet the evolving needs of Oregon Businesses, constituents and communities. The Department will continue to use the Modernization Funds received from the Federal Government in 2009 to support their modernization initiative. The project started during the 2015-17 biennium and is currently in the advanced planning stage. The Department expects to reach the development stage by the close of the 2019-21 biennium.

The Governor's Budget is supporting the use of $19.9 million Other Funds. It represents a 311.9 percent increase from the 2017-19 Legislatively Approved Budget. The project budget for this biennium is expected to fund 55 positions.

Office of Administrative Hearings

The Office of Administrative Hearings holds contested case hearings giving citizens and businesses a chance to dispute actions taken against them by the state. These hearings are mandated by the state constitution. Over 70 Oregon agencies and boards and commissions refer case hearings to the Office of Administrative Hearings.

The Administrative Law Judges conducting hearings and making decisions are independent of the agencies initiating the action. This independence invites greater trust by citizens and businesses in the results of the hearings, as well as the state's actions. The majority of the hearings are heard over the telephone with citizens representing themselves. Costs are driven by the volume of hearings referred by agencies and by the complexity of the issues involved.

The Governor's Budget for this program is $29.4 million Other Funds. It represents 7.1 percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 103 positions.

Nonlimited

Nonlimited funds include unemployment tax collections, Trust Fund interest earnings and federal revenues used to pay the Unemployment Insurance program and associated benefits to qualified applicants seeking work. Nonlimited funds also include federal revenue used to pay benefits related to federal training programs, such as the Trade Adjustment Assistance Program, and for reimbursement of Unemployment Insurance program benefits paid to federal workers. Federal Funds are also deposited into the Federal Unemployment Trust Fund for payment of various federal unemployment benefit and training programs.

The Governor's Budget is $1,682.0 million total funds Nonlimited, which represents the distribution of benefits to individuals. This represents a 12.6 percent increase from the 2017-19 Legislatively Approved Budget. The Unemployment Insurance Trust Fund is projecting a $4.7 billion ending balance.

Housing and Community Services

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$27,328,954	$59,963,031	$126,459,961
Lottery Funds	11,676,461	17,507,282	21,868,790
Other Funds	199,406,108	324,497,433	503,906,540
Federal Funds	118,193,644	122,817,026	134,178,025
Other Funds (Nonlimited)	721,451,233	731,849,381	1,056,660,425
Federal Funds (Nonlimited)	119,200,845	121,165,609	133,231,628
Total Funds	$1,197,257,245	$1,377,799,762	$1,976,305,369
Positions	151	171	217
Full-time Equivalent	137.65	155.62	212.75

OVERVIEW

The Oregon Housing and Community Services Department (OHCS) works to provide stable and affordable housing and engage leaders to develop integrated statewide policy addressing poverty and provides opportunities for Oregonians. The Department was created in 1991, when the Legislature merged the Oregon Housing Agency with State Community Services. The OHCS is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. The OHCS administers federal and state anti-poverty, homeless and energy assistance, and community service programs. The OHCS also assists in the financing of single-family homes, the new construction or rehabilitation of multifamily affordable housing developments and funding to support the stability of naturally occurring affordable housing as well as grants and tax credits to promote affordable housing.

GOVERNOR'S BUDGET

The Governor's Budget for OHCS is $1,976.3 million total funds, which includes $126.5 million General Fund and $21.9 million Lottery Funds and 217 positions. This is a 43.4 percent total funds increase from the 2017-19 Legislatively Approved Budget primarily related to major investments in affordable housing for families, emergency housing and shelter services, as well as providing resources and services to house unsheltered children and their families and to accelerate the overall housing supply.

The Governor's Budget recognizes the housing crises facing Oregon families and makes a significant investment of over $370 million with a focus on housing stability for families with children, veterans, and the chronically homeless as well as accelerating the supply of housing throughout Oregon. The Governor's goal with these investments is to continue growing state leadership in efforts to house all Oregonians, including increasing state investment in affordable housing by tripling the existing pipeline to approximately 25,000 homes by 2023. Highlights of Governor Brown's housing budget include:

- Local Innovation and Fast Track housing bonds, $130 million
- Gap financing for new construction of affordable housing, $30 million

- Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP), $50 million
- Increased services to families with young children who are experiencing unsheltered homelessness, $20.5 million
- Preservation of publicly-supported affordable housing, $25 million
- Acquisition of naturally occurring affordable housing, $15 million
- Housing Oregon's Veterans, $22.2 million
- Tenant and Landlord Resources, $20 million
- Permanent Supportive Housing, $50 million
- Greater Oregon Housing Accelerator, $15 million

REVENUE SUMMARY

The Department receives General Fund for Housing Stabilization related programs and housing development and Lottery Funds for debt service. However, most of the Department's programs are funded with either Federal or Other Funds. Other Funds are derived from a variety of sources, including bond sales, loan repayments, public utility charges, document recording fees and manufactured home tax assessments. The Department's Federal Funds are received from the US Department of Housing and Urban Development (HUD), the US Department of Health and Human Services (DHHS), the US Department of Energy (DOE), the Corporation for National and Community Service (CNCS), NeighborWorks and the Bonneville Power Administration (BPA). The Governor's Budget recognizes the anticipated $53.4 million in increased revenue from the Document Recording Fee in the 2019-21 biennium and invests $83 million of new General Fund in several initiatives.

AGENCY PROGRAMS

Housing Stabilization Programs

Housing Stabilization Programs provide critical services to the lowest income Oregonians by addressing housing instability and helping more Oregonians access safe, stable and affordable housing options. The Housing Stabilization division passes through federal and state resources to Oregon's community action network and their partners to enable local communities to provide a continuum of services that help low-income individuals and households. The division also manages federal housing resources through the HUD Contract Administration section. The three main programs in this area are (1) homeless services, (2) energy services, and (3) performance-based contract administration.

The Governor's Budget makes a permanent $50 million investment in the Emergency Housing Assistance and State Homeless Assistance Program, which includes $44 million of General Fund combined with a $6 million increase in Document Recording Fee revenue. This will increase and stabilize the one-time funding provided in 2017-19 biennium. In addition, the budget adds $14 million to support a new program focused on reducing child homelessness by providing families with shelter, as well as appropriate services to support the family for up to two years to ensure they are stable. This will be combined with a $6.5 million increase in Housing Stabilization Program funding from the Department of Human Services to address short term housing needs for families with children. The Governor's Budget also invests $20 million in tenant and landlord resources to help navigate tight rental markets, focus on housing instability and inequity, and address housing needs for domestic violence/sexual assault survivors.

The Governor's Budget for the Housing Stabilization Program in OHCS is $409.6 million total funds, which includes $80.8 million General Fund. The budget represents a 10 percent increase from the 2017-19 Legislatively Approved Budget. The Housing Stabilization programs are funded by General Fund, Other Funds (such as document recording fees and interest), and Federal grant funds from the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services.

Multifamily Rental Housing Programs

Multifamily Rental Housing programs provide financing for a continuum of rental housing options for low-income and fragile Oregonians. This program enables the development of new housing units, rehabilitation of existing housing units and preservation of affordable housing projects with project-based Section 8 and Rural Development rental subsidies. The program also administers the U.S. Department of Housing and Urban Development rental assistance contracts with private owners and the Manufactured Communities Resource Center, which provides mediation services to manufactured dwelling park residents and owners.

The Governor's Budget provides $25 million of funding through bond sales for the preservation of housing projects with existing rent and income restrictions at risk of loss due to expiring limits or physical condition, as well as preserving manufactured home parks. The budget also invests $15 million in a new program to bring a portion of the private market rental housing stock that is naturally affordable to households with an income slightly higher than subsidized housing stock. The funding will provide owners with resources to remodel or purchase these homes in exchange for agreeing to affordability requirement for ten years. The Governor's Budget uses $50 million of general obligation bond proceeds to build 500 units of permanent supportive housing to support individuals with high needs. These units will be supported with $4.5 million of rental assistance vouchers and supportive services provided by the Oregon Health Authority.

To align with bricks and mortar investments, the Governor's Budget provides $15 million to OHCS to develop a Housing Accelerator program, which will provide assistance to communities that are preparing for future housing developments, engage with local employers who are willing to help develop housing that addresses their workforce needs, and provide resources for communities to move forward with new housing development.

The Governor's Budget for Multifamily Rental Housing programs is $282.9 million total funds, which is a 110.6 percent increase from the 2017-19 Legislatively Approved Budget; reflecting the $105 million in new investments in this division . Multifamily Rental Housing programs are funded through Other Funds resources including tax credits, loan repayments from the Department's revolving loan funds, Oregon's public purpose charge document recording fees, charges for services, bond proceeds and the Housing Finance Account. Additionally, the Multifamily Rental Housing Programs receive Federal Funds from the U.S. Department of Housing and Urban Development for both the Section 8 program and the HOME Investment Partnership Program.

Single Family Housing Programs

Single Family Housing Programs provide financing and services that increase homeownership, provide homebuyer education and stabilize residential neighborhoods. OHCS achieves these objectives by offering affordable, at or below market rate residential loans to qualified first time homebuyers. The

Residential Loan Program offers qualified first-time homebuyers below market interest rates and assistance with closing costs.

The Governor's Budget supports the establishment of a new down payment assistance program for low to moderate income Oregonians. This new program recognizes that accumulating a down payment can be a significant barrier to working families who could otherwise afford the mortgage and accompanying costs of home ownership. This down payment program builds on the relationships OHCS already has with local banks and lenders and would provide a product that is not available through the private sector. This program will open up the possibility of homeownership for a new group of Oregonians.

The Governor's Budget for Single Family Housing Programs is $14.3 million total funds. The primary source of funding comes from proceeds of bonds sold by the Department. The programs also receive funding through document recording fees, and loan commitment fees; the main source of federal funding is through the Neighborhood Stabilization Program.

Oregon Homeownership Stabilization Initiative

The Oregon Home Stabilization Initiative (OHSI) is a foreclosure prevention program assisting at-risk homeowners to avoid foreclosure through a number of activities. The program, known nationally as the Hardest Hit Fund program, is funded entirely by federal Troubled Asset Relief Program (TARP) resources from the U.S. Department of Treasury. These additional federal funds are set to expire and must be expended by 2021. The Governor's Budget for OHSI is $3.9 million Other Funds. This represents a 4.6 percent decrease from the 2017-19 Legislatively Approved Budget.

Central Services

The Central Services program area includes the Director's Office, Chief Operating Office which includes Administrative Services, Human Resources and Information Technology Services, and Chief Financial Office which includes the Budget, Finance and Research sections, Public Affairs, and support for the Housing Stability Council. Central Services provides these services across the department. The budget adds staff in Central Services, including an internal auditor, to support the significant growth in program services that occurred during the 2017-19 biennium and will occur again during the 2019-21 biennium, as well as the growth in non-budgeted funds that has occurred since 2015-17 biennium.

The Governor's Budget for Central Services is $21.6 million total funds, which includes $0.5 million General Fund, $18.3 million Other Funds and $2.8 million Federal Funds. The budget represents a 39.4 percent total funds increase from the 2017-19 Legislatively Approved Budget.

Bond Activities and Debt Service

The Oregon Housing and Community Services Bond Related Activities program provides safe and affordable rental housing to low income Oregonians and provides opportunities for first-time homebuyers to finance mortgages at below market interest rates. Bond related activities include disbursement of bond proceeds to finance multifamily and single-family mortgage loans, bond issuance costs, administrative expenses related to outstanding debt, and asset protection costs associated with foreclosures and acquired properties. OHCS sells tax-exempt bonds to investors and uses the proceeds to finance multifamily and single-family mortgage loans. The Governor's Budget for bond activities and debt service is $29.3 million General Funds, $21.9 million Lottery Funds, $7.6 million Other Funds and

$1,055.3 million Non-limited Other Funds. The funding for this program continues support for existing programs in Multifamily Rental and Single Family Housing programs.

Capital Construction

The Capital Construction program unit was created in 2015 with $40 million in proceeds from Article XI-Q bonds to be used for affordable housing development, which is called the Local Innovation and Fast Track (LIFT) housing program. The LIFT program's objective is to build new affordable housing for low-income families. In 2017-19 $80 million of LIFT bonds were authorized. Because capital construction proceeds can be spent over six years, the expenditure limitation is not carried between biennium.

Both the 2015-17 and 2017-19 LIFT program were fully subscribed. As a result, the Governor's Budget makes a new investment of a $130 million in Article XI-Q bonds for the 2019-21 biennium to continue providing resources to build affordable housing for low-income households and families. At a time when there is a shortage in affordable housing across the state, this additional source of housing funds is a significant investment by the state in creating new housing for Oregonians. The Governor's Budget also increases investments for the new construction of affordable housing by applying $30 million from Document Recording Fee revenues for the General Housing Account Program.

Oregon Department of Veterans' Affairs

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$12,954,681	$8,568,114	$10,127,148
Lottery Funds	0	15,198,799	23,095,751
Other Funds	79,801,323	116,893,607	104,488,196
Federal Funds	3,403,376	7,347,138	1,525,000
Other Funds (Nonlimited)	235,863,557	387,546,159	408,779,089
Federal Funds (Nonlimited)	0	0	0
Total Funds	$332,022,937	$535,553,817	$548,015,184
Positions	88	97	106
Full-time Equivalent	87.55	96.38	105.59

OVERVIEW

The mission of the Oregon Department of Veterans' Affairs (ODVA) is to serve and honor veterans through leadership, advocacy and strong partnerships. The ODVA's vision is for veterans and their families to thrive in Oregon, by helping advance the veterans' community in the key areas of health, education and economic opportunity. The Department has four major operational functions: home loans for veterans; targeted veteran services, including those supporting the unique needs of aging veterans; two long-term care veteran homes (The Dalles and Lebanon), with a third home in the planning stage (Roseburg); and core operations, which provides leadership and support for the Department's programs.

GOVERNOR'S BUDGET

With the passage of Measure 96 in 2016, funding for ODVA has increased compared to prior years due to the addition of dedicated funding from 1.5 percent of State Lottery proceeds. The Governor's Budget represents a 2.3 percent total funds increase from the 2017-19 Legislatively Approved Budget. This relatively small increase is largely a factor of phasing out unneeded Capital Construction expenditure limitation. Conversely, the Governor's Budget includes an additional $7.9 million in available Lottery Funds, representing an increase of 52.0 percent compared to the level of Lottery Funds in the 2017-19 Legislatively Approved Budget. This additional investment will strengthen the Department's ability to provide services and outreach to more veterans, support local partners, and enhance assistance in the areas of education, housing and behavioral health.

REVENUE SUMMARY

The Department funds its programs with a mix of General Fund, Lottery Funds and Other Funds revenue. A significant portion of the Other Funds budget is designated as "Nonlimited" and supports loan payments in the Home Loan Program, general obligation bond proceeds and debt service. The limited portion of Other Funds revenue is received from fees from the conservatorship program and loan-related services, rent from leasing space within the Veterans' building; funding received from the

United States Department of Veterans' Affairs (USDVA) for operating the two veteran homes (including Medicare and Medicaid reimbursements); and investment earnings. The Department also receives a small amount of Federal Funds from grants.

AGENCY PROGRAMS

Home Loan Program

The Home Loan Program, created in 1945 through the adoption of Article XI-A of the Oregon Constitution, provides low-interest rate mortgages on single-family owner-occupied homes to qualified veterans. Oregon is one of only five states that have been grandfathered under federal tax law to offer a state veteran home loan program. Tax-exempt bond revenue is used to finance the loans. Loan repayments and investment earnings pay off the bonds and cover the cost of program administration. As of June 30, 2018, the Department's loan portfolio consisted of approximately 1,877 loans totaling more than $330 million.

The Governor's Budget for the Home Loan Program is $17.8 million, which represents a 7.0 percent increase from the 2017-19 Legislatively Approved Budget. Nearly all of the program revenue is supported by Other Funds received from mortgage loan and contract repayments, proceeds from bond sales, and fee, rental, and investment income. With available Other Funds resources, the Governor's Budget increases support to replace the program's antiquated home loan origination and servicing systems with a modern solution that will improve operations and services provided to veterans. The budget also funds a new Business Development Representative position to expand the number of home loans to eligible veterans and supports the program's share of increased department-wide investments for improving ODVA's technology infrastructure, and finishing the final stage of the ODVA headquarters "refresh" project. Additionally, due to the availability of Lottery Fund revenue, the Governor's Budget invests $500,000 Lottery Funds to provide down payment assistance for veterans eligible for home loans, which is expected to increase the number of veterans able to purchase a home.

Veteran Services Program

The Veteran Services Program provides benefits counseling, claims and appellate representation, certification and training for Veteran Service Officers in counties and national service organizations, educational assistance, emergency financial assistance, and other service delivery partnerships across the state. The division is the front line for veteran benefits, ensuring veterans obtain all the benefits to which they are entitled as a result of their military service. It operates through a coordinated service delivery network consisting of Department employees, county service centers and participating national service organizations.

Through this program, the Department finances County Veteran Service Officer positions with a base amount and an amount based on the veteran population of the county. Department employees also assist veterans and County Veterans Service Officers throughout the state in terms of preparing or reviewing appeals of denied veteran claims. With its county and national service partners, ODVA provides claims advocacy, certification, and representation to Oregon's 303,000 veterans, resulting in more than 25,000 new claims filed in fiscal years 2017 and 2018. Annual federal veteran benefit payments to Oregon veterans now total more than $2.8 billion. These benefits enable our veterans to be productive and self-sufficient citizens.

The Governor's Budget for the Veteran Services Program totals $28.1 million, which represents an increase of 17.8 percent from the 2017-19 Legislatively Approved Budget. This increase is driven by additional investments of $6.6 million with available Lottery Fund revenue. These investments support various initiatives, including the following: grants to support homeless veterans and behavioral health needs; establishment of a new health care transportation program for veterans in rural communities; increased support for national service organizations and tribal partnerships; additional funding for the Veteran Services Grant and Campus Veteran Grant programs; and funding to support employment and economic development activities. The budget also includes funding and position authority for a full-time Internal Auditor position. As with other ODVA programs, the budget also supports the Veteran Services Program's share of costs related to improving ODVA's technology infrastructure and completion of the building "refresh" project.

Oregon Veterans Home Program

The Oregon Veterans Home Program provides eligible veterans and their families with skilled nursing, Alzheimer's and memory-related care, and rehabilitative care in an environment understanding the unique needs of the men and women who served our country in uniform. There are currently two facilities located in Oregon, one in The Dalles and one in Lebanon. The development of a third home in Roseburg is currently in the planning stage. The cost of care is supported with Other Funds revenue primarily from resident-related payments, including funds from USDVA, Medicare, Medicaid, insurance companies and private payers. ODVA contracts with Veterans Care Centers of Oregon, a non-profit organization, for the day-to-day operation of the facilities.

The Governor's Budget for the Oregon Veterans Home Program is $89.6 million total funds, which represents a 5.6 percent increase from the 2017-19 Legislatively Approved Budget and provides the necessary resources and staff to operate the current facilities in The Dalles and Lebanon. Funding is also included for debt service in anticipation of the sale of bonds in the 2017-19 biennium to support the new home in Roseburg. The Governor's Budget also provides an additional $250,000 from available Lottery Fund revenue to support costs related to architectural design and environmental studies for the Roseburg Home.

Aging Veteran Services Program

The Aging Veteran Services Program is a new division within ODVA established to focus on the needs of Oregon's growing population of aging veterans and their families. Having a more direct focus on aging veterans is reflective of the demographics of the veterans being served across the state. Currently, more than 50 percent of Oregon veterans served during the World War II, Korea and Vietnam eras. For the foreseeable future, older veterans and their families will increasingly need access to long-term care, adult foster care, home and community based services and certain specialized needs, such as prosthetics, mental health care, and hearing aids. The Aging Veteran Services division is the front line for connecting aging veterans to available benefits and resources.

The program administers the following three functions previously housed in the Veteran Services Division: conservatorship and representative payee services, veteran volunteer activities and aging veteran outreach initiatives. The Conservatorship and Representative Payee Program assists veterans who are not able to manage their financial affairs on their own. When veterans are deemed financially incompetent in a court of law, ODVA may be appointed to act as conservator on behalf of the veteran. ODVA can also be appointed as a representative payee by the USDVA or the Social Security Administration in a limited capacity as a representative payee to pay bills, provide additional resources

and advocate on behalf of veterans needing these services. The Veteran Volunteer Program is a new program established during the 2017 Legislative Session to create a statewide network of volunteers trained to locate veterans, assist them in recognizing potential earned benefits and services and connect them to individuals and organizations for additional assistance. The Aging Veterans Outreach Program is also a new program and works with ODVA's partners on behalf of aging veterans to coordinate benefits and services specific to this population.

The Governor's Budget for Aging Veterans Services totals $3.8 million, of which approximately 14 percent is General Fund and 86 percent is Lottery Funds. The budget includes Lottery Fund investments of nearly $1 million to support the following: continued work to replace the current conservatorship system software with a modern solution; establishment of a Representative Payee position to provide services in light of increased program demand; and funding to improve technology infrastructure and help complete the building "refresh" project.

Nonlimited Program

The Nonlimited program provides the loan and bond expenditures related to the Home Loan Program. The expenditures consist of loan-related payments including loans made, payment of property taxes, hazard insurance, foreclosure and state-owned property costs and other costs incurred to protect the state's interest in property used to secure a loan. Additionally, bond related costs for planning and issuing bonds, including bond counsel and attorney fees, State Treasury bond fees and fees related to preparing bond disclosure documents are Nonlimited. This program also contains the Nonlimited expenditures for debt service related to the sale of those bonds.

The Governor's Nonlimited Budget for the Oregon Department of Veterans' Affairs is $408.8 million total funds. The budget provides the resources necessary to support the Home Loan Program and pay its debt service associated with the program.

NATURAL RESOURCES

Program Area and Agency Information

NATURAL RESOURCES AGENCIES

Natural Resources Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$248,022,042	$257,525,798	$279,418,207
Lottery Funds	169,488,214	210,376,444	234,241,792
Other Funds	819,162,715	1,122,439,093	1,077,569,366
Federal Funds	215,267,438	300,332,641	327,106,232
Other Funds (Nonlimited)	248,473,377	261,203,797	229,895,872
Federal Funds (Nonlimited)	0	104,000	104,000
Total Funds	$1,700,413,786	$2,151,981,773	$2,148,335,469
Positions	5,324	5,251	5,253
Full-time Equivalent	4,302.66	4,279.13	4,331.39

OVERVIEW

Oregon offers a wealth of natural resources that sustain people, animals, agriculture, fish and wildlife habitats and our economy. The Natural Resources program area encompasses the work of 14 natural resource agencies across more than 30 programs and represents two percent of the state's combined General Fund and Lottery Funds budget. These agencies manage Oregon's air, water, land and wildlife resources to support a healthy environment that provides for present and future generations.

Oregon's natural resources face significant future challenges. Climate change presents risks to water supplies, water and air quality, and increases the chance of devastating wildfires and drought. Population growth is expected to continue, putting additional pressure on water infrastructure needs and land use management. Conservation efforts are critical to balance the needs of a larger population with best practices to preserve natural resources for Oregon's diverse fish and wildlife. By balancing conservation with the role of resource-based industries in building prosperity in rural communities, the strategies also work to maintain and expand employment in some of the most impoverished areas of our state.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Natural Resources Program Area is $2,148 million, which includes $279 million General Fund, and $234 million in discretionary and Measure 76 Lottery Funds. The Governor's Budget for the Natural Resources Program Area prioritizes investments in climate change and carbon policy, water quality and infrastructure, efforts to eliminate the air and water quality permits backlog, conservation efforts and technical assistance to promote development of affordable housing in rural areas.

Climate Change and Carbon Policy. Climate change threatens our communities, our economy, our ecosystems, and our way of life in Oregon. The effects of climate change are seen in record temperatures, declining snowpack, reduced summer streamflow, water scarcity, more severe wildfires and elevated public health risks. Climate change impacts every Oregonian, but our rural communities, our low-income communities, communities of color, and Tribes are especially vulnerable. Climate change also poses serious risks for many of Oregon's natural resource-based industries. To mitigate the risks of climate change, the Governor has established a new agency, the Oregon Climate Authority, and will cease operations of the Carbon Policy Office and the Oregon Department of Energy. The new agency will be responsible for implementing the state's climate strategies and tracking progress toward the state's emissions goals. This would include establishing a carbon cap-and-trade market, greenhouse gas reporting, energy markets data analysis as well as energy programs central to the state's climate goals. The Governor will appoint a Director, subject to Senate approval, and work with the Legislature to appoint an advisory board and determine the best long-term placement for existing energy programs at this new entity or other agencies.

Investing in Water. Oregon has a reputation as a wet state, but changing climate and shifts in population have tested the limits of our water resources. Safe, secure and reliable water is essential to the health of our communities and our economies. Protecting clean water at its source reduces the cost of water treatment and reduces risk to public health. Reliable water provides surety for economic investment in business and industry, particularly rural businesses such as agriculture and food processing.

- A significant investment has been made within the Governor's Budget to address the ongoing water permitting backlog. The investment allows for 23 positions to be added to Department of Environmental Quality for the primary goal of reducing the backlog and increasing timeliness of overall permit processing.
- The Governor's Budget invests in an additional groundwater basin study. This investment addresses the increasing need to understand water conditions throughout the state on a basin wide basis.
- The Budget includes continued support of place-based integrated water resource planning which partners with communities to understand and meet their water resource needs.
- Additional investments were made in the Klamath Basin in a multi-agency effort to improve water quality and aquatic habitat, and preserve agricultural resources within the basin.

Increasing Affordable Housing in Rural Oregon. Lack of affordable housing is a problem in many rural communities. Many smaller cities and counties do not have enough local planning capacity to facilitate appropriate housing development and economic opportunities. The Governor's Budget includes funding for a Development Readiness Fund that provides direct service grants for technical assistance to cities and counties to support their local planning processes. This effort advances the Governor's Workforce Housing Initiative and will be closely integrated with the Greater Oregon Housing Accelerator project.

Focus on Conservation. Conservation efforts require focused attention in future years. The Governor's Budget invests in the Oregon Conservation Strategy to monitor, maintain and restore functional habitats for fish and wildlife populations. It also continues funding for outreach to private landowners to implement recommended conservation strategies as outlined in the federal Farm Bill. Lastly, resources have been set aside to facilitate discussions and engage stakeholders to develop a

collaborative and coordinated work plan that protects sage grouse habitat without undermining economic activity. In promoting collaboration, additional funding will go to support the implementation of the most recent wolf plan.

Resiliency and Natural Hazards Planning. Oregon faces a variety of natural hazards that threaten public safety and community resources. The Governor's Budget funds increased mapping and analysis of Oregon's landscape for landslide and tsunami risks using LIDAR technology. It also funds a tsunami vertical evacuation study that will largely benefit coastal communities to prepare for emergency events. Finally, the Governor's Budget designates funding to evaluate the state's wildfire protection structure, with input from a blue ribbon panel, and determine what organizational changes are necessary to provide effective and sustainable resources to fight increasingly severe wildfires in the future.

Large Fire Costs. A decade of challenging fire seasons and the state's model for funding large fire costs has added pressure to the state's General Fund. Currently, large fire costs are shared between the General Fund and private landowners up to $20 million per year and the next $30 million of costs are born by the General Fund, funded through the General Purpose Emergency Fund. The amount reserved in the Governor's Budget for the General Purpose Emergency Fund assumes a shift to an equal cost share between the General Fund and private landowners for large fire costs.

Oregon Department of Agriculture

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$24,497,951	$22,698,953	$25,970,304
Lottery Funds	7,077,309	9,001,307	7,570,661
Other Funds	52,663,810	68,154,857	73,488,500
Federal Funds	12,712,955	17,615,623	17,371,337
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$96,952,025	$117,470,740	$124,400,802
Positions	527	501	495
Full-time Equivalent	378.48	375.73	378.53

OVERVIEW

The Oregon Department of Agriculture (ODA) delivers services to keep food products safe, enhance Oregon's economy and foster a healthy environment in which we work and live. The threefold mission of the Department is to ensure food safety and provide consumer protection, protect agricultural natural resources, and to promote economic development in the agriculture industry. The Department operates four policy areas:

- Administration and Support Services – manages the executive functions of the Department and provides business, accounting and technical support.
- Food Safety/Consumer Protection – inspects all facets of Oregon's food distribution system (except restaurants) to ensure food is safe for consumption.
- Natural Resources – protects Oregon's natural resources and maintains agriculture's economic sustainability.
- Market Access, Development, and Certification/Inspection – assists Oregon's agricultural producers sell and ship products and works to promote and create demand for Oregon products.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Agriculture is $124.4 million total funds. This is a 5.9 percent increase from the 2017-19 Legislatively Approved Budget. The budget enables the Department to carry out its statutory mission for food safety and consumer protection, the protection and conservation of natural resources and the promotion of economic development in the agricultural sector.

The Governor's budget invests in all four of the Department's policy areas. An investment has been

made in the Food Safety/Consumer Protection program by replacing laboratory equipment in the Department's regulatory lab. The Natural Resources program will receive funding for several water priorities including studying water quality issues in the Klamath Lake area, providing leadership and facilitation to stakeholders in the Lower Umatilla Basin Groundwater Management Area, and funding positions tasked with identifying agricultural watersheds that require water quality improvement work. An investment in the Market Access, Development and Certification/Inspection will be made by funding a position focused on international marketing development. Lastly, to provide better accountability, an internal auditor is funded within the Administration and Support Services policy area.

REVENUE SUMMARY

The Department is primarily funded by Other Funds, which include fees for licenses, registrations, inspections, certifications and reimbursements under federal service contracts. The Department also has a combination of General Fund, Lottery Funds and Federal Funds. Lottery Funds come from the Measure 76 operating portion of the Parks and Natural Resources Fund. Sources of Federal Funds include grants supporting survey and detection of invasive species, USDA Cooperative Agricultural Pest Surveys and U.S. Farm Bill funded programs.

The Governor's Budget includes a number of fee increases, which will provide needed financial support for Department programs in the 2019-21 biennium. This includes the ratification of fees, which were increased administratively in the 2017-19 biennium. Fee changes include increases for food safety fees, weights and measures fees, Confined Animal Feeding Operation fees and certifications.

The agency strives to work collaboratively with stakeholders on fee changes that fund program operations. However, fee revenue has not always kept pace with costs due to inflationary pressures on program expenditures, as well as the changing dynamics of some programs.

AGENCY PROGRAMS

Administrative and Support Services

The Administration and Support Services program includes the Directors Office, an information office which responds to public and media requests and an administrative services office, which manages the executive functions of the Department and provides related business, accounting and technical support. The Governor's Budget for this program is $13.5 million total funds. This is an 11.5 percent increase from the 2017-19 Legislatively Approved Budget. Funding for Administration and Support Services is comprised of General Fund and by transfers of Other Funds from the Department's three policy areas. The budget includes funding a new internal auditor. The budget supports 41 positions.

Food Safety/Consumer Protection Policy Area

The Food Safety/Consumer Protection Policy Area inspects all facets of Oregon's food distribution system (except restaurants) to ensure food is safe for consumption, protects and maintains animal health and ensures animal feeds meet nutritional and labeling standards. The Governor's Budget for this program is $38.6 million total funds. This is a 0.5 percent decrease from the 2017-19 Legislatively Approved Budget. Investments in the Governor's Budget for Food Safety/Consumer Protection include the

replacement of laboratory equipment in the regulatory lab and agency laboratory consolidation planning. The budget continues funding to address Avian Influenza threats.

The budget eliminates pass through funding for the Predator Control Program, which is jointly managed with the Oregon Department of Fish and Wildlife.

Funding for the Food Safety/Consumer Protection Policy Area is primarily Other Funds with smaller amounts of General Fund and Federal Funds. Other Funds revenue includes licensing fees, registration fees and fees for service. The program operates with 178 positions.

Natural Resources Policy Area

The Natural Resource Policy Area protects Oregon's natural resources for future generations, maintains agricultural lands, benefits water, fish, wildlife and native plants, reduces exposure to toxics, and maintains agriculture's economic sustainability. The Governor's Budget for this program is $43.9 million total funds. This is a 4.9 percent increase from the 2017-19 Legislatively Approved Budget. Funding for the program is a combination of General Fund, Other Funds from license and registration fees, Measure 76 Lottery Funds and Federal Funds from grants and cooperative agreements. The program operates with 140 positions.

The Governor's Budget for Natural Resources adds staffing resources for the Fertilizer Registration, Pesticides, Nursery, Industrial Hemp and Insect Pest Prevention and Management programs. It also provides base funding for the Invasive Species Council.

Certification/Inspection Policy Area

The Market Access, Development, Certification/Inspection Policy Area assists Oregon's agricultural producers to successfully sell and ship products to local, national and international markets. The marketing portion of the program works to promote and create demand for Oregon agricultural products. The inspection and certification portion of the program adds value by providing services to facilitate product movement and overcome trade barriers and technical constraints that affect agricultural traded sectors. The Governor's Budget for this program is $28.4 million total funds. This is a 14.8 percent increase above the 2017-19 Legislatively Approved Budget.

The budget invests in staffing resources in the Shipping Point and Market Access and Development programs. It also continues funding for positions focused on implementing the provisions of the Food Safety Modernization Act.

Program funding consists of a mix of General Fund to support core development activities, Other Funds from charges for services and Federal Funds from USDA Cooperative Agricultural Pest Surveys and U.S. Farm Bill funded programs. The program operates with 136 positions.

Oregon Climate Authority

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$17,702,183
Lottery Funds	0	0	3,023,370
Other Funds	0	0	31,898,669
Federal Funds	0	0	2,435,545
Other Funds (Nonlimited)	0	0	41,004,652
Federal Funds (Nonlimited)	0	0	104,000
Total Funds	$0	$0	$96,168,419
Positions	0	0	112
Full-time Equivalent	0.00	0.00	112.00

OVERVIEW

The Governor's Budget makes a significant investment in mitigating climate change and reducing greenhouse gas emissions. To meet these objectives, the Governor has created a new agency with a new leadership structure and mission, the Oregon Climate Authority, and ceases the operations of the Carbon Policy Office and the Oregon Department of Energy. The Oregon Climate Authority is responsible for implementing the state's climate and clean energy strategies and tracking progress toward the state's climate goals. This would include the carbon cap-and-trade program, greenhouse gas emissions reporting and accounting, energy markets data and analysis, energy and climate policy analysis, and other energy programs central to the state's climate and clean energy goals.

The Authority accomplishes this mission through the following programs:

- Carbon Markets and Policy – Tasked with implementing an effective greenhouse gas reporting system and launching a carbon cap-and-trade program.
- Climate and Energy Policy and Programs – Undertakes research and analysis to inform state policy and goals relating to climate, energy, and energy conservation. This program also administers state programs on energy efficiency, renewable energy and the phase out of energy incentive programs.
- Nuclear Safety and Energy Emergency Preparedness – Works to provide safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure that decisions regarding cleanup protect the Columbia River and Oregon. The division also provides emergency preparedness for potential energy hazards, including those caused by climate change.
- Energy Facility Siting – Works with energy facility developers and operating energy facilities to meet the state's energy needs by ensuring large power plants, transmission lines and natural gas pipelines are built to meet Oregon siting requirements.
- Administrative Services – Includes the Director's Office, IT/Data Management, Finance and Operations and Rulemaking. It also supports Oregon's Northwest Power Conservation Council members.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Climate Authority is $96.2 million total funds. The Authority has 112 positions. The Governor's Budget reflects the importance of climate issues and carbon policy, while understanding the value of existing energy policy and programs. To integrate these objectives, the Governor's Budget creates a new agency to align Oregon's climate and energy policies and ceases the operations of the Carbon Policy Office and Oregon Department of Energy. The Governor's Budget invests $13.4 million in new funding for the greenhouse gas reporting and carbon market program across all divisions. Although the initial investment will be made through the General Fund, the carbon market program is expected to be self-sustaining in future biennia.

Due to the cost sharing of administrative resources between divisions, the Governor's Budget anticipates a reduction in the Energy Supplier Assessment by at least 25 percent, when compared to the 2017-19 biennium. The budget assumes current programs operating at the Oregon Department of Energy move to the Oregon Climate Authority, however, some programs have been reorganized into new divisions within the new agency. The Governor will work with the Legislature to determine the long-term placement of existing energy and climate programs.

REVENUE SUMMARY

The Authority's primary sources of revenue are General Fund, Other Funds and Federal Funds, which are derived from the following:

- Fees charged and other revenue collected for administration of certain programs such as the State Energy Efficient Design program, emergency preparedness planning, codes training, Public Purpose Charge schools program and Energy Facility Siting;
- Energy Supplier Assessment (an annual assessment on Oregon energy suppliers); and
- Federal Funds including grants from the U.S. Department of Energy.

AGENCY PROGRAMS

Carbon Markets and Policy Division

The Governor's Budget establishes the Carbon Markets and Policy Division with the goal of launching a carbon cap-and-trade program. The division will bring a strong focus on climate issues and reducing greenhouse gas emissions. Its work will be directed towards implementing an effective greenhouse gas reporting system and establishing a successful carbon cap-and-trade market as the centerpiece of the state's climate strategies.

The division will have two programs: the Markets program and the Greenhouse Gas Reporting program. In an effort to have the Greenhouse Gas Reporting program in place as soon as possible, four positions will be transferred from the Department of Environmental Quality to support its implementation.

The division's budget is $10.1 million total funds and supports 18 positions.

Climate and Energy Policy and Programs Division

The newly created Climate and Energy Policy and Programs Division takes on the statutory responsibilities of the Planning and Innovation and Energy Development Services divisions from the Oregon Department of Energy, along with additional capacity to provide technical assistance and program support to advance the state's goals to reduce greenhouse gas emissions.

The division will collaborate with the Authority's other divisions and with stakeholders to help accomplish its goals. The work falls primarily into research and analysis in three areas that reduce greenhouse gas emissions: renewable energy, energy efficiency and sustainable transportation. It also supports planning for climate change mitigation, adaptation and resilience.

The division will also implement existing programs to cost-effectively improve the energy efficiency of schools and public buildings, and provide analysis and technical assistance to reduce energy use in the residential, commercial, industrial and agricultural sectors.

The division will continue to wind down its responsibilities under programs that have sunset. The Small-Scale Energy Loan Program (SELP) will be housed in the division. Although the budget does not include new bonding authority, existing loans must be serviced until maturity. The Renewable Energy Development grant program will continue its phase out in the 2019-21 biennium.

The division's budget is $60.6 million total funds and staffs 25 positions. The budget includes $4.3 million General Fund debt service due to a deficit in the SELP program.

Nuclear Safety and Energy Emergency Preparedness Division

The Nuclear Safety and Energy Emergency Preparedness Division protects Oregonians from exposure to hazards by monitoring and engaging in radioactive waste cleanup activities at the Hanford nuclear site, preparing and testing nuclear emergency preparedness plans, participating in emergency preparedness planning for Liquefied Natural Gas terminals; and overseeing the transport of radioactive material through Oregon. In addition, in times of petroleum shortages, the division implements the state's Petroleum Contingency Plan to ensure petroleum supply to emergency and essential services.

The Governor's Budget transfers the division directly from the Department of Energy to the Oregon Climate Authority. The Governor is open to discussion with the Legislature on the best long-term agency placement of this important program. The division's budget is $2.3 million total funds and has six positions.

Energy Facility Siting Division

The Energy Facility Siting Division works with energy facility developers and operating energy facilities to meet the state's energy infrastructure and demand needs and to ensure that large power plants, transmission lines and natural gas pipelines built in Oregon meet state siting standards. The development of new technologies and investments in renewable energy generation has led to growth in energy siting.

The Governor's Budget transfers the division directly from the Department of Energy to the Oregon Climate Authority. The Governor is open to discussion with the Legislature on the best long-term agency placement of this important program. The division's budget is $5.4 million total funds and staffs 13 positions, which includes two additional positions when compared to the 2017-19 biennium to handle the increased siting workloads.

Administrative Services Division

The Administrative Services Division includes the Director's Office, central services functions and the Northwest Power Conservation Council members. The central services functions include shared services for budgeting, accounting, payroll, contracting and procurement, federal grants management, information technology management, database development and management and facilities, records and risk management. The division also supports the Oregon members of the regional Northwest Power and Conservation Council, a federally established council, which is directed to adopt a regional energy conservation and electric power plan and program to protect, mitigate and enhance fish and wildlife on the Columbia River and its tributaries.

The Governor will appoint a Director to oversee the Oregon Climate Authority, subject to Senate approval. A new advisory board for the Oregon Climate Authority, including the cap-and-trade program, will be created to advise the Director and will assume and replace the role of the current Oregon Global Warming Commission. The majority of administrative positions will transfer from the Oregon Department of Energy, however new positions will be required to support the Carbon Markets and Policy Division, including a substantial investment in information technology positions. The large increase in information technology staffing resources is needed to develop and implement a greenhouse gas reporting system and cap-and-trade program. Once required technology is established, staffing may be adjusted to reflect ongoing maintenance needs.

The division's budget is $17.7 million total funds and staffs 50 positions.

Columbia River Gorge Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$920,288	$992,000	$1,366,856
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$920,288	$992,000	$1,366,856
Positions	0	0	0
Full-time Equivalent	0.00	0.00	0.00

OVERVIEW

Established by an interstate compact between Oregon and Washington in 1987, the Columbia River Gorge Commission was authorized by and charged with implementing the Columbia River Gorge National Scenic Area Act of 1986. The Scenic Area envisioned continued economic growth and development within existing urban areas in a manner consistent with the protection and enhancement of scenic, cultural, recreational and natural resources.

The Commission functions as the permanent regional land use policy body for the Scenic Area, a 292,000-acre region stretching along both shores of the Columbia River for 85 miles—from the outskirts of the Portland-Vancouver metro area to the semi-arid regions of Wasco and Klickitat Counties in the east. The Columbia River Gorge encompasses three counties in Oregon (Hood River, Multnomah, and Wasco) and three in Washington (Clark, Skamania, and Klickitat) and includes 13 designated Urban Areas.

The Commission has an oversight role for the entire Scenic Area and functions as a convener and resource for collaborative regional efforts. It maintains partnerships with federal, tribal, state and local governments, state agencies and non-governmental organizations. It also coordinates with the U.S. Forest Service, which administers recreation facilities, helps design resource protection projects and provides information to Gorge visitors. Additionally, the Commission works to ensure four Indian nations have a role in the management processes, reviewing proposed developments which may impact cultural resources or treaty rights.

GOVERNOR'S BUDGET

The Governor's Budget is $1.4 million total funds. This is a 37.8 percent increase from the 2017-19 Legislatively Approved Budget. The budget adds funding for one planner to monitor and track indicators to determine if the Commission is complying with the National Scenic Area Management Plan. It also includes funding to enable the Commission to replace its aging computer equipment and database.

REVENUE SUMMARY

Under the terms of the interstate compact, Oregon and Washington agree to fund their own Commissioner programs and equally apportion the costs of the Commission's Joint Expenses program. For administrative purposes, the Commission's budget resides in the state of Washington and its staff members are considered Washington state employees. The Governor's Budget reflects payments to Washington State from the General Fund and expenses relating to Commission members from Oregon.

AGENCY PROGRAMS

Joint Expenses

The Joint Expenses program unit encompasses the majority of the Commission's activities and expenditures—typically, representing between 97 and 98 percent of the agency budget. Pursuant to the interstate compact, Oregon finances one-half of these costs with General Fund while Washington funds the other half. The budget for the Joint Expenses is $1.3 million total funds.

The Commission's responsibilities include setting policy for the Gorge through a Scenic Area Management Plan, administering ordinances to implement the Plan, serving as a development appeals board and monitoring resource conditions in the Gorge. In furtherance of these responsibilities, Commission staff:

- Provide technical planning assistance to cities, counties and land developers;
- Review and act on Scenic Area boundary issues, such as expansion of urban growth boundaries and assist counties in the development of ordinances for implementation of the Scenic Area Act;
- Carry out enforcement actions and monitor compliance in order to ensure protection of Gorge resources;
- Support the regional economy within the Scenic Area by reviewing and certifying all grants and loans submitted to the Commission; and
- Administer the appellate process for land use decisions within the Scenic Area.

Commissioner's Expenses

The Commissioners' Expenses program provides for Oregon Commissioners' per diem, training and travel expense. This also includes a portion of state government service charges for centralized services provided by the State of Oregon. The budget for Commissioners' Expenses is $32,612 in the 2019-21 biennium.

Department of Environmental Quality

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$38,163,023	$48,377,650	$51,169,413
Lottery Funds	4,084,180	4,732,711	5,322,214
Other Funds	129,989,706	194,863,032	221,421,618
Federal Funds	22,268,911	29,266,525	29,461,797
Other Funds (Nonlimited)	107,343,731	131,686,687	178,263,330
Federal Funds (Nonlimited)	0	0	0
Total Funds	$301,849,551	$408,926,605	$485,638,372
Positions	751	768	788
Full-time Equivalent	729.99	735.46	767.53

OVERVIEW

The Department of Environmental Quality (DEQ) leads efforts to restore, enhance and maintain the quality of Oregon's air, water and land. The Department administers most of the state's pollution laws, as well as the federal Clean Water Act and the federal Clean Air Act. The Environmental Quality Commission's five-member board sets policy direction for DEQ. The Department has five major program areas:

- Air Quality – Regulates air pollutants from certain sources, monitors pollutant levels, analyzes data, hosts public meetings and reviews public comments, provides education and business assistance and enforces pollution laws.
- Water Quality – Monitors and regulates the discharge of wastewater from municipal and industrial sources, oversees residential septic systems and works with forest, agricultural and other landowners to ensure water quality goals are met.
- Land Quality – Works to reduce hazardous and solid waste, regulates underground storage tank use, responds to hazardous substance spills and cleans up contaminated sites.
- Agency Management – Includes the Director's Office, public affairs, and management services. This area provides leadership, coordination and support for the agency and coordinates with other natural resources agencies.
- Loan Programs – Advances air, water, and land goals through the Clean Water State Revolving Loan Program, Orphan Sites Program and Pollution Control Bonds.

GOVERNOR'S BUDGET

The Governor's Budget for DEQ is $485.6 million total funds. This is a 19 percent increase from the 2017- 19 Legislatively Approved Budget. Sixty-three percent of the Department's budget ($253.1 million) is for operations; the balance is Nonlimited Other Funds, which are associated with the Clean Water

Revolving Fund. The Department has 788 positions. This budget makes significant investments in both Air and Water Quality programs to address permitting backlogs. The budget also includes funding for additional resources for statewide emergency response preparedness, an environmental justice coordinator and efforts to improve water quality in the Klamath Basin. With the creation of the Oregon Climate Authority and implementation of an effective greenhouse gas reporting system and carbon cap-and-trade program, four positions are transferred from DEQ to support the new Carbon Markets and Policy Division within the new agency.

The Governor's Budget also provides funding to upgrade information technology and database systems to a unified Environmental Data Management System, providing a common platform, updating and making consistent business practices across DEQ that will replace many of the isolated systems currently within the Department.

REVENUE SUMMARY

The Department is funded primarily with Other Funds but also receives General Fund, Measure 76 Lottery Funds and Federal Funds. Other Funds come primarily through fees. The budget proposes fee increases in the Air Quality Permitting program, Water Quality Permitting program, Oil Spill Prevention, Vehicle Inspection Certification, Cleaner Air Oregon, Onsite septic fees, Wastewater Permitting, Heating Oil Tanks, High Hazard Rail and Hazardous Waste Generator & permit fee program.

The Department strives to work collaboratively with stakeholders on fee changes funding program operations. However, despite increases in fees, fee revenue has not kept pace with costs due to inflationary pressures on program expenditures, as well as the changing dynamics of some programs. As a result some programs have become increasingly dependent upon General Fund.

AGENCY PROGRAMS

Air Quality Program

The Air Quality Program is responsible for administering and achieving air quality standards in Oregon under the federal Clean Air Act and state statutes. The staff is responsible for permitting, regulating and monitoring air toxins, data analysis, enforcement, policy and planning and rule development. The only area of the state not covered by DEQ is the Lane Regional Air Pollution Authority. DEQ receives an appropriation for the Lane Regional Air Pollution Authority, which it passes on to the regional authority. The Governor's Budget for Air Quality is $110.0 million total funds. This is an 11 percent increase from the 2017-19 Legislatively Approved Budget.

The Air Quality Program develops and implements clean air plans to meet federal standards, and reduce air toxics and greenhouse gasses. The program also coordinates with other partners that are investing in transportation and land use improvements that reduce air pollution.

Through the support of increased fee revenue, the Governor's Budget invests in the Air Contaminant Discharge Permit program to address the Air Quality permit backlog, oversee the Electric Vehicle Rebate program and maintain the Vehicle Inspection program. By funding Cleaner Air Oregon, the budget also provides monitoring staff and equipment to screen for and address toxic air pollution by identifying the likely sources and level of emissions of toxics at various locations around the state.

Water Quality Program

The DEQ's Water Quality Program assesses environmental conditions through monitoring and scientific analysis and sets water quality standards to protect human health, while at the same time assuring our waters are safe for fishing and swimming. The program develops pollution control strategies, creates clean water management plans with local communities and regulates industrial and municipal sources of water pollution through permits, inspections and enforcement. Much of the work is done locally; however, DEQ staff directly manages the regulation of wastewater treatment plants, septic system permitting to protect groundwater, and the regulation of industrial discharges to rivers and streams and other water bodies. The Governor's Budget for the Water Quality Program is $73.2 million total funds. This is a nine percent increase from the 2017-19 Legislatively Approved Budget.

The Governor's Budget makes a significant investment in staff and resources to address recommendations to improve the agency's water quality permitting system, which has a significant backlog. The budget also invests in water quality efforts within the Klamath Basin.

Land Quality Program

The Land Quality Program improves and protects Oregon's land, air and water by working with stakeholders on responsible management of materials, reduction of waste and toxics, cleaning up contaminated sites and responding to emergency spills. The program maintains reports on the use of toxic substances and the generation of hazardous waste and provides technical assistance to businesses. Its staff provides oversight for the investigation and cleanup of contaminated properties and issue operating certificates to gas stations. The program coordinates with federal, state and local government partners to respond to spills of dangerous materials. The Land Quality program also contains the ballast water program, which seeks to control invasive species being introduced into Oregon waters by the ballast water of ships. The Governor's Budget for the Land Quality program is $82.5 million total funds. This is an 11 percent increase from the 2017-19 Legislatively Approved Budget.

The Governor's Budget makes an investment in Statewide Emergency Spill Response Preparedness as well as continues implementation of DEQ's Materials Management 2050 Vision, which is a plan for sustainable material management. This plan includes a fee increase in Underground Storage Tank permits, which restores positions to the program.

Agency Management

The DEQ's Agency Management provides leadership, fiscal management, central services and technical support to the Department. Agency Management includes the Director's Office, the Office of Outcome-Based Management, the Office of Policy and Analysis, the Office of Compliance and Enforcement and the Central Services Division. The Governor's Budget for Agency Management is $35.6 million total funds. This is a 12 percent increase from the 2017-19 Legislatively Approved Budget.

The Governor's Budget invests bond proceeds into the continued development of an Environmental Data Management System to provide interactive service to the public and stakeholders, while also standardizing and streamlining DEQ's internal business practices across the Department. The budget also provides resources for an Internal Auditor and an Environmental Justice Coordinator.

Pollution Control Bond Fund Debt Service

This program provides debt service for bonds sold to support orphan-site cleanup and loans from the Clean Water State Revolving Loan Fund.

Nonlimited Budget

The Nonlimited Budget program contains the Department's bond proceeds for its State Revolving Fund. The Clean Water State Revolving Fund provides below-market interest rate loans for the planning, design or construction of projects that prevent or mitigate water pollution. These projects include wastewater treatment facilities and upgrades, sewer replacement and rehabilitation, storm water controls, irrigation improvements and certain types of nonpoint source projects such as animal waste management or stream restoration. Eligible agencies include tribal governments, cities, counties, sanitary districts, soil and water conservation districts, irrigation districts, various special districts and certain intergovernmental entities.

Oregon Department of Fish and Wildlife

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$31,162,078	$29,458,285	$33,208,714
Lottery Funds	4,852,625	5,326,259	5,640,031
Other Funds	159,519,582	193,825,411	197,595,177
Federal Funds	112,180,191	135,372,685	144,994,699
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$307,714,476	$363,982,640	$381,438,621
Positions	1,463	1,375	1,353
Full-time Equivalent	1,197.51	1,154.05	1,151.31

OVERVIEW

The Oregon Department of Fish and Wildlife (ODFW) protects and enhances fish, wildlife and their habitats for the use and enjoyment of present and future generations. The Department operates three major programs:

- The Fish Division includes two programs: Inland Fisheries and Marine and Columbia River Fisheries, both of which are responsible for managing indigenous fish species to prevent their serious depletion and to provide the optimum recreational and aesthetic benefits for present and future Oregonians.
- The Wildlife Division includes three programs: Wildlife Management, Habitat Resources and Conservation. The division shares many of the same goals as the Fish Division, mainly protecting indigenous wildlife species to provide optimum benefits for present and future Oregonians.
- The Administration program includes the Director's Office and the Administrative Services, Human Resources, Information and Education and Information Systems Divisions. This includes support for the Oregon Fish and Wildlife Commission and the Commercial Fish Permit Board.

The Department also maintains a contract with the Oregon State Police for fish and game wildlife enforcement. Finally, ODFW has a Capital Improvement program to maintain and repair Department property as well as a Major Construction and Acquisition program, which is not operating in the 2019-21 biennium.

GOVERNOR'S BUDGET

The Governor's Budget for ODFW is $381.4 million total funds. This is a 4.8 percent increase from the 2017-19 Legislatively Approved Budget. The Department has 1,353 positions. The Governor's Budget invests in the Oregon Conservation Strategy, the Integrated Water Resources Strategy and the Wolf Management Plan. These investments reflect the importance of conservation programs within ODFW and the importance of a Habitat and Conservation Division within the Department. The staffing

associated with these new investments will generate jobs in rural Oregon. In addition, the budget continues funding for four field biologists in rural communities to assist private landowners with the implementation of conservation practices recommended in the federal Farm Bill.

Program reductions were made within the Predator Control Program managed jointly with the Oregon Department of Agriculture and positions associated with interagency coordination in the wildlife program were reduced. The Governor's Budget does not fund the Leaburg Hatchery, which will result in its closure. The Army Corp of Engineers defunded the hatchery in the 2017-19 biennium.

REVENUE SUMMARY

ODFW revenue comes from General Fund, Lottery Funds, Other Funds and Federal Funds. Lottery Funds are from the Measure 76 operations portion of the Parks and Natural Resources Fund. The largest source of Other Funds is from the sale of hunting, angling and occupational licenses and tags. A significant factor affecting the short and long-term outlook for the Department's revenue is hunting and fishing participation trends. During the 2015 Session, legislation was passed adjusting recreational fishing, hunting, occupational and commercial fishing fees over six years beginning in January 2016. The Department anticipated the increase in fees would have a negative impact on participation, but overall, the impact has been less than anticipated and a few license categories have seen increased participation. Although the Department experienced challenging cash flow issues in past years, the cash balance is currently healthy.

The Department also allocates a portion of Federal Funds to Other Funds to cover administrative costs in compliance with federal requirements. The Federal Funds revenues are received from U.S. Fish and Wildlife Service, Army Corps of Engineers, Bonneville Power Administration, Environmental Protection Agency, U.S. Department of Agriculture and the National Oceanic and Atmospheric Administration. Generally, federal revenue is restricted in how it can be used.

AGENCY PROGRAMS

Inland Fisheries

The Inland Fisheries program is responsible for the conservation and sustainable use of Oregon's inland fish populations. The program provides policy and management direction for Oregon's freshwater fishery resources, ensuring native species are conserved. It also fosters and sustains opportunities for sport, commercial and tribal fishers to catch hatchery and naturally produced fish, consistent with the conservation of native fish. This is a large program, organized into five sections: Inland Fisheries Management, Native Fish Conservation, Hatchery Management, Water and Energy Coordination and Engineering and Facilities. The program provides more than 70 percent of the fish harvested in the state's sport and commercial Salmon, Steelhead and Trout fisheries; generating significant economic value in Oregon's economy, much in rural areas. The Governor's Budget for the Inland Fisheries program is $162.8 million total funds. This is a 5.6 percent increase from the 2017-19 Legislatively Approved Budget. The program has 765 positions.

Marine and Columbia River Fisheries

The Marine and Columbia River Fisheries program conserves, protects and restores key fish and wildlife species in Oregon's ocean and the Columbia River Basin. Because of the importance of this fishery to

Oregon's economy the program is guided by the goal of ensuring long-term sustainability of fish, wildlife and their habitats, while doing so in a way that supports a healthy economy. The program has two sections. The Ocean Salmon and Columbia River section works with federal, regional and other entities to plan and implement programs to protect, mitigate and enhance fish populations in the Columbia River Basin. It also works with commercial and sport fisheries and ocean salmon fishers to develop administrative rules for those fisheries. This section is the scientific and technical lead in Oregon's efforts to mitigate the effects of hydropower on fish populations in the Columbia and Snake River systems. The Marine Resources section manages marine species and habitats through research, fisher monitoring and setting policy. The Governor's Budget for the Marine and Columbia River Fisheries program is $37 million total funds. This is a 6.4 percent increase from the 2017-19 Legislatively Approved Budget. The program has 216 positions.

Wildlife Management

The Wildlife Management program is the primary vehicle for implementation of the North American Model of Wildlife Management. The program manages game mammals, game birds, furbearing animals and predatory species by monitoring animal populations and conducting research. The program restores and improves wildlife habitat and manages sixteen major wildlife management areas. Wildlife disease issues are addressed by laboratory personnel. The program works with the Oregon Department of Agriculture and the U.S. Fish and Wildlife Services. The Governor's Budget for the Wildlife Management program is $66.7 million total funds. This is a 10 percent increase from the 2017-19 Legislatively Approved Budget. The program has 171 positions.

Conservation

The importance of ODFW conservation programs to the agencies mission warrants the re-establishment of a Habitat and Conservation Division within ODFW. The Conservation program coordinates the conservation and management of threatened, endangered, and sensitive species as well as the protection and management of non-game fish and wildlife. It works to keep species from becoming threatened or endangered by implementing the federally approved Oregon Conservation Strategy and acts in alignment with the Oregon Plan for Salmon and Watersheds.

The program handles invasive species boat inspections and decontaminations; consultations with landowners and managers to create healthy habitats; educational presentations and materials; scientific reviews; funding of conservation projects; management of threatened species; on the ground species research, monitoring and habitat restoration projects; response to public inquiries about living with wildlife, wildlife viewing opportunities, invasive species, wolf depredation and other related issues. The Governor's Budget for the Conservation program is $12.8 million total funds. This is a 21.6 percent increase from the 2017-19 Legislatively Approved Budget. The program has 52 positions.

Habitat Resources

The Habitat Resources program provides guidance for land use activities affecting fish and wildlife habitats. It offers technical assistance and tax incentives to private and public landowners to enhance the fish and wildlife habitat on their property and to ensure environmental protection standards are met. It coordinates with other agencies to resolve land and water issues affecting fish and wildlife habitat so healthy habitats for Oregon's fish and wildlife are not harmed. The presence of healthy fish and wildlife populations, as noted above, has a positive fiscal impact on rural economies.

The Governor's Budget for the Habitat Resources program is $2.1 million total funds. This is a 39 percent decrease from the 2017-19 Legislatively Approved Budget. The large decrease is due to a reduction in positions that support interagency coordination activities. The program has two positions.

State Police Enforcement

The Department contracts with the Oregon State Police to enforce Oregon's fish and wildlife laws and regulations. The primary mission of the Oregon State Police Fish and Wildlife Division (OSPFW) is to assure compliance with laws that protect and enhance the long-term health and equitable utilization of Fish and Wildlife resources. It also enforces traffic, criminal, boating, livestock, and environmental protection laws in addition to responding to emergency situations. The 11 members of the division enforce laws directly relating to the Oregon Plan for Salmon and Watersheds. OSPFW has three investigators and an investigating sergeant assigned to its Special Investigations Unit, which is responsible for conducting in-depth and complex investigations of individuals or groups in violation of the fish and wildlife laws and regulations.

The Governor's Budget sets the transfer of funding to the Oregon State Police Fish and Wildlife program at $26.3 million total funds. This is a 9.3 percent increase from the 2017-19 Legislatively Approved Budget. No positions are associated with this program as positions reside with the Oregon State Police.

Administration

The Administration program provides support functions to the programs of the Department and includes the Oregon Fish and Wildlife Commission, the Commercial Fishery Permit Board and the Director's Office. The Administration program has recently devoted resources to improving its information technology to improve access and efficiency for staff and for its customers. The Governor's Budget for the Administration program is $60.7 million total funds. This is a 10.9 percent increase from the 2017-19 Legislatively Approved Budget. The program has 145 positions.

In response to a nationwide decline in participation in hunting and fishing, the Information and Education Division has engaged in efforts encouraging Oregonians and out of state hunters and anglers to begin or continue hunting and fishing. The Department has developed a mobile friendly website and reduced costs for juvenile hunters and anglers. It also intends to launch a new Electronic Licensing System by the end of the 2017-19 biennium.

Debt Service

The General Fund debt service in this program is used to repay money borrowed for deferred maintenance projects. Projects include maintenance of Wildlife Area field offices, hatchery facilities and residences and other ODFW owned property. The Other Funds debt service is to repay money borrowed for the purchase of a new headquarters facility in Salem. Funds come from the savings in rent from the lease of the old Salem headquarters building. The Governor's Budget for the Debt Service program is $3.8 million total funds. This is a 71.1 percent increase from the 2017-19 Legislatively Approved Budget. There are no positions associated with the Debt Service program.

Capital Improvement

The Department implements capital improvement projects to maintain facilities and support fish

restoration and enhancement projects throughout Oregon. The ODFW has spent between $3 million and $10 million biennially since 2001 on capital improvement projects, with the majority of funds spent in local communities on contractors, employees and vendors. The Governor's Budget includes $9.2 million total funds in capital improvements. This is a 1.9 percent decrease from the 2017-19 Legislatively Approved Budget. The program has two positions.

The ODFW groups capital projects into three categories: Fish Restoration and Enhancement (R&E); Emergency Hatchery Maintenance; and other capital projects. The R&E program is funded by dedicated recreational fishing license dollars and commercial salmon fisher dollars. Emergency Maintenance projects are generally smaller and are typically funded as one-time projects using dedicated or contractually obligated revenue.

Major Construction and Acquisition

The ODFW's Major Construction and Acquisition program does not operate every biennium. It is activated if the Department has funding for a specific project. The Governor's Budget does not include funding for major construction and acquisition projects in the 2019-21 biennium.

Oregon Department of Forestry

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$102,048,469	$96,605,737	$88,317,235
Lottery Funds	6,987,642	2,601,001	2,605,450
Other Funds	271,602,322	366,655,973	262,398,892
Federal Funds	16,914,057	33,907,251	35,363,903
Other Funds (Nonlimited)	1,731,479	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$399,283,969	$499,769,962	$388,685,480
Positions	1,174	1,181	1,150
Full-time Equivalent	867.47	867.89	845.83

OVERVIEW

The Oregon Department of Forestry (ODF) serves the people of Oregon by protecting, managing and promoting stewardship of Oregon's forests to enhance environmental, economic and community sustainability. The Department has three operational divisions and several support divisions:

- Fire Protection – provides fire protection on approximately 16 million acres of forest and rangeland through a complete and coordinated system.
- State Forests – manages more than 762,000 acres of forestland owned by the Board of Forestry and the State Land Board.
- Private Forests – administers the Oregon Forest Practices Act and provides assistance to forest land0wners.
- Support functions – includes Agency Administration, the Equipment Pool, Facilities Maintenance, Debt Service, Capital Improvements and Capital Construction.

GOVERNOR'S BUDGET

The Governor's Budget for ODF is $388.7 million total funds. This is a 22.2 percent decrease from the 2017-19 Legislatively Approved Budget. The large decrease is the result of removing one-time funding for the purchase of the Elliott State Forest and significant one-time costs for large wildfires in the 2017-19 biennium.

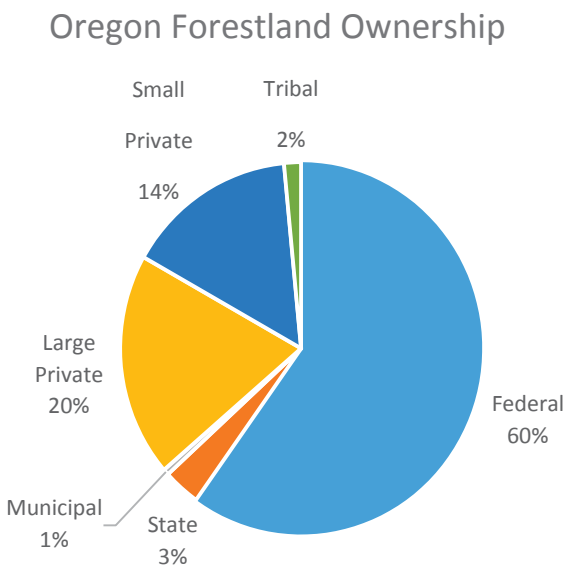
Although the Governor's Budget has decreased from the 2017-19 Legislatively Approved Budget, it includes three important investments:

- Funding a contractor to assist the Department, in coordination with a blue ribbon panel, to determine an optimal and sustainable organizational structure and fire funding approach to allow it to adapt to increasingly severe fire seasons;

- Funding to engage a process consultant to work with the Department to improve and streamline its accounting reimbursement and reporting processes related to fire season costs; and
- Restoring staffing reductions made in the 2017-19 biennium for the Common School Lands Program in the State Forests Division.

REVENUE SUMMARY

General Fund, Lottery Funds, Other Funds and Federal Funds support this budget. Other Funds revenue sources include the timber harvest tax, landowner assessments and the sale of timber on forestlands managed by the Department. Federal Funds are received for a variety of fire program activities and support forest insect and disease control activities as well as landowner assistance in the Private Forests program.



A decade of challenging fire seasons has made significant impacts on the Department's staffing resources and its budget. The Governor has proposed an equal cost share between the General Fund and private landowners for large fire costs.

In addition, the Governor's Budget includes an equal cost share between the General Fund and private landowners in the Private Forests Division for the management of the Oregon Forest Practices Act paid by the Forest Products Harvest Tax.

AGENCY PROGRAMS

Agency Administration

The Agency Administration program leads the Department by developing policy, coordinating programs, assessing forest resources, coordinating land use planning, managing information systems and providing a wide range of administrative services. The Governor's Budget for this program is $41.7 million total funds. This is a 70.4 percent decrease from the 2017-19 Legislatively Approved Budget. The large decrease is due to the removal of one-time funding for the purchase of the Elliott State Forest in the 2017-19 biennium. The program is funded by General Fund, Other Funds and Federal Funds assessed against agency programs on a pro-rated basis by funding source. This program operates with 110 positions.

The Agency Administration program provides leadership, policy development and public involvement and supports the Board of Forestry. The program continuously evaluates its processes to improve service delivery.

The Department has struggled to process its Federal Emergency Management Agency Fire Management Assistance Grant reimbursements in a timely manner. The Governor's Budget includes funding to allow the agency to engage a process consultant to recommend process improvements to streamline the reimbursement and fire cost reporting processes.

Fire Protection

The Fire Protection program is the state's largest fire department and is responsible for providing fire protection on approximately 16 million acres of forest and rangeland. The program delivers fire protection through a complete and coordinated system with federal agencies, forest landowner's operators and contractors, local structural fire agencies and nearby states and provinces. The Governor's Budget for this program is $144.6 million total funds. This is a 22.1 percent decrease from the 2017-19 Legislatively Approved Budget, which is driven by one-time costs in the 2017-19 biennium related to large wild fires. The program is funded by a combination of General Fund, Federal Funds and Other Funds. The Other Funds are primarily generated from private forest landowner assessments. This program operates with 670 positions.

To address the growing challenges of severe fire seasons, the Governor's Budget includes funding for a contractor, along with a blue ribbon panel, to assist the Department in making organizational changes to adapt to increasingly severe fire seasons. In addition, the Governor's Budget reserves $6.0 million in a Special Purpose Appropriation in the Emergency Fund budget to pay for Severity Resources and catastrophic fire insurance premiums.

Equipment Pool

The Equipment Pool program manages a transportation pool and radio communications pool. The transportation pool includes approximately 900 pieces of equipment and the radio pool includes approximately 5,600 pieces of major radio equipment and provides support and engineering. The Governor's Budget for this program is $17.7 million total funds. This is a 6.6 percent increase from the 2017-19 Legislatively Approved Budget, which continues current program operations. Funding for the program comes from fees and assessments charged to equipment pool users. The program supports the radio communications of three Forest Protective Associations and of the Oregon Department of Fish and Wildlife and the Parks and Recreation Department. The program operates with 29 positions.

State Forests

The State Forests program manages more than 762,000 acres of forestland for the Board of Forestry and the State Land Board. Included in this management are six state forests: Tillamook, Clatsop, Santiam, Sun Pass, Gilchrist and Elliott, plus some scattered smaller tracts. About 85 percent of the state forest acreage is owned by the Board of Forestry and the remaining acres are owned by the State Land Board for the benefit of the Common School Fund. The State Land Board has determined that the Elliott State Forest will remain in public ownership, but through changes in management objectives and partial decoupling from the Common School fund Forestry's management of the Elliott State Forest may be reduced or end. The Governor's Budget for this program is $108.2 million total funds. This is a 16.8 percent increase from the 2017-19 Legislatively Approved Budget. Other Funds generated from timber sales on lands managed by the Department is the program's main funding source. The program operates with 220 positions.

The State Forests Division has been self-supporting through the revenue generated from timber sales on lands managed by the Department. On Board of Forestry lands, the Department retains 36.25 percent of revenues for management expenses. The remainder of the revenue is distributed to counties and local taxing districts. On Common School Fund lands, the Department is reimbursed for management costs and the remainder of the revenue from timber sales is distributed to the Common School Fund. The State Forest Division's revenue outlook is closely tied to the timber market. The market conditions have

been strong in the 2017-19 biennium, however a downturn is projected within the next five years and may result in expenditures exceeding revenues.

Private Forests

The Private Forests program delivers a range of services to industrial, family-forest, state and local government and some federal landowners. These services seek to maintain and enhance economic, social and environmental benefits derived from Oregon's forests. The Governor's Budget for this program is $43.7 million total funds. This is a 0.4 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget includes a change in the cost share for the administration of the Forest Practices Act reflecting a combination of 50 percent General Fund and 50 percent Forest Products Harvest Tax. The Private Forests program also receives Federal Funds from the U.S. Forest Service, Bureau of Land Management and the Environmental Protection Agency. The program administers the Oregon Forest Practices Act, provides technical and financial assistance to forest landowners, develops and implements innovative programs relevant to private forestry in Oregon and provides early detection and response to forest health threats. The program operates with 121 positions.

Facilities Maintenance and Management

The Facilities Maintenance and Management program is focused on facilities maintenance activities of the Department's 396 buildings located throughout Oregon. These facilities support a wide range of activities including fire fighter support and dispatch, fire engine and equipment storage, vehicle repair and fabrication, reforestation activities, radio communication sites, forest fire lookouts and administrative functions. The Governor's Budget for this program is $5.6 million total funds. This is a 3.8 percent increase from the 2017-19 Legislatively Approved Budget, which continues program operations. Funding for the program comes from revenue transfers from the Department's operating programs. The program does not include positions.

Debt Service

The Debt Service program funds the repayment of Certificates of Participation and Lottery bonds issued by the Department to fund Capital Construction projects. The Governor's Budget for this program is $22.4 million total funds. This is a 232.1 percent increase from the 2017-19 Legislatively Approved Budget, primarily driven by the bond financing for the purchase of the Elliott State Forest. The revenues used to pay debt service come from the General Fund, Lottery Funds, and Other Funds from the Department's operating programs. The program does not include positions.

Capital Improvement

The Capital Improvement program supports the Department by maintaining capital assets, improving the functionality of buildings and renewing obsolete facility and system components. Capital improvement projects have a cost of less than $1.0 million and increase the value, extend the life or adapt the capital asset to a different use. The Governor's Budget for this program is $4.8 million total funds. This is a 3.8 percent increase from the 2017-19 Legislatively Approved Budget, which continues program operations. Funding for the program comes from revenue transfers from the Department's operating programs. The program does not include positions.

Capital Construction

The Capital Construction program provides funding for high-priority construction or acquisition projects exceeding $1 million. The Governor's Budget does not fund the program because the agency did not

request funding for any projects over $1 million.

Department of Geology and Mineral Industries

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$4,806,968	$4,709,949	$5,374,205
Lottery Funds	0	0	0
Other Funds	4,917,107	6,881,528	7,164,219
Federal Funds	5,410,687	6,040,857	5,500,972
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$15,134,762	$17,632,334	$18,039,396
Positions	45	43	44
Full-time Equivalent	42.43	42.92	42.42

OVERVIEW

Established in 1937, the Oregon Department of Geology and Mineral Industries (DOGAMI) contributes to the safety and prosperity of Oregonians through the collection and dissemination of geoscientific information and prudent regulation.

DOGAMI's Geologic Survey and Services (GSS) Program produces geologic information in partnership with state, federal and local governmental natural resource and planning agencies. GSS geologic maps and reports inform the development of policy affecting the use of Oregon's lands and waters and guide responsible mineral development. GSS further mitigates the risk of loss due to geologic hazards such as landslides, flooding, tsunamis and earthquakes.

The Mined Land Regulation and Reclamation (MLRR) Program is the lead regulator for the state's geologic resources including oil, gas, geothermal energy, metallic and industrial minerals and sand and aggregate.

GOVERNOR'S BUDGET

The Governor's Budget is $18.0 million total funds, which is a 2.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 44 positions.

In the GSS program, the budget invests in collection of geoscientific data and funds earthquake preparedness in coastal communities. The budget increases funding for LIDAR data acquisition; LIDAR not only enables advanced analysis of the risk of landslides and of tsunami and flood inundation, it also facilitates land use planning and natural resource management. In the GSS program, the budget further funds a study of vertical evacuation options for schools and hospitals in the tsunami inundation zone, evaluation of earthquake early warning sites, the potential for building defensive wall structures and improvement of evacuation routes and plans.

The MLRR program budget includes an increase in many fees related to natural resource extraction. Fee revenues will fund a new position to increase the number of inspections of regulated sites, as well as a new permitting system and associated IT support staff.

REVENUE SUMMARY

The GSS program relies on a combination of General Fund, Other Funds and Federal Funds revenue sources. General Fund is used for much of the agency's administration, program services, and as funding for grants requiring a match of state dollars. Federal and Other Funds revenues derive from grants, services on reimbursable projects and participation in the LIDAR consortium. Under the LIDAR consortium, DOGAMI and its federal and local government funding partners leverage available resources by creating a shared funding pool to contract for the collection of LIDAR data. The agency contracts for the data and receives Other Funds revenue in the form of charges for services.

In the MLRR program, Other Funds revenue is derived from contracts, metal and aggregate mining fees and gas and oil fees.

AGENCY PROGRAMS

Geologic Survey and Services Program

The program gathers geoscientific data and maps mineral resources and hazards. The program has prioritized geographic areas needing tsunami hazard mapping, landslide hazard studies, flooding hazard studies and earthquake risk mapping. The information is shared with state and local policymakers for land use planning, facility siting, building code and zoning changes as well as emergency planning. GSS program staff is comprised of geologists, geomorphologists, engineers and GIS analysts. The program also includes administrative staff to support the agency.

The GSS program integrates field data with published studies, aerial photos and LIDAR in order to model, interpret and map the geography of risk and resilience. Combining hazard mapping with information about communities and built infrastructure enables an assessment of the risk of future natural disasters. This information is essential for designing effective and affordable measures for the mitigation of risk and for education and outreach activities to build a culture of preparedness and more resilient communities.

Mineral Land Regulation and Reclamation Program

The MLRR program administers the Mined Land Regulation Act (1971) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction and development. In addition, DOGAMI has an agreement with the Oregon Department of Environmental Quality to implement the federal Clean Water Act General Stormwater Permit and the State Water Pollution Control Facility Permit programs at aggregate mine sites. The dual goals of the permitting programs are to eliminate or minimize to the greatest extent possible the environmental impacts of mineral development on-site and off-site during the life of the project using conditioned operating permits; and to guarantee through security bonding and reclamation plans that the disturbed area will be reclaimed to an approved secondary beneficial use at the end of mining.

The MLRR program is a field-oriented regulatory program working with the industry and the public to minimize impacts of natural resource development and optimize opportunities for reclamation. The program works to identify and mitigate potential violations and environmental impacts before resorting to costly enforcement actions and mine site downtimes.

Department of Land Conservation and Development

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$13,211,189	$15,160,953	$15,069,903
Lottery Funds	0	0	0
Other Funds	546,079	1,785,545	1,460,719
Federal Funds	4,260,687	6,487,739	6,964,297
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$18,017,955	$23,434,237	$23,494,919
Positions	58	58	59
Full-time Equivalent	56.46	56.90	57.79

OVERVIEW

The Department of Land Conservation and Development (DLCD) guides statewide land use policy in order to help cities and counties plan for sustainable urban and rural development and healthy environments. The Department works under the policy direction of the Land Conservation and Development Commission. The Department includes the following two programs:

- The Planning Program provides planning guidance, technical assistance and encourages local planning that will support economic development, needed housing and protect natural resources.
- The Grant Program provides grants to local governments to assist them in meeting statewide land use planning requirements.

The core functions of the Department are management of urban growth and conservation of farm, forest, coastal and other natural resource lands, which are carried out through application of the 19 statewide planning goals in city and county comprehensive plans. The Department works with 36 counties and 241 cities to plan for livable urban and rural communities and to protect and conserve farm, forest, coastal lands and natural resources.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of Land Conservation and Development is $23.5 million total funds. This is a 0.3 percent increase from the 2017-19 Legislatively Approved Budget. The Department has 59 positions. The budget invests in a Development Readiness Program that supports rent-burdened communities experiencing a lack of affordable housing by providing direct service grants to cities. Grant funding will allow cities to increase local planning capacity to take advantage of housing and economic development opportunities.

The Governor's Budget also invests in sage grouse implementation and coordination planning. Land use plays an important role in fostering continuation of the species by protecting sage grouse habitats in

Oregon. The Department will help facilitate discussions with multiple stakeholders to create a collaborative and coordinated work plan that protects sage grouse health without undermining economic activity.

REVENUE SUMMARY

The agency is primarily funded with General Fund. It receives Federal Funds from the Federal Emergency Management Agency and the U.S. Department of Commerce's National Oceanic and Atmospheric Administration through the Coastal Zone Management Act programs. The Department's federal revenues from the National Oceanic Atmospheric Administration Coastal Zone Management Act's 306 federal grants have been reduced by 30 percent during the 2017-19 biennium and continuing reductions are anticipated.

Other Funds are a small part of the Department's revenue and the primary source of Other Funds is from the Oregon Department of Transportation (ODOT) to support the Transportation and Growth Management Program, which is a joint effort of DLCD and ODOT.

AGENCY PROGRAMS

Planning Program

The Planning Program helps communities and citizens plan for, protect and improve built and natural systems, which provide a high quality of life, in partnership with citizens and local governments. The program fosters sustainable and vibrant communities and protects natural resources. The Governor's Budget continues staff resources for coastal resilience planning and funding for implementing natural hazards mitigation in local land use plans and regulations.

The Governor's Budget reflects an increase of one position to assist with the distribution of grant funds for technical assistance to cities experiencing a lack of affordable housing. In addition, the Governor's Budget includes funding for sage grouse coordination planning and implementation.

This program also contains grants funded with federal revenue received under the Coastal Zone Management Act and other federal sources.

Grant Program

Historically, the Grant Program has distributed General Fund reimbursements to cities and counties to help with comprehensive plan development, plan amendments and periodic review. The Governor's Budget increases grants available to local cities by $1.1 million for the 2019-21 biennium. The new grant funding will be directed towards providing technical assistance to cities to prepare to develop affordable housing to meet the needs of their communities.

Land Use Board of Appeals

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$1,817,892	$1,952,556	$2,071,330
Lottery Funds	0	0	0
Other Funds	24,228	33,700	34,981
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,842,120	$1,986,256	$2,106,311
Positions	6	6	6
Full-time Equivalent	6.00	6.00	6.00

OVERVIEW

The Land Use Board of Appeals (LUBA) was established in 1979 to provide prompt, professional, and efficient resolution of land use issues, as well as to develop a consistent body of land use law. Prior to its creation, circuit courts reviewed local land use decisions resulting in excessive scheduling delays and inconsistent interpretations of land use law across the state.

The Governor appoints the three-member Board to serve four-year terms. Board members are subject to Senate confirmation. The board members must be attorneys who are members of the Oregon State Bar in good standing. Board members resolve appeals, issue orders, prepare for and conduct oral arguments, provide peer review, contribute to the publication of LUBA's headnote digest and participate in continuing legal education and land use seminars. The Board is supported by two administrative support staff and a staff attorney.

LUBA's primary responsibilities include:

- Consistent and prompt resolution of land use appeals with sound principles of judicial review.
- Publication of decisions as an authoritative resource for state and local legislators, land use professionals, city and county decision makers, property owners and the citizens of Oregon.

GOVERNOR'S BUDGET

The Governor's Budget is approximately $2.1 million total funds. This is a 6.0 percent increase from the 2017-19 Legislatively Approved Budget (LAB) and funds six positions. The Governor's Budget maintains all current operations of the Land Use Board of Appeals.

The number of land use appeals and their complexity are the primary drivers of LUBA's workload. The number of case filings in any given year can be impacted by economic activity, population growth and changes in land use policy. The Board manages an average of 175 appeals a year, with a peak of 262 filings in 2007 and a decline in cases following the Great Recession.

REVENUE SUMMARY

General Fund supports over 98 percent of LUBA's core operations. The remaining two percent of Other Funds is derived from filing fees, publications sales, and other miscellaneous fees. The Other Funds revenue generated from the publication and sale of *LUBA Reports* enables the Board to meet its statutory obligation to publish its final opinions and make them available to the public. Filing fees collected from land use appellants and interveners are transferred to the state's General Fund.

Department of State Lands

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$242,904	$5,000,000	$0
Lottery Funds	0	0	589,920
Other Funds	32,278,901	56,436,137	57,432,776
Federal Funds	1,541,286	2,466,188	2,475,477
Other Funds (Nonlimited)	13,184,428	10,234,249	10,627,890
Federal Funds (Nonlimited)	0	0	0
Total Funds	$47,247,519	$74,136,574	$71,126,063
Positions	107	113	116
Full-time Equivalent	107.00	110.67	114.33

OVERVIEW

The mission of the Department of State Lands (DSL) is to ensure a legacy for Oregonians and their public schools through stewardship of lands, wetlands, waterways and unclaimed property. The Department provides administrative support to the State Land Board, which is composed of the Governor, the Treasurer and the Secretary of State. The DSL implements the policies of the State Land Board in managing the Common School Fund and its assets. Assets of the Common School Fund include lands deeded in trust for education at statehood, unclaimed, reverted and forfeited property, and other lands designated by statute. Twice each year, interest earnings on the Common School Fund are distributed to schools. The Department operates three main programs:

- Common School Fund – Manages Common School Fund assets, issues removal/fill permits, and administers the agency.
- Oregon Wetlands Revolving Fund – Facilitates mitigation banking.
- South Slough National Estuarine Research Reserve – Manages the Reserve property near Charleston on the South Coast, conducts research and provides education on estuarine habitats.
- Capital Improvements – Provides resources to maintain landholdings and leases and to improve land for increased leasing revenue.

GOVERNOR'S BUDGET

The Governor's Budget for the Department is $71.1 million total funds. This is a 4.1 percent decrease from the 2017-19 Legislatively Approved Budget. The Governor's Budget includes 116 positions.

The proposed budget includes resources to continue funding the Portland Harbor Superfund Site costs, reduce the Elliott Forest liability to the Common School Fund, comply with legislation from 2015 regarding historically filled and submersible lands, replace outdated systems, support the South Slough National Estuarine Research Reserve, and finish work on previously funded grants.

REVENUE SUMMARY

The Department relies primarily upon Other Funds revenues to support its budget. The Other Funds revenues are obtained from two sources: operations and investment income. Operations generates revenue from lease rentals and royalties, periodic land sales, permit fees, unclaimed property, donations and publications. The investment income is from interest and capital gains earnings from the Common School Fund. Historically, timber revenue from the Elliott State Forest contributed to the Common School Fund but litigation resulted in a reduction in revenue below the level required to pay forest management costs. This situation caused the State Land Board to address the Elliott State Forest as a liability rather than an asset of the Common School Fund.

AGENCY PROGRAMS

Common School Fund

This program manages Common School Fund land, unclaimed property and escheated estates (estates for which there is no will or known heir). It protects wetlands and waterways through the removal/fill permitting process and it provides the basic business operation services for the Department. The Director's office provides leadership and direction in carrying out the State Land Board's policies. The Governor's Budget for this program is $64.2 million total funds and 98 positions.

The Common School Fund was a requirement for Oregon to become a state under the federal Admissions Act. Oregon's constitution (Sect. VIII, Section 2) establishes the Fund. It is dedicated to support primary and secondary schools. At statehood, about six percent of Oregon's territory was dedicated to benefit schools. Income from these lands is invested by the Oregon Investment Council and a portion of the earnings is distributed to schools through the Oregon Department of Education. Income to the Fund includes:

- Investment earnings;
- Sales proceeds;
- Revenue from timber harvesting;
- Grazing, submerged and submersible land leases;
- Removal-fill permits;
- Estate proceeds when there is no will or heirs;
- Proceeds from mineral or geothermal resources; and
- Forfeitures and civil penalties.

For the 2019-21 biennium, the estimated distribution to schools is $116.3 million. The Governor's Budget continues to provide budget authority for legal costs associated with the eventual clean-up of the Portland Harbor Superfund Site. It also funds ongoing efforts to address the Elliott State Forest liability to the Common School Fund by funding a project manager to oversee the change in ownership of the forest, continuing contracts with private entities for forest management and for a Habitat Conservation Plan, and working with the U.S. Fish and Wildlife Services and Portland State University Oregon Consensus. The budget includes two time-limited positions to begin notifying landowners of the potential disposal of land created by fill as required by a law passed in 2015. It also includes resources for information systems projects, greater oversight of the unclaimed property program, authority to spend federal grants from previous budget periods and an internal auditor.

Oregon Wetlands Revolving Fund

In 1987, the Legislature established the Oregon Wetlands Mitigation Bank Revolving Funds Account within the General Fund of the State Treasury. This fund was renamed the Oregon Removal-Fill Mitigation Fund through House Bill 2156 (2009). The Fund was created to receive contributions and proceeds related to wetland mitigation. The Fund provides the revenue to facilitate mitigation banking, to acquire mitigation sites, which will help restore, enhance, create and preserve state waters and cover administrative expenses.

The revenue is entirely Other Funds and comes from contributions and the sale of mitigation bank credits. This program's performance goal is no net loss of wetlands. The Governor's Budget for this program is $2.0 million total funds and no positions.

South Slough National Estuarine Research Reserve

The South Slough National Estuarine Research Reserve (SSNERR) is a 5,000 acre natural research area encompassing a portion of the Coos estuary on the southern Oregon coast. Established in 1974, it is one of 28 similar institutions in coastal states. The SSNERR's mission is to improve understanding and management of estuaries and coastal watersheds in the Pacific Northwest. The Reserve is an asset of the Common School Fund. Funding comes from the U.S. Department of Commerce's National Oceanic and Atmospheric Administration with state match, which is provided by Common School Fund revenue. While a user fee exists, it contributes little to financing the Reserve. The chief users of the SSNERR are schools, local non-profits and government agencies. The Governor's Budget is $4.6 million total funds and 18 positions. It maintains current operations, adds a seasonal education position for working with visiting schools, improves data management of information and continues authority to finish spending federal grants from previous budget periods.

Capital Improvement

This program includes projects needed to manage and maintain Common School Fund landholdings and leases. The Land Board adopted an Asset Management Plan in 2012. This plan helps guide maintenance and improvement needs over time consistent with good management practices and stewardship responsibilities. Revenue for the Capital Improvements program comes from the Common School Fund. The program funds projects, including hazardous material cleanup, fire suppression, and routine improvements as buildings age. The Governor's Budget is $0.3 million and no positions, which is the basic level

of funding for maintenance.

Oregon State Marine Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	25,175,987	27,142,592	28,268,239
Federal Funds	5,420,164	6,633,313	6,260,265
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$30,596,151	$33,775,905	$34,528,504
Positions	41	39	39
Full-time Equivalent	39.37	39.00	38.75

OVERVIEW

Established in 1959, the Oregon State Marine Board serves the recreational boating public through education, enforcement, boating access and environmental stewardship. The five-member board is appointed by the Governor to serve four-year terms, subject to Senate confirmation. The Board's programs serve the owners of registered boats and non-registered boats, outfitters and guides, charter vessel operators, marinas and floating property owners. The Board includes the following programs:

- The Administration and Education program provides agency administration, boater services, and education and registration functions.
- The Law Enforcement program provides boating law administration and contracts with various law enforcement entities for marine law enforcement and training.
- The Facility Grants program offers assistance and awards grants to federal, state and local governments for marine access facilities across the state.
- The Aquatic Invasive Species (AIS) program focuses on reducing invasive species on native waters and education on AIS.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Marine Board is $34.5 million total funds. This is an increase of 2.2 percent from the 2017-19 Legislatively Approved Budget and funds 39 positions. The agency made voluntary permanent reductions to several programs to balance the agency budget. With a fee increase for motorized boaters, the agency will be able to continue most other services at their current level and sustain essential services for recreational boaters, marine law enforcement and facility investments for Oregonians.

Fee revenue from a non-motorized boating program concept will be used to hire a new facilities engineer, provide grants for boating safety and skills courses for underserved groups and increase waterway access facilities for the non-motorized community.

REVENUE SUMMARY

Marine Board programs are primarily funded by boat registration and title fees, fuel tax revenues and federal grant funds. On average, Other Funds have accounted for nearly 80 percent of revenue and Federal Funds for the remaining 20 percent. The Board collects a dedicated Aquatic Invasive Species (AIS) fee for motorized, non-motorized and out-of-state motorized boaters. Funds are used for AIS mitigation efforts. The budget also includes new revenue from a waterway access improvement fee assessed on certain non-motorized boats over 10 feet.

AGENCY PROGRAMS

Administration and Education

The Administration and Education Program is the boater services component of the Marine Board. It is mainly responsible for vessel titling and registration, administration and education. The program administers state boating laws, develops waterway management plans and promotes clean waterways, serves as a liaison with other government units, serves as the agency's central business function program and develops and distributes materials to promote safe boating.

Law Enforcement

The Law Enforcement Program provides statewide boating law administration and contracts for boating law enforcement and related services on over 600 boatable lakes, 75 major rivers and 15 estuaries totaling more than 787,000 acres of water. The program provides public education and contracts with 32 county sheriffs and with the Oregon State Police for on-water patrols. This program also provides boats and specialized enforcement equipment to law enforcement officials, develops and offers training for county marine patrol officers and retains responsibility for the waterway marking system. The Program also includes oversight of Outfitters and Guides, including fishing, hunting, biking, hiking and other outdoors service providers.

Boating Facilities

The Boating Facilities program provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Boating facilities grants are available to cities, counties, ports and park districts, state agencies and federal agencies. Boating facility grants can be used for the acquisition, development and improvement of public boating access. Eligible projects include boat launch ramps, parking, restrooms, courtesy docks, transient tie-up facilities and other boating-related facilities.

Aquatic Invasive Species

The Aquatic Invasive Species (AIS) program mitigates the effects of invasive species on native waters through inspection and decontamination of watercraft. Aquatic invasive species rapidly expand once established and are capable of impacting municipal and irrigation water supplies, degrading hydropower operations, threatening human and animal safety and impacting fish and wildlife species through habitat degradation. The Board educates boaters and coordinates with agency partners on boat inspections and

enforcement and containment strategies. The AIS program manages the permitting process and education and outreach efforts which impact non-motorized boaters, motorized boaters and out of state visitors bringing their boats to recreate on Oregon waterways. The primary costs of the program are related to the roadside boat inspection stations managed by the Oregon Department of Fish and Wildlife.

Oregon Parks and Recreation Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$228,729	$273,580
Lottery Funds	78,504,001	102,148,107	116,823,167
Other Funds	102,346,202	101,176,692	126,010,604
Federal Funds	7,266,847	16,422,002	16,690,443
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$188,117,050	$219,975,530	$259,797,794
Positions	846	867	871
Full-time Equivalent	576.11	596.05	603.43

OVERVIEW

The mission of the Oregon Parks and Recreation Department is to provide and protect outstanding natural, scenic, cultural, historic and recreational sites for the enjoyment and education of present and future generations. To accomplish this mission, the Department operates the following programs:

- Director's Office – manages the agency, supports the Oregon Parks and Recreation Commission and houses the newly created Office of Outdoor Recreation.
- Central Services – provides basic business services and operates Reservations Northwest, which is the call system for park users to reserve space.
- Park Development – provides planning, acquisition and engineering services for new parks and maintenance of existing parks.
- Direct Services – operates 256 park properties, 53 campgrounds and 169 day-use areas. It also manages 1,158 miles of trails, 47 boat ramps, 13 interpretive centers/museums and two historic inns.
- Community Support and Grants – houses the State Historic Preservation Office and provides various grants, including grants to county and city governments for their parks and for All Terrain Vehicle Trails and for other recreational trails.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Parks and Recreation Department is $259.8 million total funds, which is an 18.1 percent total funds increase from the 2017-19 Legislatively Approved Budget. The budget includes a 14 percent Lottery Funds increase and a 25 percent Other Funds increase from the 2017-19 Legislatively Approved Budget; these two funds form the majority of the Department's resources. As the state constitution requires, local grant expenditures are 12 percent of dedicated Lottery Funds received by the Department. Debt service for the Willamette Falls development project, the Main Street program and the Forest Park renewal project is included using non-dedicated Lottery Funds. The budget addresses park investments and improvements as well as preparation for the State Park System

Centennial in 2022. The budget includes 871 positions.

REVENUE SUMMARY

The budget is funded mainly with Lottery Funds and Other Funds. The Lottery revenues are constitutionally dedicated to parks. Lottery revenue forecasts have stabilized from the early part of this decade. The addition of new parks and programs since 2000 has increased costs and until recently, Lottery revenue did not keep pace. These changes reduced the Department's ability to maintain existing service levels. Forecasts improved in the 2017-19 biennia, indicating there would be enough funding to cover costs fully. Current revenue forecasts continue to reflect a slight upward trend. The major supplier of Other Funds is park user fees.

Additional sources of Other Funds revenues are All-Terrain Vehicle permits, un-refunded fuel tax and recreational vehicle fees. Other sources of funds include land sales proceeds, rents, royalties and gifts. Federal Funds revenues support the Historic Preservation Act and various grants.

AGENCY PROGRAMS

Director's Office

The Director's Office is responsible for the overall management of the Department. It is the liaison for the Oregon Parks and Recreation Commission and also provides support to the Commission. The Office provides policy direction for Department programs and activities as well as coordination with the Governor's Office, Legislature and other government agencies. It also reviews agency programs and conducts annual internal audits in its efforts to improve agency performance. Housed within the Director's Office is the Office of Outdoor Recreation, which works across business, nonprofit and government sectors to increase outdoor recreation. With the exception of the Office of Outdoor Recreation, which is supported by General Fund, the program is supported by dedicated Lottery Funds and park user fees. The Governor's Budget for this program is $2.7 million total funds and five positions.

Central Services

This program includes agency financial services, personnel, safety and information services, procurement, budget and fiscal resources management, staff training, information technology services, and centralized business services such as fleet and purchasing management. The Reservations Northwest call center, which books reservations for Oregon State Parks, is also part of this program. Finally, the program provides public information and coordinates rulemaking.

In 2013, the Legislature approved the sale of $5.1 million in lottery bonds; the proceeds of the sale are to pass through to a local entity in support of an effort to repurpose the old mill site at Willamette Falls in Oregon City. In 2015, the Legislature approved the sale of another $7.5 million in Lottery Bonds for the Willamette Falls project, along with $1.5 million for a Forest Park renewal project and $2.5 million for Main Street Revitalization grants. The $2.2 million debt service for Willamette Falls, Forest Park and Main Street is non-Measure 76 Lottery Funds.

This program is funded with dedicated Lottery Funds, park user fees and interest income. The Governor's Budget for this program is $37.9 million total funds and 82 positions.

Park Development

The Park Development program acquires new properties according to an investment strategy providing

a framework for prioritizing additions to the parks system. The engineering division designs and engineers projects, survey's parklands and oversees construction for new parks and for maintenance and improvement of current properties. The dedicated Lottery Funds revenue is the largest source of funding for the program. The Governor's Budget for this program is $43.4 million total funds and nine positions. The improvement in the Lottery revenue forecast allows for nearly $4 million of investment in maintenance and in new and expanded parks.

The Budget also invests in the 100th anniversary of the state park system taking place in 2022. Several projects are planned throughout the state in commemoration of the State Parks Centennial.

Direct Services

The program is immediately responsible for operation of the state park system on a daily basis. This program oversees daily park services, functions and routine maintenance; it manages land, state scenic waterways, ocean shores programs and natural resources. Recreational planning and programming includes land and water-based trail systems and the promotion of bicycling. The program includes the development and implementation of interpretive experiences. Revenues funding this work include licenses, park user fees, interest income, sales income, a transfer from the Department of Transportation, Measure 76 Lottery Funds and federal grants. The Governor's Budget for this program is $124.0 million total funds and 746 positions. The Governor's Budget includes support for the Salmonberry Trail and Heritage Staff.

Community Support and Grants

The Community Support and Grants program administers five grant programs: The All-Terrain Vehicle grants, Land and Water Conservation grants, Local Government grants, the Recreational Vehicle County Opportunity grants and Recreational Trails grants. Funding for the All-Terrain Vehicle grants comes from permits for these vehicles. Funding for the Recreational Vehicle grants is a portion of the vehicle registration tag fees collected by the Driver and Motor Vehicle services. Land and Water Conservation grants are funded with federal grant funds which continue to experience stable funding levels. Local Grants are part of the Measure 76 funding stream.

The Department assumed authority for the Natural Heritage program from the Department of State Lands in 2012. Also, this program includes the Assistant Director for Heritage programs, the State Historic Preservation Office and support for the Heritage Commission. The office administers federal and state programs for historic and archeological resource planning and preservation. The office also assists with the management, development and interpretation of historic and cultural resources in the parks system.

Revenues for this program come from transfers, dedicated Lottery Funds, Federal Funds and Other Funds. The transfer from the Oregon Department of Transportation includes Recreational Vehicle and All-Terrain Vehicle license revenues. The Governor's Budget for this program is $52.1 million total funds and 29 positions. The Governor's Budget includes resources to pay for existing commitments and to meet the constitutional requirement that 12 percent of Measure 76 Lottery Funds go to local grants.

Water Resources Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$31,151,280	$32,150,986	$38,894,484
Lottery Funds	2,511,474	3,953,969	8,493,320
Other Funds	12,105,217	66,864,861	59,718,058
Federal Funds	629,631	1,905,917	876,734
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$46,397,602	$104,875,733	$107,982,596
Positions	166	170	184
Full-time Equivalent	163.43	167.59	177.59

OVERVIEW

The mission of the Water Resources Department (WRD) is to serve the public by promoting responsible water management through two co-equal goals: directly addressing Oregon's water supply needs, and restoring and protecting stream flows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy and quality of life. The Department administers laws governing surface water and groundwater resources. The WRD has five programs:

- Administrative Services – provides business and administrative services to the Department including management of the Water Development Loan Program.
- Field Services – regulates water uses based on water rights of record and provides local entities with technical data on surface and ground water.
- Technical Services – provides data and technical analysis on water management to the Department and to the public.
- Water Rights Services – evaluates and decides on applications for new water rights.
- Director's Office – develops and supervises the policies and programs of the Department.

The programs align closely with the Department's core functions of protecting existing water rights, managing the issuance of new water rights, facilitating voluntary streamflow restoration, increasing understanding of demands on the state's water resources, providing accurate and accessible water resource data, and facilitating water supply solutions. The Department's activities are overseen by the Water Resources Commission, a seven-member citizen board appointed by the Governor.

GOVERNOR'S BUDGET

The Governor's Budget for the Water Resources Department is $108.0 million total funds. This is a three percent increase from the 2017-19 Legislatively Approved Budget. The agency has 184 positions. The

Governor's Budget establishes a new groundwater basin study team to increase the state's understanding of water conditions throughout the state on a basin wide level. It also provides funding for four field staff who will improve the management and distribution of water resources in the near term, as well as the creation of a dam safety task force, and funding to develop a business case analysis for investment in water infrastructure.

The Governor's Budget makes a significant investment in the development of water resources across the state by investing bond proceeds in the Water Supply Fund, which will be used to assist in the financing of water resource projects having economic, environmental and community benefits.

REVENUE SUMMARY

The Department's primary source of funding is General Fund. It receives Other Funds revenue from fees and contract work and Federal Funds from the Federal Emergency Management Agency, Bureau of Reclamation and other federal agencies. The Department also receives Lottery Funds to pay debt service and positions.

The Governor's Budget includes support of a legislative concept that would establish a new fee for the review of plans for new dams as well as modifications to existing dams. The newly created fee would provide needed financial support for the Department's Dam Safety program. Overall, the Department collects seven different fees, which all support specific programs. Unfortunately, fee revenue has not always kept pace with costs due to inflationary pressures on program expenditures, as well as the changing dynamics of some programs. As a result, the programs have become increasingly dependent upon General Fund.

AGENCY PROGRAMS

Administrative Services

The Administrative Services division provides business and administrative services to the Department. This includes budget preparation and execution, administration of human resource services, accounting and internal control, payroll and benefits, contracting, facilities management, risk management, employee development, reception and mailroom support services, transportation and telecommunications coordination.

The budget for Administrative Services is $61.4 million total funds. This is a four percent decrease from the 2017-19 Legislatively Approved Budget. The majority of the decrease is attributed to a reduction in Feasibility Grant funds and reductions in Services and Supplies. The budget includes $15 million of bond proceeds to be used to provide grants and loans for water resource development projects that have economic, environmental and community benefits. These projects allow the state to partner with individuals and communities to implement water resources projects across the state.

Field Services

The Field Services division regulates water uses based upon the water rights of record; assists water users in developing long-term water supply and conservation plans; inspects the construction of wells for the protection of the groundwater resources, inspects the construction and maintenance of dams for the protection of the public and environment; and collects hydrologic data that is made available for use by staff and the public for planning purposes. The division works with local watershed planning groups and local land use jurisdictions by providing technical information on surface water and groundwater.

The Governor's Budget for Field Services is $15.2 million total funds, which continues support for existing programs. Additionally, the budget provides funding for four new regional field positions. These on-the-ground resources will support responsible water management and distribution across the state.

Technical Services

The Technical Services division supports long-term water management by providing data and technical analysis. The division shares its work on aquifers, dams, drought and flood projections, groundwater investigations and management, surface water availability, well construction, and water use measurement and reporting with other agencies, stakeholders, the public and other entities. The Governor's Budget for Technical Services is $16.5 million total funds. This is a 25 percent increase from the 2017-19 Legislatively Approved Budget.

The Governor's Budget makes a major investment in the creation of a new Groundwater Basin Study Team with nine permanent positions. This investment addresses the increasing need to understand water conditions throughout the state on a basin wide basis. Some ground water aquifers in Oregon are no longer capable of sustaining additional development and drought conditions that have been affecting parts of the state for several years are likely to continue to occur more frequently than in the past. This makes understanding the capacity of water basins to support current and proposed uses increasingly important. The agency has resources to do one study and is conducting a basin study in the Greater Harney Valley, which will not be completed until 2020. The Governor's Budget doubles the Department's resources for this purpose.

The budget also provides funding for the creation of a dam safety task force, and the development of a business case analysis of investment in water infrastructure.

Water Right Services

The Water Right Services division evaluates and acts upon applications for new water rights. Under Oregon law, almost all water users, including agricultural enterprises, cities and state agencies, must apply for and receive a water right before initiating water use. The division is responsible for the evaluation of both instream and out-of-stream water right applications and issuance of new water right permits and certificates. In addition, the division administers the following water right-related programs: limited water use licenses; drought related water use permits; water right adjudications; hydroelectric permitting; extensions; transfers; permit amendments; instream leasing, allocations of conserved water and water management and conservation plans. The Water Right Services division distributes the weekly public notice, responds to public inquires and evaluates public comments and protests concerning water use applications. The Governor's Budget for Water Rights Services is $8.5 million total funds, which continues support for existing programs.

Director's Office

The Director's Office is responsible for developing and supervising the policies and programs that ensure water is managed in compliance with state law and meets the state in-stream and out-of-stream water needs. The Director's Office provides intergovernmental coordination, communications services, water supply development coordination and leads the implementation of the Integrated Water Resources Strategy. The Office also supports the activities of the Water Resources Commission.

The Governor's Budget for the Director's Office is $6.3 million total funds. This is a 56 percent increase

from the 2017-19 Legislatively Approved Budget. A portion of the increase is the provision of additional resources to address ongoing increased legal expenses associated with a continued increase in the number of cases requiring litigation. Some of the increase in cases due to water right adjudication and appeals in the Klamath Basin. The Budget also makes an investment in key staff to support the Ground Water Basin study as well as an Internal Auditor.

Water Development Loan Program

The 1977 Legislature established the Water Development Loan Fund to finance irrigation and drainage projects. The Loan Fund was expanded by the 1981, 1987, and 1991 Legislatures to include community water supply projects, fish protection and watershed enhancement projects, and safe drinking water projects. There are currently no pending loans or application for loans and the program has no state-owned property or inventory.

Oregon Watershed Enhancement Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$190,000	$0
Lottery Funds	62,490,494	79,589,460	84,173,659
Other Funds	2,709,180	3,009,486	5,570,646
Federal Funds	24,324,998	41,759,143	58,710,763
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$89,524,672	$124,548,089	$148,455,068
Positions	35	33	36
Full-time Equivalent	34.25	33.00	35.88

OVERVIEW

The mission of the Oregon Watershed Enhancement Board (OWEB) is to protect and restore healthy watersheds and natural habitats supporting thriving communities and strong economies. To achieve this mission, OWEB provides grants to communities and other partners used to conserve and improve the condition of streams, rivers, wetlands and natural habitat. The agency also provides funding to support the capacity of watershed councils and soil and water conservation districts. The OWEB has two programs:

- Operations Program – supports programs improving and enhancing Oregon's watersheds, water quality and habitat.
- Grants Program – distributes grants to local partners for the same purposes, funded with Measure 76 Lottery Funds revenues, federal funds and salmon license plate revenue.

The OWEB monitors and manages restoration projects, reports on implementation of the Oregon Plan for Salmon and Watersheds, and works with partners and citizens to increase the public's understanding of healthy watersheds. Participation by landowners and communities is voluntary and focused on locally based on-the-ground projects.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Watershed Enhancement Board is $148.5 million total funds. This is a 19.2 percent increase from the 2017-19 Legislatively Approved Budget. The budget continues the significant Measure 76 Lottery Funds investment in watershed enhancement grants to local entities and basic staffing needs; it also invests in additional grant administration resources.

REVENUE SUMMARY

The 2019-21 budget is supported by Lottery Funds, Other Funds and Federal Funds. Since 1999 OWEB has received Lottery Funds from the constitutional dedication in the Parks and Natural Resources Fund for restoration and protection of native fish and wildlife habitat and improved water quality. The dedication requires 65 percent of the revenue be used for grants and 35 percent for operations. Most of OWEB's operations funding is allocated to other state agencies supporting the restoration and protection provisions of the constitution.

The primary source of federal revenue is the Pacific Coastal Salmon Recovery Funds.

Other Funds revenue is derived from a salmon plate registration surcharge from the Oregon Department of Transportation, funds from the Pacific State Marine Fisheries Commission for a watershed project, and funding for a continuation of the Federal Forest Health Collaborative grants and support.

AGENCY PROGRAMS

Operations Program

This program administers the Department's grant programs. It includes all of OWEB's staff and administrative resources, which are focused on planning, coordination, assessment, implementation and monitoring activities. The Governor's Budget for the Operations Program is $11.6 million total funds. This is a 20.1 percent increase from the 2017-19 Legislatively Approved Budget and makes investments in grant administration, internal audit and conservation staff.

The program also engages in education outreach efforts and enters into agreements with willing landowners to obtain determinate interests in land and water for protecting watershed resources. The Department is led by an 18-member board including public members and representatives of other partner entities.

Grants Program

The Governor's Budget for the Grants Program is $136.9 million total funds. This is a 19.1 percent increase from the 2017-19 Legislatively Approved Budget. Oregon's Measure 76 (2010) constitutionally dedicates 15 percent of lottery revenue to parks and natural resources. Of that amount, 7.5 percent of those revenues are dedicated to OWEB, where 65 percent is committed to capital projects for construction or acquisition projects. OWEB also awards grants funded with federal Pacific Coastal Salmon Recovery Funds, salmon license plate revenues, and funding received from the Oregon Department of Forestry for Forest Health Collaborative grants.

The OWEB provides grants to help Oregonians take care of local streams, rivers, wetlands and natural habitat across the state. Grants are awarded to local watershed councils, soil and water conservation districts, land trusts and other local organizations. The funding is used to support activities associated with the restoration and protection of habitat to support native fish and wildlife and water quality. Capital expenditures include non-expendable personal property with at least a two-year life-span used for fish and wildlife law enforcement, conservation easements or leases, projects for fish or wildlife, water quality or stream flow and assessment, planning, design, technical assistance, monitoring and outreach for those projects.

TRANSPORTATION

Program Area and Agency Information

TRANSPORTATION AGENCIES

Transportation Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$22,052,311	$23,456,104	$35,172,907
Lottery Funds	107,484,130	113,596,792	118,775,740
Other Funds	3,060,118,726	3,808,093,376	4,312,298,630
Federal Funds	93,390,764	115,075,011	123,258,242
Other Funds (Nonlimited)	527,193,523	173,412,455	18,000,000
Federal Funds (Nonlimited)	20,145,859	21,575,775	21,243,619
Total Funds	$3,830,385,313	$4,255,209,513	$4,628,749,138
Positions	4,521	4,731	4,786
Full-time Equivalent	4,407.91	4,517.22	4,678.90

OVERVIEW

Quality airports, roads, bridges and highways help keep Oregon's economy strong. Workers use the transportation system to get to and return from their jobs. Businesses depend on the delivery of materials and supplies to prosper. Every region of Oregon relies on transportation to assure economic growth and improve Oregon's quality of life. The Transportation Program Area currently includes two agencies: the Department of Aviation and the Department of Transportation.

Approximately two percent of program area activities are supported by General Fund and Lottery Funds, which are used for debt service for the State Radio Project, rail construction projects, short line rail infrastructure loans, Oregon streetcar projects, light rail projects and investments in multimodal, non-highway infrastructure (*Connect*Oregon). Other Funds revenue sources include fuel taxes, motor vehicle and aircraft registrations, driver license fees and airport leases. Federal Funds support highways, transit, and airport improvement programs. Federal Highway dollars are budgeted and spent as Other Funds. All other Federal Funds are budgeted and spent as Federal Funds.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The budget for the Transportation Program Area is $4,628.7 million total funds, a nine percent increase from the 2017-19 Legislatively Approved Budget. General Fund and Lottery Funds total $153.9 million, a 12 percent increase from 2017-19 levels. The increase in General Fund and Lottery Funds supports the continuation of passenger rail in Oregon and pays debt service for previously authorized projects.

Oregon is an infrastructure leader. In an effort to remain at the leading edge of innovation to help people get to their jobs, transport children to school, move goods and services to market all while addressing greenhouse gas emission, the Governor's Budget makes several key investments.

Key elements of the Governor's Budget for the Transportation Program Area are outlined below:

- Southwest Corridor Light Rail Extension. The Governor's Budget invests $25 million in a line extension for the Light Rail traveling along Southwest Barbur Boulevard to Tigard and along roads leading to Bridgeport Village.

- Dundee Bypass Right of Way. A $32 million investment to complete the needed right of way acquisition to begin Phase 2 construction at OR 219 through the south side of Newberg connecting the bypass to OR 99W east of Newberg.

- ConnectOregon VIII. The budget invests $20 million in *Connect*Oregon VIII to continue Oregon's investment in non-highway projects aimed at promoting development by improving port infrastructure, public transportation, the aviation system, bike and pedestrian facilities and the rail network.

- Facilities Capital for ODOT. The budget increases funding for Capital Improvement projects. Two of the projects funded will build maintenance stations along the central and southern coast. In addition to their intended use, the maintenance stations will serve as triage facilities during major emergency situations supporting Oregon's Resilience Plan.

- DMV IT Systems Modernization. The Driver and Motor Vehicles Services (DMV) Division budget continues to provide funding for the modernization of its computer systems, which are over 40 years old.

- Aviation Operations and Improvements to State Airports. The Budget provides funding for four Capital Construction projects at the Prospect State Airport, Aurora State Airport, Condon State Airport, and the Siletz Bay State Airport.

- Fire and Resiliency Readiness for Airport Buildings and Equipment. An investment of $10 million for state owned airports to either build or enhance airport infrastructure so critical airports can serve as safety bases following natural disasters.

- State Radio System. An $11 million investment to establish an ongoing capital improvement fund for the state's $230 million State Radio System. A system providing circuits for 13 public safety agencies throughout the state in partnership with several counties.

Oregon's Transportation sector as a whole must continue its evolution from a traditional focus on a network of roads and highways to an integrated multimodal system. A system that moves our families and our freight, builds communities, and provides a critical foundation for a robust economy. Transportation agencies along with other agencies must continue to lead to promote and invest in all modes of transportation. The transportation system of the future must leverage new and varying types of housing development and evolving freight demands in rural and urban communities across the state. A transportation system of the future encompasses significant reductions in greenhouse gas emissions consistent with Oregon's climate emission goals, as well as reducing other pollutants.

Oregon Department of Aviation

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	7,471,010	13,745,866	27,284,299
Federal Funds	7,277,222	9,318,243	11,313,182
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$14,748,232	$23,064,109	$38,597,481
Positions	15	15	16
Full-time Equivalent	13.99	14.25	15.49

OVERVIEW

The Oregon Department of Aviation (ODA) advocates for the safe operation, growth and improvement of aviation and is responsible for the planning and development of a safe and efficient aviation system in Oregon. The Department manages a number of programs including Search and Rescue, General Aviation Entitlement, Pavement Maintenance, Aircraft Registration and Capital Construction projects at airports.

GOVERNOR'S BUDGET

The budget represents a total funds increase of 67 percent from the 2017-19 Legislatively Approved Budget. The increase is primarily due to capital construction projects at four of the 28 state-owned public use airports, as well as funding for a Disparity Study required by the Federal Aviation Administration and a 10 percent match for General Aviation Entitlement projects. The budget supports 16 positions.

Airports play an important part in our state's economy as well as serving as logistical staging bases in the aftermath of an earthquake or other catastrophic events. With this in mind, the Governor's Budget for ODA includes $10.0 million in Lottery backed revenue bonds to support airport fire and resiliency readiness.

REVENUE SUMMARY

Aviation and jet fuel tax revenues are the primary source of funding for the agency's operations. The tax on Aviation Gas (avgas) is $0.11 per gallon and the tax on jet fuel is $0.03 per gallon. These fuel taxes make up approximately 91 percent of the agency's Other Funds revenues. Additional sources of revenue include aircraft registration, hangar and site leases, and other charges for services. The Department receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects.

The revenue outlook for ODA has improved from previous biennia. With the passage of House Bill 2075 (2015), aviation gas tax and jet fuel tax were increased to their current rates and with the passage of Senate Bill 269 (2015), aircraft registration fees and airport licensing fees were also increased. A legislative concept for the 2019 Legislative Session proposes to remove the January 2, 2022 sunset for the aviation gas tax and jet fuel tax increases approved in Senate Bill 269 (2015).

AGENCY PROGRAMS

Operations

The Operations division oversees the administration, operation and maintenance of 28 state-owned, public use airports through four program areas: Statewide Services, Airport Services, Airport Maintenance and Planning. The division also provides the core government services of the Aviation Department covering planning, land use, evaluation of tall structures and inspections of airports and site surveys of proposed new airports.

Included in the Governor's Budget, is funding for an assessment of the Salem Office Building, ODA's headquarters. The assessment will evaluate needed repairs as well as potential building replacement. As part of the budget a deferred maintenance account has been set up as a tool for future repairs or replacement. The Governor's Budget for Operations is $17.1 million total funds ($15.1 million Other Funds and $2.0 million Federal Funds). The main source of funding is fuel tax revenue, which is transferred to the Department from the Oregon Department of Transportation. Other revenues include money from aircraft registration fees, public airport registration fees, aircraft dealer license fees, leases, tie down revenue and fuel flowage fees.

The Governor's Budget makes a significant investment with $10 million in Lottery bond proceeds for state owned airports to either build or enhance airport infrastructure preparing critical airports to serve as safety bases following a Cascadia Subduction Zone event or other natural disaster.

General Aviation Entitlement

The General Aviation Entitlement Program administers FAA funded projects not meeting the Capital Budgeting threshold, to address safety, operations and development at airports in Oregon. FAA grants are generally funded at 90 percent of project costs with the remaining 10 percent paid by the airport sponsor (owner). The agency owns 28 airports, 12 of which are part of the National Plan of Federal Integrated Airport Systems (NPIAS). The General Aviation Entitlement Program has four sections:

- Capital Improvement Planning - responsible for evaluating, annually, each of the 12 state-owned airports that are part of NPIAS, to address safety, operation and infrastructure development.
- Capital and Construction Project Management - responsible for managing federal grant assurance obligations and receiving federal funding for qualifying projects.
- Airport Improvement Project Grant Administration and Management - responsible for administering grants for capital improvement and construction projects at the 12 state-owned NPIAS airports to address safety, operation, and infrastructure development.
- Administration of a two-cent increase in fuel tax funding - General Aviation Entitlement will provide funding for grants to airports throughout the state for economic development, FAA grant match and emergency preparedness and will assist with funding of commercial air service to rural Oregon.

The Governor's Budget for General Aviation Entitlement is $11.1 million total funds ($7.0 million Other Funds; $4.1 million Federal Funds). Of these funds 90 percent are provided in grants from the FAA; the remaining 10 percent is the state match necessary for the federal grants. Funding for safety improvements at state-owned airports, commercial air service to rural Oregon and grants for economic development, FAA grant match and emergency preparedness are funded from two cents per gallon of aviation and jet fuel tax.

Pavement Maintenance

Pavement Maintenance is a state-funded aid program to assist airports in undertaking pavement preventative maintenance, the most cost-effective means to helping preserve the system's airport pavement and pavement infrastructure as addressed in the Oregon Aviation Plan. The program evaluates airport pavement at one third of the state airports each year. The year following the evaluation, airports agreeing to have work done are scheduled for pavement maintenance work with contractors hired by the agency. The Pavement Maintenance program provides funding for an average of 14 airports per year. There are 66 paved public use airports in the state.

The Governor's Budget for the Pavement Maintenance program is $2.3 million total funds. These funds are derived from the fuel tax transferred into the Department from the Oregon Department of Transportation. Pavement Maintenance is solely funded by a half cent per gallon jet fuel tax and four cents per gallon aviation gas tax.

Aircraft Registration

The Aircraft Registration program registers over 3,700 aircraft per year. The Aircraft Registration program manages and administers the AERO II software system that houses aircraft and pilot registration information. Registering aircraft in Oregon provides the primary source of Other Funds revenue for the FAA required match on all airport improvement grants received from the FAA. The FAA sponsor match requirement is 10 percent of the total project costs for design and construction.

The budget for Aircraft Registration is $0.2 million total funds. The aircraft registration fees fund this program as well as providing the 10 percent match for General Aviation Entitlement Programs. The budget continues support for the program as it currently exists.

Capital Construction

The Capital Construction program is similar to the General Aviation Entitlement program, which administers FAA funded projects to address safety, operations, and development at airports in Oregon. The only difference between the two programs is the projects in this program exceed $1.0 million.

The budget for this program is $8.0 million total funds; the FAA grants 90 percent of these funds to the Department. The remaining 10 percent is the required match amount and is derived from aircraft registration fees. The budget supports four projects (1) funding for major renovations at the Prospect State Airport, (2) the Aurora State Airport, (3) the Condon State Airport and (4) the Siletz Bay State Airport.

Oregon Department of Transportation

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$22,052,311	$23,456,104	$35,172,907
Lottery Funds	107,484,130	113,596,792	118,775,740
Other Funds	3,052,647,716	3,794,347,510	4,285,014,331
Federal Funds	86,113,542	105,756,768	111,945,060
Other Funds (Nonlimited)	527,193,523	173,412,455	18,000,000
Federal Funds (Nonlimited)	20,145,859	21,575,775	21,243,619
Total Funds	$3,815,637,081	$4,232,145,404	$4,590,151,657
Positions	4,506	4,716	4,770
Full-time Equivalent	4,393.92	4,502.97	4,663.41

OVERVIEW

The Oregon Department of Transportation's (ODOT) mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregon. The Department is involved in planning for and maintaining highways, roads and bridges; railways and public transportation services; bicycle and pedestrian paths; transportation safety programs; driver and vehicle licensing; and motor carrier regulation. ODOT works with a variety of organizations on these diverse issues. The Department is under the direction of a five-member Oregon Transportation Commission, whose members are appointed by the Governor and confirmed by the Senate.

The Oregon Transportation Commission performs the following primary duties:

- Provides policy and oversight for programs relating to rail, highway, motor vehicles, public transit, transportation safety and other transportation-related activities.
- Develops and maintains a state transportation policy and comprehensive, long-range plan for a multi- modal transportation system that fosters innovation.

The programs within ODOT are Highway (including Maintenance, Preservation, Bridge, Highway Operations, Modernization), Driver and Motor Vehicles Services, Motor Carrier Transportation, Transportation Program Development, Public Transit, Rail, Transportation Safety, Research and Innovation, Debt Service, Central Services and Capital Improvements.

GOVERNOR'S BUDGET

The Governor's Budget for ODOT is $4,590.2 million total funds, which includes $153.9 General Fund and Lottery Funds and is an eight percent total funds increase from the 2017-19 Legislatively Approved Budget. With respect to General Fund and Lottery Funds, the budget represents a 12 percent increase over the 2017-19 Legislatively Approved Budget. The increase in General Fund is to continue reimbursement of the State Highway Fund for debt service the Department has been covering for the Oregon State Police portion of the State Radio Project. Lottery Funds are used for debt service in

connection with previous *Connect*Oregon I, II, III, IV, VI and other major statewide transportation investments. The budget provides funds for 4,770 positions.

The budget provides key investments to do the following:

- funding for the eighth version of *Connect*Oregon;
- continue modernization of information systems used by the Driver and Motor Vehicle Services Division (DMV);
- extend light rail along the Southwest Corridor;
- construct a roadway alignment for the Dundee Bypass Right of Way;
- provide the Department with the resources necessary to create an ongoing Capital Improvement fund for the State Radio System in order to repair or replace outdated systems and equipment;
- funding to study land use near transit and rail investments to allow for increased density of affordable and market rate housing, as well as congestion solutions along the Sunset Corridor that will reduce greenhouse gas emissions; and
- funding for two Capital Construction projects both of which are along the central and southern coast and would serve as triage stations in catastrophic emergency situations.

REVENUE SUMMARY

The majority of the Department's revenue comes from motor fuels tax, weight-mile tax collections and motor vehicle licensing and registration fees. However, State Highway Fund revenues from gas sales are not growing at previously predicted rates, in part because the fleet is becoming more fuel-efficient and because people are driving fewer miles than anticipated.

House Bill 2017 passed in the 2017 Legislative Session, also known as Keep Oregon Moving, made significant investments in transportation. Keep Oregon Moving will produce an estimated $5.3 billion in total revenue over its first ten years. When all taxes and fees are in place in 2024, Keep Oregon Moving will produce $500 million in State Highway Fund revenue annually. The increase in revenue is generated with increases in motor fuels tax and vehicle title and registration fees over a seven year period.

Net proceeds from the State Highway Fund are shared with cities and counties on a formula basis after appropriate collection costs have been deducted by ODOT. The Department also collects various special fees and surcharges that are transferred to other state and local agencies. A portion of state fuel taxes collected for various special classes of vehicles, such as boats and snowmobiles, are also transferred to other state agencies for use in programs benefiting the users of these vehicles.

The budget includes General Fund support for continuation of passenger rail transportation on the Amtrak Cascades line and debt service related to the State Radio Project. Lottery Funds support the Department's debt service on *Connect*Oregon I, II, III, IV and VI.

The Department also receives funds from the federal gas tax, which has not been raised since 1993. Consequently, the federal Highway Trust Fund has lost nearly 40 percent of its purchasing power since that time. When the federal Highway Trust Fund first ran short of cash in 2008, Congress made up the gap by transferring more than $65 billion in total resources into the Fund. These transfers have

prevented deep cuts in the federal transportation program, but they have not solved the need for long-term, sustainable revenue. Congress recently passed an extension, through 2020, of the current federal surface transportation authorization legislation, the Fixing America's Surface Transportation Act (FAST Act). By 2020, Congress will need to provide additional resources, cut transportation funding by 20-25 percent, or pass a new reauthorization bill with adequate resources. Either way, the ongoing instability with the program and the potential for a reduction in federal revenue will impact Oregon's ability to plan for transportation projects.

AGENCY PROGRAMS

Nonlimited

Nonlimited programs contain the Oregon Transportation Infrastructure Bank (OTIB) that was established in 1997 as a revolving loan fund. It makes loans to local governments, transit providers, ports and other eligible borrowers to pay for the design and construction of transportation projects that involve many partners such as local agencies, state agencies, the Federal Highway Administration. The loans are specifically targeted to help local government maximize resources to complete the projects that meet community needs.

The OTIB was capitalized with a combination of federal and state funds and interest earnings. Revenue bonds may also be issued to provide additional capitalization. As loans are repaid, the principal and interest is returned to the OTIB to be made available for new loans. Staffing for OTIB is included in the Financial Services program of the Central Services division. The Governor's Budget provides $18.0 million Other Funds for the OTIB. The budget supports the continuation of existing programs.

Capital Improvements

The Capital Improvements program provides additions and/or enhancements to existing facilities (buildings) for department projects that cost less than $1.0 million. ODOT must maintain, preserve, repair and restore existing highways to keep them safe and useable for travelers. To do this work, ODOT needs facilities that are capable of housing equipment and machinery that perform highway maintenance activities. The Capital Improvements program uses a prioritized statewide schedule that addresses the facilities in the most critical need of repair.

The Governor's Budget for Capital Improvements is $17.4 million Other Funds, which represents a significant increase over the 2017-19 Legislatively Approved Budget. The revenue for this program comes from the State Highway Fund.

Capital Construction

The department's Capital Construction program provides funds for modern, cost-effective facilities (buildings). Highway construction projects are not treated as Capital Construction projects in the budget because those projects are statutorily exempt from the definition of "Capital Construction," which is defined as projects equal to or greater than $1.0 million.

The Governor's Budget for the program is $20.0 million Other Funds. The revenue for this program comes from the State Highway Fund and the sale of certain department properties. The budget invests in the first phase of a needed facilities replacement that supports the Highway Division along the central Oregon coast. Over 30 percent of ODOT maintenance stations are over 60 years old. These buildings are outdated and impact the Department's ability to meet current operational needs. The

investments give the Department the ability to begin moving forward in building to construct quality infrastructure that support its work.

Highway Maintenance

The Highway Maintenance program provides funds for activities that include replacing what is necessary to keep the highways safe such as signs, pavement markings and traffic signal components, but generally does not include road reconstruction.

The Governor's Budget for maintenance is $569.5 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Government.

Highway Administration.

Oregon has almost 74,000 miles of roads owned by federal, state, county and city governments. State highways comprise a little more than 11 percent of total road miles, but carry 58 percent of the traffic and more than 20.7 billion vehicle miles per year. The state highway system provides access to intrastate, interstate and international markets for traded sector goods. It also provides critical linkages between our communities around the state and domestic and international markets served by our airports, marine terminals and rail lines. The program works to ensure this goal by maintaining, preserving and repairing the state highway system.

Highway Preservation

ODOT's Highway Preservation program maintains the pavement of Oregon's highways to prevent them from becoming a threat to safe travel, from costing more to rebuild and from having a negative effect on the state's economy. The Preservation program reduces maintenance costs on over 8,000 miles of Oregon highways. These highways carry more than 20 billion vehicle miles and more than 300 million tons of freight annually. The Preservation program maintains a statewide Pavement Management System that monitors and forecasts pavement conditions on state highways. These preservation projects add useful life to a road without increasing its capacity, primarily through pavement resurfacing.

The Governor's Budget for preservation is $405.2 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration. The budget reflects the completion of projects from the Oregon Transportation Investment Acts I, II and III and a slight increase in projects from the Jobs and Transportation Act.

Highway Bridge

The Bridge program is responsible for the inspection, preservation, design standards, load capacity evaluation and asset management of more than 2,700 highway bridges, overcrossings, railroad under-crossings, tunnels and other structural elements. This work directly benefits the state's economy by extending the life expectancy of bridges, reducing the number of bridges with weight restrictions and limiting detours around structurally deficient bridges. Routine bridge inspections are performed every two years, as well as periodic in-depth inspections for special structures such as fracture critical bridges, bridges prone to fatigue cracking, underwater features, coastal bridges and tunnels.

The Governor's Budget for the Bridge program is $557.2 million Other Funds, which continues support for existing programs. Freight mobility has been a key driver for the Bridge program since the inception of the corridor-based Oregon Transportation Investments Acts III program, which addressed the needs of through movements of truck freight over the past decade. By maintaining freight mobility on the Interstate 5 corridor, as well as other important state and regional routes, the program plays a vital role in preserving the competitiveness of Oregon's trade-dependent economy and benefiting the entire West Coast and the nation.

Highway Safety and Operations

The Highway Operations program is comprised of two separate programs – Highway Safety and Highway Operations. The primary purpose of ODOT's Highway Safety program is to reduce the number of fatal and serious injury crashes on the state system. The Highway Safety Improvement program provides for infrastructure improvements at high crash locations using low cost and cost effective countermeasures on target highway segments or intersections with a history of crashes. The primary purpose of ODOT's Highway Operations program is to improve the safety and efficiency of the transportation system through operational improvements and enhanced system management. Operations solutions provide a cost effective approach to meet the challenge presented by increased demands on the system coupled with increasing constraints on available funding. The key components of the Operations program include traffic signals, signs and roadway lighting, Intelligent Transportation Systems and landslide and rock fall mitigation.

The Governor's Budget for Highway Operations is $387.4 million Other Funds, which in addition to continued support for existing programs also makes investments in Safe Routes to Schools. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Highway Modernization

Modernization projects add capacity to the highway system by adding lanes, widening bridges, rebuilding roads with major alignment improvements or major widening, building new road alignments, or new facilities such as by-passes. These projects improve safety, relieve congestion and allow more efficient movement of people and goods across the state. The Modernization program improves the capacity and efficiency of the system, which can reduce transportation costs and makes locating or doing business in Oregon more attractive to traded sector companies.

The Governor's Budget for Highway Modernization is $201.0 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Highway Special Programs

Highway Special Programs provides indirect, technical and program support for the Highway Division construction program through the development and delivery of the tools necessary to optimize management of infrastructure assets, deliver projects efficiently and promote sustainability and best practices for Oregon's transportation system. This program also has a number of construction projects that do not fit the general construction limitation categories and usually fall under special rules or program areas. Highway Special Programs are also charged with delivering construction projections and services in the following distinct program areas: pedestrian and bicycle; salmon and watersheds; forest highway program; winter recreation parking; and, snowmobile facilities.

The Governor's Budget for Special Programs is $405.1 million Other Funds, which represents a 10 percent increase over the 2017-19 Legislatively Approved Budget. The increase is largely due to the inclusion of projects from the Statewide Transportation Improvement Program that are expected to be completed during the 2019-21 biennium. The increase does not necessarily reflect a change in the number of projects in the approved Statewide Transportation Improvement Program, just their anticipated scheduling and completion. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Highway – Local Government

The Local Government program provides project delivery oversight and program administration for the development and delivery of transportation improvement projects within local jurisdictions. The Local Government program provides support for various local and discretionary transportation programs funded by the state or federal government. It also accounts for approximately 25 percent of Oregon Statewide Transportation Improvement Program funding and up to 30 percent of the projects delivered among ODOT regions and program years. ODOT administers these programs and helps local governments fund transportation projects.

The Governor's Budget for the Local Government program is $207.5 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Driver and Motor Vehicle Services

The Driver and Motor Vehicles Services division (DMV) promotes driver safety, protects financial and ownership interests in vehicles and collects revenues for Oregon's highway system. DMV Services provide services to almost every Oregonian by issuing over 600,000 driver licenses and ID cards, one million vehicle titles and almost two million vehicle registrations each year. The DMV provides driver licensing, vehicle titling and registration and driver/vehicle records through four service groups: Customer, Field, Processing and Program.

The Governor's Budget for DMV Services is $243.0 million total funds. Funding is almost entirely derived from fees collected for driver licensing, vehicle title/registration and records. Fees collected from business licenses and Identification Cards are deposited in the Transportation Operating Fund to support business regulation activities and senior and disabled transportation. Federal funding also comes to the Department from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration, the U.S. Department of Homeland Security and the U.S. Department of Justice.

The budget provides the DMV with resources to continue modernizing its 40-year old computer systems. The aging design of existing DMV systems is creating a risk of failure to meet current and future business needs, potentially resulting in longer wait times and increased manual process and errors. Modern functionality and web-based services will make it easier for customers to do business with DMV, reduce error rates and manual processes, as well as improve communication with DMV customers. The plan to complete this work will be done in stages and will take approximately 10 years and $90.0 million to complete. Each stage will have specific deliverables that will result in separately functioning projects, which will only be enhanced by the completion of the overall modernization.

Motor Carrier Transportation

The Motor Carrier Transportation Division (MCTD) promotes a safe, efficient and responsible commercial transportation industry. The MCTD regulates a diverse industry ranging from one-truck owner-operators to carriers with large fleets from throughout the United States and Canada that operate on Oregon public roads. Additionally, the MCTD helps truckers comply with Oregon laws and regulations relating to economic regulation, registration, safety, freight mobility and truck size and weight. The MCTD processes tax and fee payments that contribute nearly one-third of all money received for the State Highway Fund. The MCTD operates Ports of Entry, weigh stations and portable scale sites that check millions of trucks each year to make sure they operate within vehicle size and weight limits so they do not damage the highway infrastructure or create a hazard to the motoring public.

The Governor's Budget for the Motor Carrier Transportation program is $70.6 million Other Funds, which continues support for existing programs. The funding comes from the State Highway Fund.

Transportation Program Development

Transportation Program Development (TPD) plans and coordinates the future use of transportation resources among state, federal and local agencies to design and operate an efficient transportation system. The TPD program provides the foundation for decision making to address transportation needs through its research, data collection and planning responsibilities and also provides grant opportunities for the building of infrastructure in support of state and community visions for a multimodal transportation system (ConnectOregon). The scoping of proposed transportation projects, the planning necessary to identify these projects and research and data collection are all key functions of the TPD program.

The Governor's Budget for Transportation Program Development is $204.2 million total funds, an increase of 16.8 percent over the 2017-19 Legislatively Approved Budget. The major source of funding for TPD includes federal transportation funds from the FHWA and the National Highway Traffic Safety Administration and revenues from the State Highway Fund. The increase is largely due to the Governor's investment in ConnectOregon VIII, which will be funded through the sale of lottery backed bonds.

Public Transit

The Public Transit Division provides grants, policy leadership, training and technical assistance to communities and local transportation providers. The division also assists in the development and use of transit, ridesharing and other alternatives to driving alone as ways to reduce congestion, diminish environmental impacts and make efficient use of Oregon's transportation system. It also works to provide travel options for older adults and people with disabilities. Transit program funds are primarily distributed to local service providers in three ways: 1) through a formula based primarily on service-area population; 2) through a formula based on the number of rides given and miles traveled; and 3) through a biennial discretionary grant solicitation that combines the multiple sources of federal and state funding.

The Governor's Budget for Public Transit is $318.7 million total funds, which represents a 95.8 percent increase from the 2017-19 Legislatively Approved Budget. House Bill 2017 (2017), Keep Oregon Moving provided a significant increase in revenue dedicated to Public Transit. It created a one tenth of one percent payroll tax that became effective July 1, 2018 to be used primarily for formula allocations and

competitive grants to local transit agencies.

Rail

The Rail program works to ensure compliance with state and federal regulations related to railroad track, locomotives, cars, hazardous material transport, employee safety, operating practices and rail transit safety. This program is critical to reduce the potential for derailments, accidents and the potential release of hazardous materials. The State Safety Oversight program for rail fixed guide ways is responsible for establishing standards for rail safety and security practices and procedures within its purview. The Crossing Safety Program enforces state statutes and administrative rules as well as federal laws and regulations related to crossing safety. The Operations Section manages the equipment acquisition and maintenance for the Oregon portion of the Pacific Northwest Rail Corridor Cascade Fleet and administers the state-supported AMTRAK Cascades intercity passenger rail.

The Governor's Budget for Rail is $99.1 million total funds, which represents a 40 percent increase from the 2017-19 Legislatively Approved Budget. The increase is attributed to a $25.2 million investment made in the Governor's Budget for the Southwest Corridor Light Rail Extension.

Transportation Safety

The Transportation Safety division organizes, plans and conducts a statewide transportation safety program by coordinating activities and programs with other state agencies, local agencies, non-profit groups and the private sector. It serves as a clearinghouse for transportation safety materials and information and cooperates and encourages research and special studies to support legislative initiatives and new programs.

The Governor's Budget for Transportation Safety is $39.4 million total funds and continues support for existing programs. The funding for this program comes from a variety of resources including fees charged by the Driver and Motor Vehicle Services division, the Transportation Operating Fund (non-highway tax dollars) and grants from the Federal Highway Administration and the National Highway Transportation Safety Administration.

Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. The Governor's Budget for the Debt Service program is $549.8 million total funds.

In 2013-15, the Legislature decreased the amount of General Fund debt service intended for repayment of portions of the State Radio Project that are not considered State Highway assets. The State Radio Project is a joint project between ODOT and the Oregon State Police. The project is run by ODOT. It is expected that future debt service will be partially paid by the General Fund to cover the portions of the project that are not considered State Highway assets. This budget provides $21.2 million General Fund to continue reimbursing the State Highway Fund for debt service payments the Department made for State Radio Project assets that were acquired for the Oregon State Police's portion of the project.

Central Services

The Central Services program has two administrative support divisions. The Agency Support Division provides the following services across the agency – audit services, business services, facilities, financial services, human resources, information systems and the procurement office. The ODOT Headquarters Division includes the ODOT Director, Deputy Director for Central Services, budget services, the Office

of Civil Rights and the Office of the Director (including the Assistant Director, Government Relations, Communications and Business Management).

The Governor's Budget for Central Services is $277.0 million total funds and continues support for existing programs. Central Services is primarily funded by the Department's operating divisions through an assessment mechanism. Each division is assessed a prorated share of the Central Services operating costs, excluding the Financial Services Fuels Tax Program. Fuels Tax Program costs are recovered from gross Motor Fuels Taxes and Weight-mile Taxes.

CONSUMER AND BUSINESS SERVICES

Program Area and Agency Information

CONSUMER AND BUSINESS SERVICES AGENCIES

Consumer and Business Services Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$14,402,327	$13,461,113	$16,243,666
Lottery Funds	0	0	0
Other Funds	340,168,604	393,158,025	518,322,268
Federal Funds	15,776,138	18,843,146	102,262,414
Other Funds (Nonlimited)	235,444,844	259,669,211	267,102,994
Federal Funds (Nonlimited)	0	0	0
Total Funds	$605,791,913	$685,131,495	$903,931,342
Positions	1,443	1,466	1,479
Full-time Equivalent	1,418.39	1,450.23	1,468.15

OVERVIEW

Consumer and Business Services agencies protect consumers and workers and promote a positive business climate in the state. The agencies within the Consumer and Business Services Program Area include:

- The Department of Consumer and Business Services (DCBS): Protects consumers and workers in matters of workers compensation, occupational safety and health, state building codes and financial services and insurance, while supporting a positive business climate.
- The Bureau of Labor and Industries (BOLI): Protects people's rights in workplaces, career schools and housing and public accommodations; enforces wage and hour laws; promotes the development of a skilled workforce; and provides training to employers.
- The Public Utility Commission (PUC): Works to ensure safe and reliable utility services are provided to consumers at equitable and reasonable rates through regulation, while also promoting the development of competitive markets; resolves customer complaints about utility service; and provides affordable and accessible telephone service across Oregon.
- Regulatory boards: Protect customers of various professional services, ensure only qualified people are licensed or bonded and set and ensure standards of conduct.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget contributes to the physical and financial well-being of consumers by funding strategic legislative reforms designed to adapt to changes in the business environment across a variety of fields. The budget for DCBS includes resources to support a strong health insurance marketplace and assist underinsured communities. The BOLI budget includes investments in technical education and

apprenticeship programs to improve the capabilities of Oregon's workforce. Increased staffing provided for in PUC's budget will support strengthened oversight and analysis of utility operations.

The budgets for the various regulatory boards invest in consumer protection by adding investigative staff and legal services to ensure the quality and timeliness of complaint investigations. Further, the Governor's Budget supports quality customer service, increased transparency and timely processing of license applications, through investments in communications and licensing staff, new electronic licensing systems and databases and associated information technology staff.

The Governor's Budget for the Consumer and Business Services Program Area agencies is $903.9 million total funds. This is a 31.9 percent increase from the 2017-19 Legislatively Approved Budget.

Other Funds and Federal Funds provide roughly 98 percent of the budget for this program area. A majority of PUC's operations and the programs of all regulatory boards are funded with Other Funds. Just two percent of the Consumer and Business Services Program Area budget is General Fund. The General Fund is $16.2 million, mostly budgeted within BOLI and with a small amount in DCBS.

Oregon Board of Accountancy

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	2,261,508	2,617,527	2,805,291
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$2,261,508	$2,617,527	$2,805,291
Positions	8	8	8
Full-time Equivalent	8.00	7.50	7.50

OVERVIEW

Legislatively created in 1913, the mission of the Oregon Board of Accountancy is to protect the public by regulating the practice and performance of all services provided by licensed accountants. The Board is composed of seven members who are appointed by the Governor. Five members are certified public accountants, one member is a public accountant and one public member is unaffiliated with the profession. The Board staff evaluates and approves licensing qualifications, registers public accounting firms, reviews and reinstates qualified practice permits and firm registrations, investigates complaints and enforces public accounting regulations through disciplinary actions. Approximately 9,000 certified public accountants, municipal auditors, public accountants, and accounting firms are overseen by the Board.

RECOMMENDED BUDGET

The Governor's Budget is $2.8 million total funds. This is a 7.2 percent increase from the 2017-19 Legislatively Approved Budget and includes eight positions. The budget adjusts to pay for increased costs of legal services due to increasingly complicated investigations and hearings to resolve complaints against licensees.

REVENUE

The Board is funded entirely with Other Funds. Approximately 94 percent of revenue received is from professional licensing fees and approximately six percent comes from fines and forfeitures assessed for violations of statute or rule.

Board of Chiropractic Examiners

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	1,672,562	2,027,840	2,256,554
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,672,562	$2,027,840	$2,256,554
Positions	6	6	6
Full-time Equivalent	5.10	5.10	5.10

OVERVIEW

The Board of Chiropractic Examiners' mission is to serve the public, regulate the practice of chiropractic, promote quality and ensure competent and ethical health care. The Board establishes practice guidelines, conducts rulemaking, sets requirements for the issuance and renewal of licenses, ensures licensees complete continuing education requirements, reviews investigative cases, and takes disciplinary or other action where appropriate.

The Governor appoints the seven-member board, which includes five chiropractic physicians and two public members. The Board's staff performs background checks on applicants for licensure, issues and renews licenses, investigates complaints, and monitors disciplined licensees. The Board's program provides consumer protection by setting high standards for licensure designed to help ensure clients receive quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Chiropractic Examiners is $2.3 million total funds. This is an 11.3 percent increase from the 2017-19 Legislatively Approved Budget. The Board is comprised of six staff members and licenses over 2,000 Doctors of Chiropractic and 1,300 Chiropractic Assistants. The Governor's Budget includes funding for the implementation of a database upgrade.

REVENUE SUMMARY

The Board is funded entirely with Other Funds revenue generated from fees paid for professional licenses, examinations and miscellaneous revenue. The Board receives approximately 95 percent of its revenue from fees for licensure with the remaining revenues from sales of lists, mailing labels and various fines.

Construction Contractors Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	13,236,738	16,174,047	16,665,921
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$13,236,738	$16,174,047	$16,665,921
Positions	62	61	61
Full-time Equivalent	62.00	61.00	61.00

OVERVIEW

The Construction Contractors Board regulates construction contractors and promotes a competitive business environment through testing and licensing contractors, investigating complaints, adjudicating claims and educating customers and contractors. The agency focuses on contractor accountability and protects the public interest relating to improvements to real property. The Board consists of nine members appointed by the Governor, including six contractors, one elected representative of local government and two public members.

GOVERNOR'S BUDGET

The Governor's Budget for the Construction Contractors Board is $16.7 million total funds and supports 61 positions. This is a 3.0 percent increase from the 2017-19 Legislatively Approved Budget. Currently, the agency has approximately 40,000 licensees, down from a peak of approximately 46,000 in 2017. The budget supports current operations and invests in a position to assist with IT project planning, a position in the agency's licensing unit to handle additional correspondence and contact with licensees, and reclassifies a position.

REVENUE SUMMARY

The Construction Contractors Board relies entirely on Other Funds from contractor license fees, complaint processing fees and civil penalty payments. The agency temporarily reduced its main licensing fee from $325 per biennium to $250 in 2017-19. The 2019-21 budget maintains this temporary decrease. While the agency does not receive any General Fund, 80 percent of the civil penalty revenue is sent to the General Fund. This contribution to the General Fund is projected at $1.0 million for the 2019-21 biennium.

Department of Consumer and Business Services

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$1,823,000	$0	$1,906,627
Lottery Funds	0	0	0
Other Funds	225,013,504	253,005,744	365,702,567
Federal Funds	13,695,903	16,803,370	99,945,657
Other Funds (Nonlimited)	166,025,572	202,096,657	211,890,831
Federal Funds (Nonlimited)	0	0	0
Total Funds	$406,557,979	$471,905,771	$679,445,682
Positions	952	969	966
Full-time Equivalent	936.36	959.53	961.19

OVERVIEW

The Department of Consumer and Business Services (DCBS) is Oregon's largest business regulatory and consumer protection agency. The Department administers programs that protect consumers and workers while supporting a positive business climate in the state. The Department's five main areas of regulation are:

- Workers Compensation;
- Occupational Health and Safety (OSHA);
- Finance and Insurance;
- Oregon Health Insurance Marketplace; and
- Building Codes.

GOVERNOR'S BUDGET

The Governor's Budget for DCBS is $679.4 million total funds. This is a 44.0 percent increase from the 2017-19 Legislatively Approved Budget, largely the result of increased funding for the new Oregon Reinsurance Program authorized in the 2017 Legislative Session. The budget also supports current agency programs, makes staffing investments to increase workplace safety, continues health insurance support for the Compact of Free Association Islanders (COFA) and invests in an information technology system upgrade for workers' compensation. The budget for the Oregon Health Insurance Marketplace is reduced to reflect changes to the program's operations since it was transferred to the agency in 2015.

REVENUE SUMMARY

The DCBS receives its revenues from over 500 dedicated fees, assessments and charges. The Department's two largest revenue sources are the Workers' Benefit Fund Assessment and the Workers' Compensation Premium Assessment. For the Workers' Benefit Fund, employers and employees each will

contribute 2.4 cents per hour worked to support the services included in the 2019-21 Governor's Budget; this is a decrease from 2.8 cents per hour in calendar year 2018. For the Workers' Compensation Premium Assessment, most employers will pay an assessment of 7.8 percent on workers' compensation premiums to support the programs included in the 2019-21 Governor's Budget, an increase from the current rate of 7.4 percent of premiums in calendar year 2018.

The Department receives some Federal Funds and limited General Fund to support COFA Islander health insurance premiums. The DCBS' Division of Financial Regulation collects retaliatory taxes from out-of-state insurance companies, which it transfers to the General Fund. In addition, the difference between the revenues and expenditures of the Securities Program within the Division of Financial Regulation are transferred to the General Fund. Other General Fund transfers include fines collected by the Division of Financial Regulation. The total transfer to the General Fund is estimated to be $178.8 million for the 2019-21 biennium.

AGENCY PROGRAMS

Workers' Compensation Accounts (Nonlimited)

The DCBS administers the Self-insured Employer Adjustment Reserve account and the Self-insured Employer Group Adjustment Reserve account. These self-insured reserve funds are part of the regulatory framework that ensures the safety, soundness and availability of the labor market. They protect injured workers who work for one of the more than 10 percent of employers choosing to self-insure their workers' compensation liability. If a self-insured employer becomes insolvent or otherwise defaults on its workers' compensation obligations, the applicable fund pays for workers' compensation benefits for the employer's injured workers. The Workers' Compensation Nonlimited Account has budgeted expenditures of $800,000 Other Funds.

Workers' Benefit Fund

The Workers' Benefit Fund protects the financial safety of both workers and employers. The Fund pays for some income replacement benefits to workers and pays incentives to employers to keep injured workers at work and return workers to physically appropriate work. The Governor's Budget for this program is $204.5 million Other Funds. This is a 3.8 percent increase from the 2017-19 Legislatively Approved Budget. The programs of the Workers' Benefit Fund are funded by a cents-per-hour assessment paid half by the employer and half by the employee, investment income and civil penalties.

Workers' Compensation Board

The Workers' Compensation Board is an independent adjudicatory agency within DCBS, which ensures Oregon workers, employers and insurers have an efficient, effective and expeditious mechanism by which to resolve disputes under the Workers' Compensation Act and the Oregon Safe Employment Act. The Governor's Budget for this program is $26.1 million Other Funds. This is a 6.6 percent increase from the 2017-19 Legislatively Approved Budget, which continues current program operations and provides funds to begin planning to replace the Department's workers' compensation information system. The program is supported by an assessment paid by employers on the premiums they pay to their insurer for workers' compensation coverage. The program operates with 81 positions. The Board proceedings move disputes into an administrative forum, reducing prolonged and costly litigation.

Workers' Compensation Division

The Workers' Compensation Division administers, regulates and enforces requirements to protect workers, provides medical care for injuries and diseases, and provides timely and accurate wage-replacement benefits when workers are harmed. The Governor's Budget for this program is $48.5 million Other Funds. This is a 5.4 percent increase from the 2017-19 Legislatively Approved Budget, which continues current program operations. The program is supported by a combination of assessments paid by employers on the premiums they pay to their insurer for workers' compensation coverage, investment income, civil penalties and the cents-per-hour assessment. The program operates with 186 positions. The Workers' Compensation Division ensures employers provide workers' compensation coverage for their employees, as well as treatment and benefits to help injured workers return to work and helps to resolve disputes quickly, fairly and with as little litigation as possible.

Oregon Occupational Safety and Health Division

The Oregon Occupational Safety and Health Division administers the Oregon Safe Employment Act passed in 1973 and has regulatory authority over most Oregon employers. The division reduces the cost of workers' compensation insurance and indirect costs of injuries and illnesses by making sure the workplace is safe. The Governor's Budget for this program is $58.1 million total funds. This is a 4.8 percent increase from the 2017-19 Legislatively Approved Budget. The budget moves support for OSHA inspection and work safety consultation capacity from Federal Funds to Other Funds due to a revenue shortfall. The program receives its funding through an assessment paid by employers on the premiums they pay to their insurer for workers' compensation coverage, grants from the U.S. Department of Labor OSHA, investment income and civil penalties issued for violations of the Oregon Safe Employment Act. The program operates with 205 positions.

Division of Financial Regulation

The Division of Financial Regulation protects Oregonian's access to financial products and services through education, regulation and consumer assistance. The division oversees the safety and soundness of banks, trusts and credit unions and the financial solvency of insurance institutions. The division licenses finance and insurance professionals and ensures products and services comply with applicable laws and rules. The division also regulates mortgage lending and a large variety of non-depository financial service providers. The Governor's Budget for this program is $235.7 million total funds and supports 175 positions. This is a 381 percent increase from the 2017-19 Legislatively Approved Budget; the Governor's Budget adds $180 million total funds to support reinsurance payments to insurers in the individual health insurance market, which will support the stability of premiums in that market.

Health Insurance Marketplace

The Oregon Health Insurance Marketplace (OHIM) helps Oregonians enroll in health insurance plans that best fit their health and financial needs. OHIM became part of the Department in July 2015 after the closure of Cover Oregon and the transfer of responsibilities for the health insurance exchange to DCBS. The Governor's Budget for this program is $18.1 million total funds. This includes an investment of $1.9 million in the COFA Islander Premium Assistance Program, enough to continue supporting an anticipated 800 participants. It reduces the Other Funds budget to match the lower needs of the Health Insurance Marketplace program for information technology contracts. The net impact is a 2.4 percent decrease from the 2017-19 Legislatively Approved Budget. The program is funded primarily through a per member, per month assessment on each medical and dental policy sold to Oregonians through Healthcare.gov. This program operates with 22 positions.

Building Codes Division

The Building Codes Division adopts construction codes for 13 specialty areas, licenses trade workers and businesses and oversees a statewide inspection system of local government services to protect property and building occupants. The division ensures safe and efficient building construction while supporting a positive business climate. The Governor's Budget for this program is $40.2 million total funds. This is a 1.6 percent increase from the 2017-19 Legislatively Approved Budget and maintains current services. The program is funded from building permits, licensing and inspection fees and surcharges on permits. The program operates with 135 positions. Building Codes also provides building code services directly to certain local governments.

Central Services Division

The Central Services Division includes the Director's Office, Central Services, Employee Services, Communications and the Assessments Section, which administers the Workers Benefit Fund Assessment and the Workers Compensation Premium Assessment. The Governor's Budget for this program is $47.5 million total funds. This is a 13.6 percent increase from the 2017-19 Legislatively Approved Budget and adds funding for IT positions to work on planning for the Department's workers' compensation information system replacement. Central Services is funded by revenue transfers from other areas within DCBS and also receives a grant from the U.S. Department of Labor to conduct an annual survey of work-related injuries and illnesses and to collect data for the census on fatal occupational injuries. The program operates with 162 positions.

Mental Health Regulatory Agency

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	1,295,574	3,509,699	3,996,362
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,295,574	$3,509,699	$3,996,362
Positions	6	11	12
Full-time Equivalent	4.50	11.00	12.00

OVERVIEW

The Mental Health Regulatory Agency includes the Board of Licensed Professional Counselors and Therapists and the Board of Psychologist Examiners. The agencies were merged effective January 1, 2018, as a result of House Bill 2319 (2017). The Boards have shared the same Executive Director and management analyst since 2013 under an interagency agreement. With the passage of the House Bill 2319, the Boards implemented further efficiencies to include updated accounting procedures, efficiencies in recordkeeping and staffing, establishment of uniform policies and procedures and streamlined workflow processes.

The mission of the Board of Licensed Professional Counselors and Therapists is to protect the health and well-being of Oregon citizens by setting a strong ethical standard of practice through the regulation of counselors and marriage and family therapists. The Governor appoints the eight-member board including three licensed professional counselors, two licensed marriage and family therapists, one university graduate school faculty member and two public members.

The mission of the Oregon Board of Psychologist Examiners is to promote, preserve and protect the public health and welfare by ensuring the ethical and legal practice of psychology. The practice of psychology includes rendering or offering to render supervision, consultation, evaluation or therapy services to individuals, groups or organizations for the purpose of diagnosing or treating behavioral, emotional or mental disorders. The Governor appoints the nine-member board which includes six psychologists and three public members.

GOVERNOR'S BUDGET

The Governor's Budget for the Mental Health Regulatory Agency is $4.0 million total funds and includes 12 positions. This is a 13.9 percent increase from the combined 2017-19 Legislatively Approved Budgets of the two agencies. The Governor's Budget invests in a new compliance position to assist the agency with their growing compliance backlog, as well as an upgraded online database system.

REVENUE SUMMARY

The Boards are supported by Other Funds revenues primarily generated from licensing and renewal application fees, examinations and other miscellaneous sources.

AGENCY PROGRAMS

Board of Licensed Professional Counselors and Therapists

The Board of Licensed Professional Counselors and Therapists (BLPCT) sets requirements for voluntary licensure, establishes Board policies, investigates complaints against licensees and takes disciplinary or other action where appropriate. It also appoints and reviews the work of the Executive Director. Board staff performs background checks on applicants for licensure, issue and renew licenses, investigate complaints and monitor disciplined licensees. The Board's programs ensure clients receive high quality services and appropriate treatment of mental illness and dysfunctional behavior by setting high standards for license requirements. The budget for BLPCT is $2.4 million Other Funds.

Board of Psychologist Examiners

The Board of Psychologist Examiners sets requirements for licensure, establishes Board practices, reviews investigative cases and takes disciplinary or other action when appropriate. Board staff issue and renew licenses, review continuing education standards and compliance, investigate complaints and monitor disciplined licensees. The Board's programs ensure clients receive high quality services and appropriate treatment of mental illness and dysfunctional behavior by setting high standards for license requirements. Highly qualified and experienced psychologists and psychologist associates also contribute towards better outcomes in the mental health system. The budget for the Board of Psychologist Examiners is $1.6 million Other Funds.

Oregon Board of Dentistry

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	2,821,996	3,328,763	3,609,564
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$2,821,996	$3,328,763	$3,609,564
Positions	8	8	8
Full-time Equivalent	8.00	8.00	8.00

OVERVIEW

The mission of the Oregon Board of Dentistry is to assure the citizens of the state receive the highest possible quality of oral health care. The Board of Dentistry is charged with the regulation of the practice of dentistry and dental hygiene through setting standards for entry to the practice, examination of applicants, issuance and renewal of licenses, and enforcement of the standards of practice. The Board is comprised of 10 members appointed by the Governor and confirmed by the Senate for four-year terms. There are six dentists, one of whom must be a dental specialist, two dental hygienists and two public members. The Board's programs ensure patients receive quality dental services by setting high standards for license requirements.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Board of Dentistry is $3.6 million total funds. This is an 8.4 percent increase from the 2017-19 Legislatively Approved Budget (LAB). The Governor's Budget provides funding for the implementation of a new IT database and ongoing technical support. The budget supports eight positions and board operations to license approximately 8,000 dentists and dental assistants and 4,400 dental hygienists during the 2019-21 biennium.

REVENUE SUMMARY

The Oregon Board of Dentistry is supported by Other Funds revenue generated primarily from examination fees, licensing and renewal application fees charged to dentists and dental hygienists. Less than six percent of the Board's revenue is from miscellaneous revenues generated from the sale of documents and records, late fees, interest, and civil penalties.

Board of Medical Imaging

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	839,959	898,304	1,070,884
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$839,959	$898,304	$1,070,884
Positions	3	3	3
Full-time Equivalent	3.00	3.00	3.00

OVERVIEW

The mission of the Board of Medical Imaging is to promote, preserve, and protect the health and welfare of Oregonians while undergoing medical imaging studies performed by licensees for the purpose of medical diagnosis and therapy. The Governor appoints the 12-member board, consisting of four licensed physicians representing different medical specialties (at least one radiologist and at least one licensed medical imaging specialist), three public members and one member from each of the five major medical imaging modalities (MRI technology, nuclear medicine technology, radiation therapy, radiology therapists, and limited x-ray machine operators). The Board's programs set high standards for license requirements to ensure patients receive high quality services while undergoing medical imaging studies.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Medical Imaging is $1.1 million total funds. This is a 19.2 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget invests in a new licensing database and supports the reclassification of two existing positions. The budget supports the licensing of roughly 5,600 individuals and issuance of permits to practice Bone Densitometry in Oregon.

REVENUE SUMMARY

The Board is funded entirely by Other Funds revenues from limited scope examinations, as well as initial licensing and renewal application fees.

Oregon Mortuary and Cemetery Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	1,814,321	2,191,749	2,338,854
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,814,321	$2,191,749	$2,338,854
Positions	7	7	7
Full-time Equivalent	7.00	7.00	7.00

OVERVIEW

The Oregon Mortuary and Cemetery Board is responsible for licensing and regulating the practice of individuals and facilities engaged in the care, preparation, processing, transportation and final disposition of human remains. The Board's licensees include funeral service practitioners, embalmers, apprentices, interns, pre-need sales people, funeral establishments, immediate disposition companies, cemeteries and crematories. The Board consists of 11 members appointed by the Governor; two funeral service practitioners, one embalmer, three cemetery representatives, one crematory operator, and four public members. The Board provides consumer protection for potentially vulnerable, grieving individuals by regulating deceptive practices or unsafe services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Mortuary and Cemetery Board is $2.3 million total funds. This is a 6.7 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget makes investments in a new licensing database and supports existing services, including seven positions and licensing of approximately 2,500 practitioners and facilities across the state.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue from license and examination fees and the death registration filing fee.

Board of Naturopathic Medicine

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	718,941	809,413	965,121
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$718,941	$809,413	$965,121
Positions	3	3	3
Full-time Equivalent	2.50	3.00	3.00

OVERVIEW

The mission of the Board of Naturopathic Medicine is to protect the public by licensing and regulating naturopathic physicians, including certification of practitioners qualified to perform natural childbirth. The Governor appoints the seven-member board, which includes five licensed naturopathic physicians and two public members. The Board determines the qualifications and fitness of applicants for licensure; establishes standards of professional responsibility, practice, and continuing education for licensees; and conducts hearings on complaints concerning violations of those standards to determine the appropriate sanction when a violation is found.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Naturopathic Medicine is $1.0 million total funds. This is a 19.2 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget makes an investment in a new licensing database and funds existing operations, including three positions and licensing of approximately 2,000 naturopathic physicians.

REVENUE SUMMARY

The Board is funded by Other Funds revenue primarily derived from license, certification, and examination fees. Less than 10 percent of the Board's revenue is generated by fines, forfeitures, and sales income.

Oregon Occupational Therapy Licensing Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	380,627	514,522	621,675
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$380,627	$514,522	$621,675
Positions	2	2	2
Full-time Equivalent	1.50	1.50	1.75

OVERVIEW

The Oregon Occupational Therapy Licensing Board's mission is to protect the public by supervising the occupational therapy practice and assuring safe and ethical delivery of occupational therapy services in Oregon. The Board consists of five members appointed by the Governor, including three licensed occupational therapists and two public members. The Board develops policy and sets standards of practice; reviews applications and issues licenses to qualified applicants; investigates complaints; takes appropriate disciplinary action when violations are found to have occurred; and monitors and enforces continuing education requirements. The Board's programs keep consumers safe and set high standards for licensure designed to ensure clients receive high quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Occupational Therapy Licensing Board is $0.6 million total funds. This is a 20.8 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget makes an investment in a new licensing database and an increase in investigative staff to assist the Board with a compliance backlog. The budget includes one full-time and one three-quarter time position, a slight increase from 2017-19.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue from license application and renewal fees.

Board of Examiners for Speech-Language Pathology and Audiology

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	579,749	756,010	956,379
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$579,749	$756,010	$956,379
Positions	3	3	3
Full-time Equivalent	2.50	2.31	3.00

OVERVIEW

The Board of Examiners for Speech-Language Pathology and Audiology protects the public by licensing and regulating the performance of speech-language pathologists, speech-language pathology assistants and audiologists. The Governor appoints the seven-member board, consisting of two audiologists, two licensed speech-language pathologists, one medical doctor who holds board certification from the American Board of Otolaryngology, and two public members. The Board's programs keep consumers safe by setting high standards for licensure designed to ensure clients receive high quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Examiners for Speech-Language Pathology and Audiology is $1.0 million total funds. This is a 26.5 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes three full-time positions, which represents an increase from 2017-19 of a part-time position to full-time. The Governor's Budget invests in a new licensing database, and increases administrative staff. The budget supports existing services, including processing an estimated 2,800 license applications and renewals.

REVENUE SUMMARY

The Board of Examiners for Speech-Language Pathology and Audiology is funded by Other Funds revenues received primarily from application fees, initial license fees and renewal fees. The remaining revenue is generated through delinquent fees, civil penalties, interest income and sales of mailing lists.

Oregon State Veterinary Medical Examining Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	768,344	1,034,917	1,159,063
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$768,344	$1,034,917	$1,159,063
Positions	4	4	4
Full-time Equivalent	3.50	3.75	3.75

OVERVIEW

The Oregon State Veterinary Medical Examining Board regulates the veterinary professions in Oregon through enforcement of the Veterinary Practice Act. The Governor appoints the eight-member board, consisting of five members licensed to practice veterinary medicine, surgery, and dentistry in Oregon, two public members, and one certified veterinary technician. The Board investigates consumer complaints and takes appropriate remedial or disciplinary action. The Board's programs ensure veterinary care conforms to medical standards and practices and is consistent with the best interests of the public and ensures animal euthanasia in public and private shelters is conducted humanely.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Veterinary Medical Examining Board is $1.2 million total funds. This is a 12 percent increase from the 2017-19 Legislatively Approved Budget. The Governor's Budget invests in a new licensing database. The budget supports existing services, including four positions and the projected licensure of over 4,100 veterinary professionals.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue. Ninety-nine percent of the Board's revenue is from application, examination, and license fees, while the remaining revenue is from the sale of license lists and collection of civil penalties.

Bureau of Labor and Industries

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$12,579,327	$13,461,113	$14,337,039
Lottery Funds	0	0	0
Other Funds	9,805,185	12,675,846	13,793,398
Federal Funds	1,421,260	1,297,545	1,341,375
Other Funds (Nonlimited)	756,373	1,281,732	900,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	$24,562,145	$28,716,236	$30,371,812
Positions	106	107	110
Full-time Equivalent	103.02	105.38	108.88

OVERVIEW

The Bureau of Labor and Industries' (BOLI) mission is to protect employment rights, advance employment opportunities and protect access to housing and public accommodations free from discrimination.

The Commissioner for BOLI is a publically elected official. Under the Commissioner's leadership, the agency strives to promote and support the economy and jobs by: developing a highly skilled, competitive workforce in Oregon through partnerships with government, labor, business and education organizations; protecting the rights of workers and all Oregonians to equal, nondiscriminatory treatment; encouraging and enforcing compliance with state laws relating to wages, hours, terms and conditions of employment; and advocating for policies balancing the demands of the workplace and employers with the protections of workers and their families.

BOLI consists of the following four divisions:

- Commissioner's Office – oversees policy development, strategic planning, partnerships with local, state and federal governments and the general public, technical assistance to employers, and provides overall administrative and management services.

- Civil Rights – enforces laws prohibiting unlawful discrimination in employment, housing, public accommodation and career schools.

- Wage and Hour – enforces laws relating to wages and hours worked (including prevailing wage rates on public works contracts) and terms and conditions of employment; investigates claims and complaints from workers involving wages and working conditions, including the minimum wage and overtime; protects children in the workplace; enforces regulations pertaining to private employment agencies; and licenses and regulates farm and forest labor contractors.

- Apprenticeship and Training – registers and regulates apprenticeship training programs and certifies journey workers through collaboration with business, labor, government and education partners.

GOVERNOR'S BUDGET

The Governor's Budget for the Bureau of Labor and Industries is $30.4 million total funds. This is a 5.8 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 110 positions and supports current agency programs, with additional funding for apprenticeships and training.

REVENUE SUMMARY

Core agency functions are funded with General Fund and Other Funds. Other Funds make up nearly 64 percent of the agency's available revenue, primarily through the collection of unemployment insurance taxes paid by employers each biennium. Other Funds also come from employer participation in purchasing publications; attending seminars and workshops; civil rights actions; and, the Workers' Benefit Fund, Wage Security Fund, and Prevailing Wage and Oregon Occupational Safety and Health Administration contracts. General Fund revenue supports the agency's outreach efforts.

AGENCY PROGRAMS

Commissioner's Office and Program Support Services

The Commissioner's Office provides leadership, planning, policy direction and public outreach services, oversees all agency programs and ensures advancement of the agency's mission.

The Technical Assistance for Employers program provides Oregon employers with education and training resources on BOLI-enforced statutes. The program delivers these services through direct responses to inquiries from employers, and by providing public seminars, workshops and customized training sessions. In addition, the agency publishes a monthly newsletter, handbooks and workplace posters. The unit fielded more than 27,000 telephone and website inquiries and conducted approximately 240 public and customized seminars during the 2017 fiscal year.

The Fiscal Services unit processes monetary awards to wage claimants and civil rights claimants and ensures timely payment for Oregonians who unlawfully lost wages or are unlawfully discriminated against.

The Administrative Prosecution unit provides adjudication and alternative dispute resolution of contested wage and hour cases, civil rights complaints, prevailing wage violations and child labor violations, farm and forest labor contractor violations and licensing matters.

The Governor's Budget for this program is $7.9 million total funds, which consists of $4.0 million General Fund, $3.6 million Other Funds and $0.3 million Federal Funds. This is a 1.0 percent decrease from the 2017-19 Legislatively Approved Budget. The program includes 26 positions.

Civil Rights Division

The Civil Rights Division protects Oregonians from unlawful discrimination by investigating allegations of civil rights violations in workplaces, career schools, housing and public accommodations. In addition to enforcing Oregon laws prohibiting discrimination, the unit has contracts to process civil rights cases with the U.S. Equal Employment Opportunity Commission and the Oregon Occupational Safety and Health Administration. The division responds to more than 40,000 civil rights inquiries each year.

Ninety percent of complaints are employment-related and the remaining 10 percent involve housing, public accommodations and career schools.

The Governor's Budget for this program is $6.3 million total funds, which consists of $3.6 million General Fund, $1.6 million Other Funds and $1.0 million Federal Funds. This is an 8.2 percent increase from the 2017-19 Legislatively Approved Budget. The division has 30 positions.

Wage and Hour Division

The Wage and Hour Division is responsible for the administration and enforcement of state laws regarding minimum wage; overtime and wage collection; child labor; farm, forest and construction labor; prevailing wages; and sick time. The division also enforces regulations pertaining to private employment agencies, conducts wage surveys and publishes prevailing wage rates to be paid to workers employed on public works contracts. It also licenses and regulates farm, forest and construction labor contractors.

The population served by this division is largely made up of unrepresented, low-income "at risk" employees who are vulnerable to exploitation, including children, migrant farm workers, and non-English speakers, who lack the ability and resources to defend themselves against unscrupulous employers. Among the classes of workers who routinely seek the division's services are terminated and unpaid workers who assign their wage claims to the state; teenagers and working minors who are protected under child labor laws; and farm workers, through the regulation of farm/forest labor contractors and camps.

The Governor's Budget for this program is $9.9 million total funds, which consists of $3.1 million General Fund and $6.8 million Other Funds. This is a 2.4 percent increase from the 2017-19 Legislatively Approved Budget. The division has 34 positions.

Apprenticeship and Training Division

The Apprenticeship and Training Division promotes the development of a highly skilled, competitive workforce in a variety of occupations and trades. The division provides technical assistance to employers, labor unions, and government and education partners to increase training and employment opportunities by promoting apprenticeship. The division works with local apprenticeship committees statewide to ensure quality training and equal employment opportunities, particularly for veterans, women and minorities engaged in technical and craft occupations. The program supports the statewide economy and jobs by:

- reducing the income inequality gap;
- promoting Oregon's middle-class growth and inclusiveness; and
- promoting minority and women-owned businesses to win a larger portion of state contracts.

As of June 30, 2018, there were 9,110 active apprentices and 4,488 employers participating in 149 approved programs in the state. Registered apprenticeship is an industry-driven training program for high-skill occupations. The combination of on-the-job training and classroom instruction prepares individuals for employment while learning advanced skills.

The division has an interagency agreement with the Oregon Department of Transportation for the Heavy Highway Workforce Development program which provides supportive services to individuals interested in careers in the heavy highway construction trades. The division contracts with the U.S. Department of Veterans Affairs to provide apprenticeship training services for qualified veterans. The division also

operates programs under interagency agreements with the Oregon Employment Department and the Higher Education Coordinating Commission to assist employers to expand apprenticeship opportunities into additional occupations.

The Governor's Budget for this program is $6.3 million total funds, which consists of $3.6 million General Fund and $2.7 million Other Funds. This is a 19.6 percent increase from the 2017-19 Legislatively Approved Budget. The division has 20 positions.

Oregon Medical Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	10,238,728	12,840,109	13,649,432
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$10,238,728	$12,840,109	$13,649,432
Positions	39	40	41
Full-time Equivalent	38.79	40.00	41.00

OVERVIEW

The mission of the Oregon Medical Board is to protect the health, safety, and well-being of Oregon's citizens by regulating the practice of medicine in a manner promoting quality care. The Board is responsible for the licensure and regulation of medical doctors, doctors of osteopathic medicine, podiatric physicians, physician assistants, and licensed acupuncturists. The Governor appoints the 13-member board, which includes seven medical doctors, two doctors of osteopathy, one doctor of podiatry, one physician's assistant and two public members not employed in the medical field. The Board sets requirements for licensure, establishes board policies, reviews investigative cases, and takes disciplinary action where appropriate.

The Board keeps Oregonians safe by ensuring patients receive quality medical services from licensed individuals who meet rigorous standards aimed at preventing harm caused by the practice of medicine by unqualified persons. Ensuring only highly-qualified individuals are licensed to practice medicine also contributes towards better health care outcomes.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Medical Board is $13.6 million total funds. This is a 6.3 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 41 positions, which is an increase of one position from 2017-19. The budget supports the licensing and registration of approximately 17,970 medical doctors and doctors of osteopathic medicine, 218 podiatric physicians, 2,079 physician assistants, and 1,602 licensed acupuncturists. Additionally, the budget adds one board member to ensure proper public representation and one public affairs position to ensure consistent, timely, and relevant information is dispersed from the Board to its licensees and stakeholders.

REVENUE SUMMARY

The Oregon Medical Board is solely funded by Other Funds revenue. The Board receives approximately 98 percent of its revenue from fees for licensure and registration of the following groups: medical doctors, doctors of osteopathy, podiatrists, physician assistants and acupuncturists. Approximately two percent of the Board's revenue is derived from sales of lists, directories, or labels; from fees for license verification; and from fines or forfeitures imposed as disciplinary measures.

Oregon State Board of Nursing

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	15,351,050	16,847,478	19,301,776
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$15,351,050	$16,847,478	$19,301,776
Positions	49	49	54
Full-time Equivalent	48.49	48.90	53.90

OVERVIEW

The Oregon State Board of Nursing safeguards the public's health and well-being by regulating the practice of nursing. The Board sets standards for the nursing practice, guidelines for education programs, and minimum competency requirements for entry into the professions it regulates. The Board also imposes discipline upon licensees who violate the Oregon Nurse Practice Act.

The Board consists of nine members appointed by the Governor, which includes: two public members, four Registered Nurses (RN), one Licensed Practical Nurse (LPN), one Certified Nursing Assistant (CNA) and one Nurse Practitioner. The four RN members represent the following areas of nursing practice: one nurse educator, one nurse administrator, and two direct-care non-supervisory nurses. The Board's programs help ensure patients receive quality health care services by setting high standards for license requirements.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Board of Nursing is $19.3 million total funds. This is a 14.6 percent increase from the 2017-19 Legislatively Approved Budget (LAB). The budget includes 54 positions (53.90 FTE), which represents an increase of five positions (5.00 FTE) from the 2017-19 LAB. The Governor's Budget funds the addition of five positions to increase support in licensing, investigative services, and communications, as well as supports the licensing and registration of approximately 67,000 registered and practical nurses and 5,200 advanced practice nurses.

REVENUE SUMMARY

The Oregon State Board of Nursing is supported by Other Funds revenue primarily generated from examination, licensing and renewal application fees charged to Registered Nurses, Licensed Practical Nurses, Nurse Practitioners, Certified Registered Nurse Anesthetists, Clinical Nurse Specialists, Certified Nurse Assistants and Certified Medication Aides. Additional Other Funds revenue sources include the sale of documents, employer subscription fees and civil penalties.

Oregon Board of Pharmacy

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	6,253,007	7,464,610	8,550,886
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$6,253,007	$7,464,610	$8,550,886
Positions	20	20	22
Full-time Equivalent	20.00	20.00	22.00

OVERVIEW

The Board of Pharmacy's mission is to promote, preserve, and protect the public health, safety and welfare by establishing high standards in the practice of pharmacy and in the distribution of pharmaceutical drugs in Oregon. The Board licenses and disciplines its professionals, as well as regulates drug outlets and the distribution of drugs. The Board is made-up of five practicing pharmacists, two pharmacy technicians and two public members. The Board licenses and regulates county health clinics, manufacturers, wholesalers, pharmacies, pharmacists, pharmacist interns and technicians, controlled substances, and hospital drug rooms, in addition to a variety of other drug-related occupations and facilities.

The Board protects Oregon consumers by regulating the practice of pharmacy and the commerce of drugs from the manufacturer to the end user. The Board also ensures Oregon has an adequate and safe drug supply and only highly qualified persons engage in the practice of pharmacy.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Pharmacy is $8.6 million total funds. This is a 14.6 percent increase from the 2017-19 Legislatively Approved Budget (LAB). The budget includes 22 positions, which represents an increase in two positions from the 2017-19 LAB. The Governor's Budget supports a fee increase. These new revenues will fund cloud hosting services and database administration, and two new positions in compliance and licensing.

REVENUE SUMMARY

The Board of Pharmacy is supported by Other Funds revenue primarily generated from examination, licensing and renewal application fees charged to pharmacists, pharmacy technicians, pharmacy interns, and various types of drug outlets. The Board also receives revenues from miscellaneous charges including delinquent license fees, charges for printing and mailing laws and rules, civil penalties, re-inspection fees and interest income.

Public Utility Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	37,870,777	45,919,838	49,501,005
Federal Funds	658,975	742,231	975,382
Other Funds (Nonlimited)	68,662,899	56,290,822	54,312,163
Federal Funds (Nonlimited)	0	0	0
Total Funds	$107,192,651	$102,952,891	$104,788,550
Positions	126	127	131
Full-time Equivalent	125.13	125.76	128.58

OVERVIEW

The Public Utility Commission (PUC) ensures Oregon utility consumers have access to safe, reliable and high quality utility services at just and reasonable rates through detailed analysis and independent decision-making conducted in an open and fair process. The PUC regulates customer rates and services of the state's investor-owned electric, natural gas and telephone utilities, as well as certain water companies, allowing regulated companies an opportunity to earn an adequate return on their investment. The three-member Commission is appointed by the Governor and is subject to Senate confirmation.

There are approximately 2.9 million customers of utilities regulated by PUC, which:

- Sets utility rates charged to Oregon homes and businesses;
- Resolves customer complaints about utility service;
- Ensures Oregon's electricity and natural gas systems operate safely and reliably at a reasonable cost;
- Manages a program to provide affordable phone service in high-cost areas of the state and administers Oregon's telephone assistance programs;
- Advocates for Oregon's customer interests in regional and federal forums on energy and telecommunications; and
- Sets and enforces rules for fair, effective competition in Oregon's utility industries.

The Oregon Board of Maritime Pilots is an independent occupational licensing and regulatory agency for state maritime pilots, which is part of PUC for budget and administrative purposes. The Board protects public safety and the environment by ensuring only the qualified are licensed to pilot vessels.

GOVERNOR'S BUDGET

The Governor's Budget is $104.8 million total funds. This is a 1.8 percent increase from the 2017-19 Legislatively Approved Budget and funds 131 positions. The budget includes an increase in fees paid by utilities on their gross operating revenue. The fee increase will be used in part to fund five new Utility Program staff, a position in the Commission Services Office within the Policy and Administration Program, an agency Internal Auditor position and an increase in limitation for Attorney General services.

REVENUE SUMMARY

The Commission is funded primarily by Other Funds from utility fees, the Residential Service Protection Fund, the Oregon Universal Service Fund and the Public Purpose Charge. The Commission also receives Federal Funds from the United States Department of Transportation for the Natural Gas Pipeline Safety Program.

The Oregon Board of Maritime Pilots is funded by Other Funds from license fees paid by pilots, operations fees from vessels using licensee services, reimbursements from rate hearings and miscellaneous receipts.

AGENCY PROGRAMS

Utility Regulation

The Utility Regulation Program conducts research and analysis and provides the Commission with technical support. It ensures private utilities provide safe, reliable and high quality service at reasonable rates and promotes effective competition in utility industries. The Utility Program serves an estimated 1,452,375 customers of electric utilities, 810,300 customers of natural gas utilities, 625,650 customers of Incumbent Local Exchange Carriers (telecommunications), and 31,000 customers of water/wastewater companies.

In addition to administrative and management staff, the program is organized into sections by industry and distinct critical functions:

- The Energy Resources and Planning division assists the Commission in its responsibility to ensure least cost, least risk planning by Oregon's investor-owned utilities and cost-effective energy efficiency acquisition through the Energy Trust of Oregon. They also assist the Commission in its responsibility to ensure the Renewable Portfolio Standard is met by Oregon's investor-owned utilities and strategic pilots and programs meet the goals of the Legislature and the needs of ratepayers.
- The Energy Rates, Finance, and Audit division assists the Commission with rate cases to allow regulated utilities to recover costs and earn a reasonable return on capital investments. The division also audits utilities to verify costs incurred and makes purchased gas and power cost adjustments.
- The Utility Safety, Reliability, and Security division oversees the safe, reliable and secure operation of electric power, natural gas supply networks and telecommunication lines throughout Oregon. The division focuses on right-of-way utility joint use, safety, reliability,

security, emergency response, disaster mitigation and service quality.

- The Telecommunications and Water division promotes competition in Oregon's telecommunications market while maintaining strong regulatory oversight where necessary to ensure Oregon consumers receive high-quality service and access to basic service at affordable rates. The program includes the Oregon Universal Service Fund, which provides subsidies to eligible carriers to offset the cost of providing basic telephone service in high-cost areas. The division also regulates privately- and association-owned water providers. Water program staff regulate rates and services, and service quality standards.

Residential Service Protection

The Residential Service Protection Fund consists of four programs to ensure accessible and affordable basic phone service for all Oregonians. The programs provide assistance to:

- Low-income Oregonians who require assistance with paying for monthly phone service;
- Oregonians with hearing, speech, mobility, cognitive or vision impairments in need of adaptive telecommunications equipment to communicate effectively on the phone;
- Oregonians with medical hardships who must have phone access at all times; and
- Oregonians with hearing or speech disabilities who need to place or receive calls through specially trained relay operators.

Policy and Administration

The Policy and Administration Program encompasses several divisions and sections for administration, hearings, consumer services and information systems, which includes:

- The three-member Commission is an independent policy-making body that makes the final determinations on utility rates and service matters, while providing direction to the agency and regulated utilities.
- The Commission Services Office, responsible for the Commission's external agenda, media and public information activities, conducting analysis and making recommendations to the Commissioners regarding major policy initiatives and emerging legislation in the energy sector.
- The Administrative Hearings Division conducts legal proceedings brought under the Commission's jurisdiction. The Administrative Law Judges in this division are experts in utility law. The section makes recommendations to the Commissioners, conducts contested case hearings, manages the regulatory utility filing process and performs utility tariff review and coordination, among other duties.
- The Consumer Services Section responds to questions from consumers about the utility industry and assists in resolving consumer complaints.
- PUC Administration includes Business Services (accounting, procurement, reception, Information Systems and Human Resources for the agency.

Board of Maritime Pilots

The Oregon Board of Maritime Pilots is an independent occupational licensing and regulatory

agency for state maritime pilots. The Board's mission is to protect public health, safety and welfare by ensuring only the best-qualified persons are licensed to pilot vessels in Oregon's four pilot-required areas, including Yaquina Bay, Coos Bay, the Columbia River and the Willamette River. A maritime (or marine) pilot is a local navigational and ship-handling expert who directs the course and speed of vessels based upon knowledge of wind, weather, tides, currents and local geography.

Pilots are selected competitively from experienced professional mariners. The Board qualifies pilot applicants as well as selects pilot trainees and apprentices. Any maritime incident involving a pilot that occurs within Oregon's four pilot-required areas is investigated by the Board to determine its cause and the consequences.

The Board was transferred from the Oregon Department of Transportation to PUC by the 2007 Legislature to accommodate its rate setting abilities. The Board is a part of the PUC for budget and administrative purposes; it retains authority for all policy decisions regarding the regulation of pilots. The nine member board is appointed by the Governor and is comprised of three pilot-members, three industry members (including one member from the ports), and three public members. The Board is supported by a staff of two: one Executive Director and one Administrator.

Oregon Real Estate Agency

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	6,735,567	7,781,918	8,536,762
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$6,735,567	$7,781,918	$8,536,762
Positions	29	29	29
Full-time Equivalent	29.00	29.00	29.00

OVERVIEW

The mission of the Oregon Real Estate Agency is to provide quality protection for Oregon consumers of real estate, escrow and land development services, balanced with a professional environment conducive to a healthy real estate market. The agency is responsible for the licensing, continuing education and the enforcement of Oregon's real estate laws applicable to brokers, property managers and real estate firms. The agency also provides oversight for escrow agents, campground contract brokers, subdivisions, time shares and condominium developments. The agency approves courses and develops curriculum requirements for its licensees, administers real estate examinations, audits licensees and investigates complaints made concerning its licensees and regulated activities.

GOVERNOR'S BUDGET

The Governor's Budget is $8.5 million total funds. This is a 9.7 percent increase from the 2017-19 Legislatively Approved Budget. The budget enables the agency to continue existing levels of service and funds 29 positions to carry out its mission.

The agency's activities encompass efforts to prevent financial losses among consumers and real estate purchasers. The agency has increased the number of Clients' Trust Account Reconciliation Reviews this biennium. Additionally, the agency provides increased oversight in continuing education requirements through periodic audits. The agency has approximately 23,000 individual licensees and over 5,200 registered facilities.

REVENUE SUMMARY

The agency's revenues are exclusively Other Funds and principally derived from annual licensing and business registration fees. License (new and renewal), application and exam fees comprise an upwards of 97 percent of all revenue collected by the agency. The remaining revenue is derived from charges for services, fines and forfeitures—a portion of which is transferred to the General Fund.

Oregon State Board of Licensed Social Workers

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	1,403,573	1,717,671	1,810,716
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,403,573	$1,717,671	$1,810,716
Positions	6	6	6
Full-time Equivalent	6.00	6.00	6.00

OVERVIEW

The mission of the Oregon State Board of Licensed Social Workers is to protect the citizens of Oregon by setting a strong standard of practice and ethics through the regulation of social workers. The Governor appoints the seven-member board, which includes three Licensed Clinical Social Workers, one member representing one of the other license categories, and three public members. The Board sets policy, writes and adopts rules, renews licenses annually, and audits continuing education as part of the license renewal process.

The Board has the authority to discipline licensees and to deny, suspend, revoke, or refuse to renew a certificate or license. Staff is responsible for issuing and renewing licenses, investigating complaints, and monitoring disciplined licensees. The Board ensures patients receive high quality services and appropriate treatment by setting high standards for license requirements.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Board of Licensed Social Workers is $1.8 million total funds. This is a 5.4 percent increase from the 2017-19 Legislatively Approved Budget and includes six positions. The budget continues operations at current service level, including licensure of approximately 6,200 social workers.

REVENUE SUMMARY

The Board is funded solely by Other Funds, primarily from fees paid for professional licenses. During the 2019-21 biennium, the Board anticipates receiving approximately 95 percent of its revenue from fees for licensure with remaining revenues from fines, forfeitures and sales income.

State Board of Tax Practitioners

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	1,106,894	1,042,020	1,030,058
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,106,894	$1,042,020	$1,030,058
Positions	4	3	3
Full-time Equivalent	4.00	2.50	2.50

OVERVIEW

The Board of Tax Practitioners protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities. The Board coordinates education for practitioners and administers competency exams to new applicants to ensure practitioners have a solid comprehension of the state and federal tax code before being issued a license. The Board also monitors continuing education requirements by reviewing and approving courses.

The Board is empowered to investigate complaints alleging fraudulent, deceptive or dishonest tax preparation practices by licensees and unlicensed persons and to take disciplinary action when appropriate. Compliance efforts also include education, mediation and legal proceedings. Close coordination with the Oregon Department of Revenue and Oregon Department of Justice has facilitated complaint investigations, identification of suspicious tax returns and joint legal actions under the Unlawful Trade Practices Act.

GOVERNOR'S BUDGET

The Governor's Budget is approximately $1.0 million total funds, a 1.2 percent decrease from the 2017-19 Legislatively Approved Budget. The budget enables the Board to continue existing levels of service and funds three positions.

The Board regulates approximately 3,600 individual licensees and 1,200 business licensees and anticipates a flat to minimal growth in licensure for the upcoming biennium. The Board has improved testing services for licensees this biennium.

REVENUE SUMMARY

The Board of Tax Practitioners is funded through Other Funds, primarily from annual licensing, business registration and exam application fees. The remaining revenue is from civil penalties, fines and forfeitures, and interest.

ADMINISTRATION

Program Area and Agency Information

ADMINISTRATION AGENCIES

Administration Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$233,886,119	$261,546,476	$367,486,149
Lottery Funds	20,076,042	23,425,644	29,353,416
Other Funds	1,440,104,549	1,615,015,930	1,653,292,057
Federal Funds	6,016,556	13,777,109	10,637,376
Other Funds (Nonlimited)	10,051,034,540	11,124,157,751	12,627,075,899
Federal Funds (Nonlimited)	0	0	0
Total Funds	$11,751,117,806	$13,037,922,910	$14,687,844,897
Positions	3,089	3,234	3,290
Full-time Equivalent	2,976.54	3,057.22	3,198.40

OVERVIEW

The Administration Program Area includes statewide elected officials, commissions and state agencies. The program area provides policy direction and core services throughout state government, including:

- Guiding state operations and ensuring accountability of public officials and state agencies.
- Providing central support services for state agencies.
- Managing elections and tax collections activities.
- Managing retirement benefits for public employees.
- Regulating the sale and distribution of alcoholic beverages and marijuana.
- Working to increase diversity and eliminate barriers to equity in governance.
- Managing the state's financial investments.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The 2019-21 Governor's Budget for the Administration Program Area agencies is $14,687.8 million total funds, which represents a 12.7 percent increase from the 2017-19 Legislatively Approved Budget. The majority of the budget is Non-limited Other Funds expenditures for public employee retirement benefits. The remaining expenditures are limited and total $2,060.8 million, which represents a 7.6 percent increase over the 2017-19 Legislatively Approved Budget. These expenditures are primarily Other Funds (80 percent) and are supported by assessment and fee revenue.

The following are key highlights in how the Governor's Budget invests in administrative improvements and efficiencies:

Transparency. The budget expands the Office of the Public Records Advocate within the Department of Administrative Services to address growing demand for public records and improve the transparency of state government. The budget seeks to enhance accountability by adding internal auditor positions to agencies who did not have them.

Government Efficiency. The Governor's Budget includes funding for projects to replace the state's payroll and procurement systems statewide, a new Beer and Wine Privilege Tax system for the Oregon Liquor Control Commission (OLCC), and for upgrades to the Department of Revenue's tax processing equipment.

Revenue Generation. The Governor's Budget includes additional auditors for the Department of Revenue to ensure the state is collecting all of the revenue owed for the marijuana and state lodging taxes. Additional resources are provided to OLCC to manage the state's liquor warehouse to maintain the state's revenue stream generated by the sale of liquor. Finally, the Governor's Budget provides additional resources to ensure that local governments are collecting all of the property taxes that are due to them, allowing for additional investments in public services.

Financial Responsibility. The Governor's Budget dedicates an additional $100 million General Fund to offset school districts' payments toward the unfunded actuarial liabilities to help stabilize PERS rates for school districts.

Information Technology Modernization. The Governor's Budget adds six senior business technology positions to the Office of the State Chief Information Officer to help agencies develop overall modernization plans and find efficiencies in shared services.

Human Resource Leadership. The Governor's Budget includes the addition of classification and compensation staff to implement pay equity, staff to assist agencies during complex internal agency investigations, permanent staff to support the Workday system and resources to strengthen training practices and workforce development.

Department of Administrative Services

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$18,720,795	$28,068,696	$31,201,331
Lottery Funds	16,641,072	19,701,695	25,410,690
Other Funds	908,829,826	1,009,362,097	1,057,016,569
Federal Funds	0	0	0
Other Funds (Nonlimited)	194,774,768	129,986,751	133,988,178
Federal Funds (Nonlimited)	0	0	0
Total Funds	$1,138,966,461	$1,187,119,239	$1,247,616,768
Positions	884	914	977
Full-time Equivalent	855.27	906.96	957.22

OVERVIEW

The Department of Administrative Services (DAS) is the central administrative agency of Oregon state government. DAS provides management oversight and technical and administrative support to state government. The Department is the state's enterprise provider of accounting, finance, budgeting, purchasing, human resources, information technology, facilities, fleet and publishing and distribution services. DAS also provides leadership and policy direction statewide for agencies who provide their own services in these domains.

The Department distributes a variety of funds including the Economic Development Fund, the Education Stability Fund, the Parks and Natural Resources Fund and the Oregon Education Fund. Additionally DAS distributes Federal Funds to Oregon cities and counties. Other distributions to cities and counties include portions of Oregon Liquor Control Commission revenues, cigarette taxes, amusement device taxes and video poker receipts.

GOVERNOR'S BUDGET

The Governor's Budget for DAS is $1,247.6 million total funds. This is a five percent increase from the 2017-19 Legislatively Approved Budget and continues the Department's current programs. Challenge grant funding is provided to the Court Appointed Special Advocate (CASA) program supporting the goal of doubling the number of CASAs statewide. The Office of the Public Records Advocate is expanded to address the growing demand in public records requests and seeks to increase transparency in state government. The budget also makes enhancements in training practices and workforce development. Additionally, the budget provides planning and integration resources for the replacement of Oregon's Payroll System and funding to implement a new procurement system statewide.

The Department will distribute $148.8 million Other Funds from the Tobacco Settlement Funds

Account. The bulk of those funds will be transferred to the Oregon Health Authority to help fund the Oregon Health Plan in addition to paying the debt service on the outstanding Oregon Opportunity bonds issued on behalf of the Oregon Health and Science University.

The budget also includes debt service payments on outstanding Article XI-Q pension obligation bonds. Funding for the payments is provided by state agencies. The budget includes Lottery Funds distributions to county fairs from the County Fair Account and continues lottery debt service on outstanding bonds for Oregon Public Broadcasting and Southern Oregon Public Broadcasting.

REVENUE SUMMARY

The Department is financed primarily through two sources of Other Funds: assessments on state agencies and fees for services charged to state agencies for program usage. Agency assessments rely on several variables for statewide services that cannot reasonably be attributed to individual cost items. The source of Other Funds received by DAS from assessed agencies is a combination of General Fund, Other Funds and Federal Funds.

General Fund supports a portion of the Department of Corrections population forecasting activities in the Office of Economic Analysis, the Court Appointed Special Advocate Program and the Office of the Public Records Advocate. In addition to revenues used to fund DAS operations, the Department serves as a pass-through for certain statewide revenues. DAS receives the quarterly transfer from the Oregon Lottery and makes constitutional and legislative distributions to state agencies and local governments. DAS receives and transfers a variety of other payments on behalf of other entities. Finally, the Department also tracks and distributes tobacco settlement money received from the Tobacco Master Settlement Agreement.

AGENCY PROGRAMS

Office of the Chief Operating Officer

The Office of the Chief Operating Officer (COO) leads the Department of Administrative Services and provides statewide operations and policy leadership. The COO coordinates work teams and initiatives across jurisdictional and agency boundaries with a goal of achieving transformative, long-term change and developing an agile organization that can meet current and future challenges. The Office of Economic Analysis, Office of the Public Records Advocate and the CASA program also reside in this office.

The COO plays a crucial role in developing statewide solutions and providing policy leadership. The COO brings together state agencies to develop long-term strategic policies, statewide initiatives, performance management, and communication processes through the convening of the Enterprise Leadership Team. This shared leadership model creates a mechanism for governance and management of state government as an enterprise.

The Governor's Budget for this program is $28.6 million total funds, including $6.9 million General Fund and $21.7 million Other Funds. This is a five percent increase from the 2017-19 Legislatively Approved Budget. The division has 64 positions. The Governor's Budget invests an additional $3 million General Fund as challenge grant funding for the CASA program,

provided an additional Internal Auditor position, and provides two additional positions in the Office of the Public Records Advocate to address the growing demand in public records requests and seeks to increase transparency in state government.

Chief Financial Office

The Chief Financial Office (CFO) provides direct oversight of agency fiscal performance and is an integral part of assisting the Governor and the Chief Operating Officer in managing state government. The CFO oversees the state's biennial budget process, as well as the preparation of the state's annual financial statements and the overall accounting policies of the state and works with the State Treasurer to administer the state's debt financing and capital planning. Through the work of these sections, CFO provides oversight and guidance to state agencies, helping to ensure agency compliance with the law and the Governor's policy goals.

The Governor's Budget for this program is $14.9 million Other Funds. This is a four percent increase from the 2017-19 Legislatively Approved Budget. The division has 44 positions.

Office of the State Chief Information Officer

The Office of the State Chief Information Office (OSCIO) provides enterprise policy leadership, planning and oversight to state government in enterprise information resource management. OSCIO sets statewide IT policy and implements the state's IT governance framework for new projects, providing project planning, quality assurance, vendor management and oversight through the Stage Gate process. Working with various state agencies and the Enterprise Leadership Team, the OSCIO reviews and assesses information technology initiatives that have the potential for generating significant program related operating efficiencies or cost reductions on a statewide basis.

The OSCIO is responsible for providing information security services for the enterprise in accordance with Executive Order 16-13, which centralizes information security functions, technology and optimizes information security.

The Governor's Budget for this program is $89.2 million total funds, including $4.4 million General Fund and $84.8 million Other Funds. This is a 38 percent increase from the 2017-19 Legislatively Approved Budget. The division has 146 positions. The Governor's Budget enhances the operations of this program to address security compliance, provides resources to increase broadband partnerships with local government, education and tribes. Additionally the State Longitudinal Data systems (including the research team) is transferred from the Chief Education Office to the OSCIO. Finally, the Governor's Budget adds six Senior Business Technology positions to help agencies develop overall modernization plans and find efficiencies in shared systems.

Oregon State Chief Information Officer (OSCIO) – State Data Center

The Enterprise Technology Services transitioned to the Office of the State Chief Information Officer - State Data Center (SDC) in the 2015-17 biennium. The SDC is the leading supplier and expert in managed computing technology for Oregon state government. These services offer flexibility and choices aimed at meeting the varying needs and sizes of government customers. The SDC focuses on maximizing the value of state technology investments so the business of government runs efficiently, securely and reliably.

The Governor's Budget for this program is $149.8 million Other Funds. This is a one percent increase from the 2017-19 Legislatively Approved Budget. The division has 154 positions.

Chief Human Resource Office

The Chief Human Resources Office (CHRO) provides the enterprise-wide policy leadership necessary to maintain a reliable and qualified workforce for the state of Oregon. The Office's centralized policy functions enable executive branch agencies to share resources and expertise with which to manage their human resource assets and capital in a cost-effective way.

Enterprise Human Resource Services moved under the leadership of the CHRO in this budget and continues to provide human resource services and data systems to agencies to attract, select and maintain a reliable and qualified workforce for the state enterprise. The program promotes effective and efficient use of the workforce and reduces employment litigation risk while ensuring accountability to workplace conduct and performance standards.

The Governor's Budget for this program is $33.5 million Other Funds. This is a three percent decrease from the 2017-19 Legislatively Approved Budget. The budget includes the addition of classification and compensation staff to implement pay equity, staff to assist agencies with complex internal agency investigations, permanent staff to support the Workday system, and resources to strengthen training practices and workforce development. The division has 86 positions.

Enterprise Asset Management

Enterprise Asset Management is comprised of the Facilities Services program, the Statewide Fleet Administration and Parking Services program and the Oregon Surplus Property program. The core focus of these programs is property management, for the benefit and optimal use of state government to support agencies' space, travel and operational needs. Enterprise Asset Management is responsible for cost-effective, quality and efficient asset life-cycle management, acquisition, operation, maintenance and disposal. These are value-added services that allow state agencies and some local governments to focus on their primary missions.

Enterprise Asset Management operates and maintains DAS-owned buildings and services other state-owned buildings with over three million square feet throughout Oregon. These facilities include general government offices, forensic crime and health labs, computer data centers, printing operations and the Executive Residence. The program also maintains a portfolio of private sector leases of office, storage and special use facilities. The program owns and operates 4,200 vehicles used by 112 state agencies and local government customers. The program also manages 4,600 parking spaces located in Salem, Portland and Eugene.

The Governor's Budget for this program is $99.3 million total funds, including $1.2 million General Fund and $98.1 million Other Funds. This is a two percent decrease from the 2017-19 Legislatively Approved Budget. The division has 201 positions. The budget provides funding to support program operations while providing resources for fleet vehicles.

Enterprise Goods and Services

Enterprise Goods and Services supports its customers by providing services in publishing and distribution, risk management, procurement services, shared financial services and financial business systems. The division focuses on providing assistance through responsive customer

service, operational efficiency, flexible delivery and continuous performance improvement.

The Governor's Budget for this program is $227.9 million total funds, including $118.6 million Other Funds and $109.3 million Other Funds Nonlimited. This is approximately a 17 percent increase from the 2017-19 Legislatively Approved Budget. The division has 271 positions. The budget provides funding planning and integration resources for the replacement of Oregon's Payroll System as well as funding to implement a new procurement system.

Business Services

Business Services provides budget, business continuity, performance management and data analysis services for the agency. This program is also responsible for DAS' records management, information security and administrative rules programs. It coordinates rate development; calculates rates, fees, and assessments; performs financial analysis for DAS divisions; develops the statewide price list of goods and services; and prepares and monitors the Department of Administrative Services biennial budget.

The Governor's Budget for this program is $15.1 million Other Funds. This is approximately a 22 percent increase from the 2017-19 Legislatively Approved Budget. The increase reflects the centralization of DAS' state government service charges within the division. The division has 11 positions.

Capital Improvements

The Capital Improvements program is responsible for remodeling and renovation projects that cost less than $1.0 million for DAS owned property. The purpose of the program is to maintain health and safety standards both inside and outside of the buildings, keep buildings in compliance with new building code and ordinance requirements, maintain Capitol Mall buildings and grounds, adjust or modify existing mechanical and electrical programs to minimize energy consumption, upgrade building grounds, evaluate and conserve maximum efficiency and use of state owned buildings and adapt buildings to required occupancy changes.

The Governor's Budget for this program is $4.6 million Other Funds; no positions are budgeted in this division.

Capital Construction

The DAS Capital Construction program manages the acquisition or construction of any structure or group of structures, all land acquisitions, assessments, improvements or additions to an existing structure, which is to be completed within a six-year period with an aggregated cost of one million or more, as well as planning for proposed future Capital Construction projects.

The Governor's Budget for this program is $37.4 million Other Funds; no positions are budgeted in this division.

Miscellaneous Distribution

In accordance with legislative directives, DAS receives and distributes certain federal, lottery, and state moneys to state agencies and local governments. The Governor's Budget for this program is $24.7 million Other Funds Nonlimited for payment of mass transit assessments.

DAS Debt Services

This program includes debt service payments specific to DAS. Payments are for Certificates of Participation, State Energy Loan Programs and Article XI-Q Bonds. The Governor's Budget for this program is $18.6 million total funds.

Bonds

The Bonds program includes payments of specific amounts as directed by law. Payments are made on Article XI-Q Bonds and Oregon Appropriation Bonds. The Governor's Budget for this program is $424.7 million Other Funds.

Special Governmental Payments

This program includes payments of specific amounts from the General Fund and from other sources as directed by law. Payments include debt service payments for Southern Oregon Public Television, Oregon Historical Society, Mill Creek and Go! Oregon. There is also $3.4 million Lottery Funds to support county fair programs across the state. The Governor's Budget makes investments of $1.0 million as challenge grant funding for Special Olympics, $1.0 million in funding for the Classroom Law Project, $2.4 million in funding for the Port of Cascades Locks, and $5.0 million in funding for the Track and Field Championships.

Additionally, lottery bonds will be issued to provide $12.0 million for the Klamath County Youth Inspiration Program, $10.0 million for the Oregon Coast Aquarium, $7.5 million for the Willamette Falls Locks, $2.0 million for the State Fair Poultry Barn, and $3.0 million for the State Fair Horse Barn.

The Governor's Budget for this program is $79.3 million total funds, including $18.7 million General Fund, $25.4 million Lottery Funds and $35.2 million Other Funds.

Oregon Advocacy Commissions Office

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$623,646	$720,802	$861,675
Lottery Funds	0	0	0
Other Funds	2,640	9,481	9,841
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$626,286	$730,283	$871,516
Positions	3	3	3
Full-time Equivalent	2.50	2.50	3.00

OVERVIEW

The mission of the Oregon Advocacy Commissions Office (OACO) is to promote equity, leadership and public policy. The OACO accomplishes their mission by providing administrative support to the Oregon Commissions on Asian and Pacific Islander Affairs, Black Affairs, Hispanic Affairs and the Oregon Commission for Women. The four Commissions function independently and statute charges the Commissions with monitoring the impact of legislation and state programs on their respective constituencies and with working to establish economic, social, legal and political equality in Oregon.

Each commission is comprised of nine commissioners appointed by the Governor and two Legislators appointed by the Senate President and Speaker of the House and confirmed by the Senate. There are 11 members in each commission for a combined total of 44 commissioners. By statute, the Commissions meet annually in a joint session to consider issues and actions of mutual interest, to include improved outcomes in employment, education, justice, health, civic engagement, housing and environmental justice for Asian Pacific Oregonians, Black Oregonians, Hispanic Oregonians and women in Oregon.

In the 2017-19 biennium, the Commissions' research included a joint agency report on Mental Health and Latinos in Oregon; a workgroup on building best practices for re-credentialing of immigrants with internationally earned advanced degrees; and joint agency research on classroom discipline disparities and investment in culturally relevant strategies for learning. The OACO also tracked a record number of Legislative bills on behalf of the commissions.

GOVERNOR'S BUDGET

The Governor's Budget is approximately $0.9 million total funds. This is a 19.3 percent increase from the 2017-19 Legislatively Approved Budget. It funds three positions and increases one position to permanent full-time status.

The Governor's Budget investment in OACO will support the agency's ability to sustain the increasingly active Commissions, embrace opportunities for inter-agency collaboration, meet the demand for equity-focused policy research, improve legislative advocacy and address the challenges of a changing media landscape.

REVENUE

The OACO's core operations are funded with General Fund. While OACO and the four Commissions also benefit from donation funds, these represent only one percent of OACO's overall budget. Donation funds received are dedicated by statute to the commission to which the donation was made and must be expended in accordance with the conditions and purposes of the donation.

Employment Relations Board

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$2,368,937	$2,556,694	$3,011,424
Lottery Funds	0	0	0
Other Funds	1,842,428	2,556,456	2,379,035
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$4,211,365	$5,113,150	$5,390,459
Positions	13	13	13
Full-time Equivalent	13.00	13.00	13.00

OVERVIEW

The Employment Relations Board resolves disputes concerning employment relations for an estimated 3,000 different employers and 250,000 employees in public and private employment within the state. The Board is a three-member panel appointed by the Governor and approved by the Senate. The agency performs the following functions:

- Administers the collective bargaining law covering public employers and employees of the State of Oregon and its cities, counties, school districts, fire and other local governments.
- Assists public employers and employees in resolving labor disputes through mediation, interest-based bargaining and problem-solving training and facilitation.
- Hears and decides appeals from state employees concerning personnel actions.
- Administers the collective bargaining law concerning private employers who are not covered by the National Labor Relations Act.

The Employment Relations Board participates in the process of redefining state government's relationships with the people, local governments and institutions it partners with by promoting workplace stability and reducing workplace disputes, which may disrupt public services.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Relations Board is $5.4 million total funds, a 5.4 percent increase from the 2017-19 Legislatively Approved Budget. The budget supports 13 positions.

REVENUE SUMMARY

The agency is funded by General Fund and Other Funds. The agency receives Other Funds by charging fees to resolve disputes and support labor relations functions conducted on behalf of local government. State government-related activities are supported by Other Funds through an assessment to state agencies. Approximately 40 percent of the agency's budget is funded through the state assessment, set at $2.53 per employee per month. The agency's mediation functions and contested cases are funded by fees from local governments.

AGENCY PROGRAMS

Administration

The three-member Board issues final agency orders in declaratory rulings, contested case adjudications of unfair labor practice complaints, representation matters, appeals from state personnel actions and related matters. The Board administers state labor laws covering private sector employees exempt from the National Labor Relations Act. The Board Chair is the agency administrator.

The Governor's Budget for this program is $2.8 million total funds; $1.6 million General Fund and $1.2 million Other Funds. The program has five positions.

Mediation

The Mediation program provides mediation and conciliation services to resolve collective bargaining disputes, contract grievances, unfair labor practices and state personnel relations law appeals. The Governor's Budget for this program is $1.2 million total funds; $0.7 million General Fund and $0.5 million Other Funds. The program has four positions.

Hearings

Administrative Law Judges conduct contested case hearings on the following:

- Unfair labor practice complaints filed by state and local government labor/management representatives;
- All state personnel appeals; and
- Representation matters referred by the elections coordinator that require a hearing.

After a contested case hearing, the Administrative Law Judge issues recommended orders that parties can appeal to the Board. When possible, the program works with opposing parties to reach a mutually agreeable settlement without a hearing, refers cases to the agency's Conciliation Service Office for mediation and expedites cases as needed.

The Governor's Budget for this program is $1.4 million total funds; $0.8 million General Fund and $0.6 million Other Funds. The program has four positions.

Oregon Government Ethics Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	2,477,666	2,758,688	2,913,971
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$2,477,666	$2,758,688	$2,913,971
Positions	9	9	9
Full-time Equivalent	8.88	9.00	9.00

OVERVIEW

The mission of the Oregon Government Ethics Commission is to impartially and efficiently administer and enforce Oregon's government ethics laws for the benefit of Oregonians. The Commission is empowered to investigate claims involving the use of public office for financial gain, failure to declare conflicts of interest, violation of rules governing executive session and receipt of gifts over allowable limits. Oregon's ethics laws often seek to provide increased transparency and voter accountability.

The Commission is responsible for:

- Providing education and training on Oregon ethics laws to public officials, public bodies and lobbyists;
- Conducting investigations into alleged violations of Oregon ethics laws;
- Interpreting and applying Oregon ethics laws within adjudicatory proceedings; and
- Managing mandatory filings, such as Statements of Economic Interests.

GOVERNOR'S BUDGET

The Governor's Budget is $2.9 million total funds. This is a 5.6 percent increase from the 2017-19 Legislatively Approved Budget.

There are an estimated 200,000 public officials under the Commission's jurisdiction, the vast majority serving at the local government level. Increasing reliance on staff advice, increased complaints and continuing uncertainty regarding the conduct of executive sessions have contributed to the Commission's workload. In recent years, the Commission has shifted from a focus on investigations to education, with in-person and online trainings on Oregon government ethics laws conducted for state agencies, local government bodies and special districts. Since there are always new public officials coming into office,

education is an ongoing need.

REVENUE SUMMARY

The Commission's revenue is derived from an Other Funds assessment model. Its operating costs are equally shared between state agencies and local government entities, comprising approximately 1,760 jurisdictions. State agencies are assessed based upon their number of full-time equivalent positions. Consequently, a portion of the assessment revenue originates as General Fund. The agency sends out assessment bills to state agencies and local government entities annually. The Commission also imposes civil penalties and collects fines and forfeitures. These revenues are transferred to the General Fund and are not used to support agency operations.

Office of the Governor

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$11,529,028	$13,660,135	$16,729,710
Lottery Funds	3,434,970	3,723,949	3,942,726
Other Funds	2,451,565	3,413,769	3,912,015
Federal Funds	0	3,585,152	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$17,415,563	$24,383,005	$24,584,451
Positions	62	61	63
Full-time Equivalent	60.75	59.13	62.75

OVERVIEW

The Governor is vested with the executive power of the state and charged with faithful execution of the laws. She provides Executive Branch agencies with leadership, planning and direction – ensuring responsiveness to the needs of Oregonians, efficient and effective management and statutory compliance. Her appointment power extends to most agency heads within the Executive Branch and includes the membership of nearly 300 policy making, regulatory and advisory boards and commissions. The Governor reviews all legislative enactments and proposes a statewide budget to the Legislative Assembly. She is supported by the Office of the Governor.

Policy advisors and policy staff within the Office of the Governor work within the following programs:

- Climate
- Economic and Business Equity
- Health Care
- Housing
- Natural Resources
- Regional Solutions
- Transportation
- Workforce and Labor
- Diversity, Equity and Inclusion/Affirmative Action
- Education
- Human Services
- Marijuana
- Public Safety
- State Resilience Officer
- Veterans

In addition to policy development, the Office of the Governor coordinates federal affairs for state agencies, directs and monitors affirmative action efforts within state agencies, staffs the Arrest and Return program and maintains a Citizen Representative Office – ensuring Oregonians receive assistance

in resolving issues with state agencies. The Administration also includes a Chief of Staff, Legislative Director, Legal Counsel, Communications Office and Office of Executive Appointments.

GOVERNOR'S BUDGET

The Governor's budget includes $16.7 million General Fund, $3.9 million Lottery Funds and $3.9 million Other Funds, for a total funds budget of $24.6 million. This is a one percent increase from the 2017-19 Legislatively Approved Budget. The budget funds 63 positions; an increase of two positions from the previous biennium.

REVENUE SUMMARY

The Office of the Governor relies on a combination of General Fund, Other Funds and Lottery Funds. General Fund is the primary funding source for the Office. Lottery Funds are the funding source for the Regional Solutions program. Other Funds includes revenue transfers from other agencies. These transfers finance the Diversity, Equity and Inclusion programs. The Diversity and Inclusion program is funded from a transfer from the Department of Administrative Services, Chief Human Resources Office assessment. The Business Equity program is funded from assessments on agencies with capital construction funded in their budgets and also receives funds from sponsoring conferences.

Oregon Liquor Control Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	182,910,731	213,152,560	244,953,513
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$182,910,731	$213,152,560	$244,953,513
Positions	265	326	354
Full-time Equivalent	254.91	312.62	352.00

OVERVIEW

The Oregon Liquor Control Commission (OLCC) administers Oregon's Liquor Control Act and Cannabis Regulation. It promotes the public interest through the responsible sale and service of alcoholic beverages and recreational marijuana products. Oregon is one of 17 control states (besides Maryland where control varies by county) where the state maintains the exclusive right to sell packaged distilled spirits. The OLCC contracts with private agents to operate retail liquor stores, licenses private businesses, such as grocery stores, to sell packaged beer and wine, and licenses restaurants, bars and taverns to sell alcohol by the glass. The OLCC ensures only qualified people and businesses are licensed to sell and serve alcoholic beverages. Additionally, to control underage drinking and alcohol problems, the Commission conducts liquor law enforcement, outreach education, publicity and communications.

In November 2014, Oregon voters approved Ballot Measure 91 legalizing the sale and use of recreational marijuana in Oregon. The Commission regulates the manufacturing, distribution and sale of recreational marijuana products to ensure public safety and consumer protection. Particular focus has been placed on efforts to prevent the sale of recreational marijuana products to minors and to help ensure there is no diversion of recreational marijuana outside of the regulated market.

In addition to regulating Oregon's liquor and cannabis industries, OLCC is also charged with overseeing Oregon's bottle bill.

GOVERNOR'S BUDGET

The Governor's Budget for OLCC is $245.0 million total funds. This is a 14.9 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 354 positions. The Governor's Budget will support the following programs:

- Distilled Spirits – Purchases, warehouses and distributes bottled distilled spirits in Oregon.
- Public Safety Services – Regulates the manufacturing, distribution and sale of alcoholic beverages

and provides management of personnel who oversee the production, processing and sale of recreational marijuana while encouraging the development of Oregon's economy.

- Administration and Support – Provides policy, management, financial, information technology and communication services to the agency.
- Recreational and Medical Marijuana Regulation – Regulates the manufacture, distribution and sale of recreational and medical marijuana products to ensure public safety and consumer protection while encouraging the economic development of the industry.
- Store Operating Expense – Contains the funding to pay Oregon's independent liquor agents who operate liquor stores for the state.
- Capital Improvement – Provides preventative maintenance, repairs and upgrades to OLCC-owned buildings and grounds.

REVENUE SUMMARY

Alcohol Related Revenues

The OLCC receives revenues from multiple sources; the three major contributors are the sale of distilled spirits, privilege taxes on malt beverages and wines and licensing fees. After subtracting the cost of distilled spirits, freight, a reserve for encumbrances and the agency's operating expenditures, surplus proceeds from sales, taxes, fees and fines are allocated as follows:

- Privilege taxes on beer and wine sales: Two cents per gallon of wine tax is distributed to the Oregon Wine Board; the balance is allocated 50 percent to fund Oregon Health Authority addiction and mental health programs, 28 percent to the General Fund, 10 percent to cities based on population, five percent to counties based on population and seven percent to cities based on a revenue sharing distribution formula.
- Revenues from liquor sales, license fees, civil penalties and fines and miscellaneous revenues: 56 percent to the General Fund, 20 percent to cities based on population, 10 percent to counties based on population and 14 percent to cities based on a revenue sharing distribution formula.

On July 30, 2018, the Commission voted to extend its $0.50 surcharge on distilled spirits through June 30, 2021. Based on the current OLCC forecast, this surcharge is expected to generate an additional $39.3 million in revenue during the 2017-19 biennium. Revenue from Commission imposed bottle surcharges goes to the General Fund. The Governor's Budget includes a five percent increase in the liquor mark-up starting on July 1, 2019, estimated to generate an additional $21.2 million in General Fund revenues and an increase to alcohol licensing fees.

Marijuana Related Revenues

OLCC's Recreational Marijuana Program is funded by marijuana application and license/permit fees and fines. Revenues support the marijuana program as well as the program's proportional share of agency-wide shared management, support staff and expenses. The marijuana tax program is administered through the Department of Revenue. The OLCC's Medical Marijuana Regulation is paid via a legislatively established carve-out of Marijuana Tax proceeds equal to $7.0 million in 2019-21.

AGENCY PROGRAMS

Distilled Spirits

The Distilled Spirits program operates a Milwaukie Distribution Center that safeguards $40 million worth of vendor-owned spirits inventory. The program centrally purchases, warehouses and distributes bottled distilled spirits to liquor stores, making more than 2,000 distilled spirit items available through the state at uniform pricing. As designed by the Oregon Liquor Control Act, the state controlled system generates significant revenue but avoids practices promoting excessive consumption.

The Governor's Budget for the Distilled Spirits program is $23.3 million Other Funds. This is a 10.5 percent decrease from the 2017-19 Legislatively Approved Budget. The program operates with 79 positions. Reductions in the Distilled Spirits program are related to the transfer of the reimbursement for credit card reimbursement fees to the Agents Compensation program. The budget also provides additional resources for staffing and equipment at the warehouse.

Public Safety Services

The Public Safety program regulates the manufacturing, distribution and sale of alcoholic beverages while encouraging the development of Oregon's economy. The program focuses on ensuring the legal sale and service of alcohol to responsible adults and minimizing alcohol-related risks to society. The program supports healthy businesses and employment for tens of thousands of people in Oregon's hospitality and alcoholic beverage industries. Additionally, OLCC oversees licensees in the marijuana program including: producers, processors, wholesalers, retailers, laboratories, researchers, and employees.

The Governor's Budget for Public Safety Services is $27.3 million Other Funds. This is a 17.6 percent increase from the 2017-19 Legislatively Approved Budget. The program operates with 114 positions. Major investments for the Governor's Budget include additional licensing staff for liquor inspections, additional staff to process alcohol licenses and information requests, and statewide radio dispatch services for all field agents.

Administration and Support

The Administration and Support program provides policy, management, financial, information technology, and communications services to the agency. The program supports other agency programs in a cost effective manner, develops and maintains regulatory rules, and enables programs to efficiently supply and support local businesses.

The Governor's Budget for this program is $24.5 million Other Funds. This is a 19.2 percent increase above the 2017-19 Legislatively Approved Budget. The program operates with 70 positions. The Governor's Budget maintains the operations of this program, provides funding for a new Beer and Wine Privilege Tax information system and funding to establish an agency intranet. The Governor's Budget also includes expenditure limitation for an internal auditor position.

Recreational Marijuana Program

The Recreational Marijuana Program regulates the manufacturing, distribution and sale of recreational marijuana products to ensure public safety and consumer protection while encouraging the economic development of the industry. It implements all agency responsibilities and strategies related to recreational marijuana licensing, education and enforcement with a focus on preventing

the sale of recreational marijuana products to minors and to help ensure there are no diversions of recreational marijuana outside of the regulated market.

The Governor's Budget for this program is $19.0 million Other Funds. This is a 36.4 percent increase from the 2017-19 Legislatively Approved Budget. The program operates with 68 positions. The Governor's Budget maintains the operations of this program and provides additional resources for enforcement needs and statewide radio dispatch services for all field agents.

Agents Compensation Program

The OLCC appoints liquor agents, who are independent business people or businesses, to operate liquor stores for the state; the Store Operating Expense program contains the funding to pay agents for their service. The program supports retail sales agent entrepreneurs (liquor agents) and the jobs they create throughout the distilled spirits supply chain. Liquor agents are an important component to the success of Oregon's tourism, restaurant, bar and hospitality industries.

The Governor's Budget for this program is $145.0 million Other Funds. This is a 17.0 percent increase from the 2017-19 Legislatively Approved Budget, which increases the average payout percentage to liquor agents of 9.94 percent as a result of the inclusion of credit card fee reimbursement within the agent's compensation formula. Compensation paid to liquor agents includes the agents' take-home pay and funding to operate the stores, including paying their employees. This program does not include positions.

Medical Marijuana Program

The Medical Marijuana Program started with the passage of Senate Bill 1057 (2017), which requires the growing, processing and sale of marijuana by Oregon Health Authority medical marijuana licensees with more than 12 plants to use OLCC's Cannabis Tracking System (CTS) starting July 1, 2018. The Governor's Budget for this program is $5.6 million Other Funds and 23 positions. The Governor's Budget includes funding for statewide radio dispatch services for all field agents.

Capital Improvements

The Capital Improvements program provides effective stewardship of OLCC-owned buildings and grounds, including its Milwaukie Distribution Center warehouse. The program provides preventative maintenance, repairs and upgrades to its facilities, mainly through contracting services with private sector businesses. The Governor's Budget for this program is $0.2 million Other Funds. This is no change from the 2017-19 Legislatively Approved Budget. This program does not include positions.

Public Employees Retirement System

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$100,000,000
Lottery Funds	0	0	0
Other Funds	98,827,001	101,458,179	110,852,846
Federal Funds	0	0	0
Other Funds (Nonlimited)	9,856,259,772	10,994,171,000	12,493,087,721
Federal Funds (Nonlimited)	0	0	0
Total Funds	$9,955,086,773	$11,095,629,179	$12,703,940,567
Positions	381	376	379
Full-time Equivalent	379.26	374.30	379.00

OVERVIEW

The Public Employees Retirement System (PERS) is responsible for administering retirement programs for more than 900 public employers, including state, school and local government workers. The agency manages a number of programs, including the Tier One-Tier Two Retirement programs, the Oregon Public Service Retirement Program and the Individual Account Program, three health insurance programs, Social Security Administration activities and a deferred compensation program.

GOVERNOR'S BUDGET

The budget represents a 14.5 percent total funds increase from the 2017-19 Legislatively Approved Budget. It includes an almost 9.3 percent increase in Limited Other Funds, related to operations and a 13.6 percent increase in Nonlimited Other Funds benefit payments. The Governor's Budget includes three more positions than the 2017-19 Legislatively Approved Budget for a total of 379. The budget provides $100 million General Fund to offset school districts' payments toward the unfunded actuarial liabilities to help stabilize PERS rates for school districts.

REVENUE SUMMARY

PERS provides administrative support to a number of programs and related retirement activities, every program account and activity has dedicated revenue sources authorized by statute. Revenue sources include investment earnings, contributions and fees from employers and public employees. In a typical year, the majority of the agency's revenue is generated from investment earnings from the Oregon Investment Council. For 2017, 80.8 percent of revenue was from investment earnings, while employers provided 14.3 percent and PERS members contributed 4.7 percent.

AGENCY PROGRAMS

Tier One and Tier Two

Active Tier One-Tier Two membership totals approximately 84,000 non-retired members and 141,000 retirees and beneficiaries receiving monthly retirement benefits. Because the plan was closed to new members as of August 29, 2003, the number of Tier One and Tier Two active members will continue to shrink as a share of the total active PERS membership.

The Tier One-Tier Two Plan program unit accounts for employee and employer contributions and interest earnings related to the plans and reflects the retirement payments made to Tier One-Tier Two retirees as well as side account revenues. The funds are transferred from plan assets included in this program unit to other program units to pay for agency administrative activities. This program unit is made-up entirely of $10.3 billion Nonlimited Other Funds expenditures as well as a $100 million General Fund investment in the school district side account created through Senate Bill 1066 in the 2018 Legislative Session, to accelerate the repayment of school districts' unfunded actuarial liabilities. These funds will be made available to pay school districts' liabilities based on each district's payroll.

Retirement Health Insurance

PERS serves as a group sponsor providing health insurance services to more than 60,000 retired members and dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, analyze carrier responses and award contracts. PERS uses a third-party administrator to provide insurance services directly to members. Revenues come from member paid insurance premiums, employer contributions, return on investments and federal sources, such as the Centers for Medicare and Medicaid Services.

This program unit is made-up entirely of $733.5 million Nonlimited Other Funds expenditures, a 10 percent decrease from 2017-19 Legislatively Approved Budget.

Oregon Public Service Retirement Pension

The Oregon Public Service Retirement Program (OPSRP) serves public employees who began public employment after August 28, 2003. The plan has a higher retirement age and less generous benefits than either the Tier 1 or Tier 2 programs. It is funded by employer contributions and investment earnings.

OPSRP now has over 137,000 non-retired members, more than either the Tier One or Tier Two plans. This program unit is made up of $75.2 million Nonlimited Other Funds expenditures.

Individual Account Program

The Individual Account Program (IAP) is the defined contribution component of the PERS retirement plan. The IAP has no guaranteed payment or rate of return. The IAP requires PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. At retirement, members will receive the balance of this account, including accrued earnings. As of December 31, 2017, there were 269,812 active IAP accounts. This program unit is made up entirely of $1.423.4 million Nonlimited Other Funds expenditures.

Central Administration

Central Administration, in conjunction with the PERS Board, provides the central direction, planning and leadership for PERS. The division consists of the executive director, deputy director, senior policy director and the Strategic and Operational Planning section. The Governor's budget for Central Administration totals $4.7 million Other Funds and 16 positions. The Governor's Budget adds a position to serve as the agency's overall communications manager.

Financial and Administrative Service Division

The Financial and Administrative Services Division (FASD) provides comprehensive financial and administrative services to the agency. FASD is responsible for the receipt, posting and deposit of over $2.2 billion annually in contributions and the disbursement of approximately $5.7 billion annually in benefits. Other fiscal activities include preparation, execution of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, accounts payable, contracts and procurement. FASD also contains the Facilities Services Section, which is responsible for managing office supplies, general building maintenance, and shipping and receiving. Human Resources, Retiree Health Insurance and Deferred Compensation (OSGP) programs and are also located within FASD.

The total budget for Financial and Administrative Services Division is $30.3 million Other Funds and 60 positions. The Governor's Budget adds a position to manage collections of pension overpayments and to pay fees to collection agencies. The Governor's Budget also includes funding for an upgrade to the agency's roof and HVAC system.

Information Services Division

The Information Services Division provides technical support to all divisions of the agency. Information Services ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers and other stakeholders. Help Desk support, installation and training, software development, application support, database management, network support and quality assurance all fall under Information Services responsibilities. In addition, the Imaging and Information Management unit within the Business Information and Technology section maintains records from numerous sources.

The total budget for the Information Services Division is $26.7 million Other Funds and 70 positions. The Governor's Budget adds funding for the agency's data center migration, for planning for information system modernization and for information technology positions to address areas of need.

Operations Division

The Operations Division provides comprehensive retirement plan information and assistance to PERS members and employers for the Tier 1, Tier 2, OPSRP and IAP programs. The division is the primary point of contact for PERS members and employers through its call center and correspondence units. The division provides member education through group presentations and assistance with retirement applications. The division processes benefit applications, determines benefit eligibility, reviews disability applications and calculates and adjusts benefit payments.

The total budget for the Operations Division is $40.5 million Other Funds and 212 positions. The Governor's Budget adds funding to address staffing needs related to benefit calculations, to reconcile investment information for the IAP program and to augment management resources for the Calculations section.

Compliance, Audit and Risk Division

The Compliance, Audit and Risk Division provides risk management and compliance services for all agency programs. The division oversees and coordinates legal activities, assists in the identification and management of risks, provides independent audit and consulting services to ensure legal and policy compliance, and manages section 218 of the State Social Security Program. The division ensures policies, business rules and administrative rules are in compliance with state and federal statutes and the PERS plans maintain their tax qualified status.

The Governor's Budget continues the current program level. It totals $8.7 million Other Funds and 21 positions. The Governor's Budget adds three positions to staff the agency's information security, business continuity and disaster recovery programs.

Oregon Racing Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$0	$0
Lottery Funds	0	0	0
Other Funds	5,871,560	6,422,599	3,924,842
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$5,871,560	$6,422,599	$3,924,842
Positions	14	14	14
Full-time Equivalent	12.27	12.27	6.14

OVERVIEW

Established in 1933 as part of the Pari-Mutuel Wagering Act, the Oregon Racing Commission regulates all aspects of the pari-mutuel industry in Oregon for the benefit of citizens, licensees, participants and the State of Oregon. Pari-mutuel wagering is a system of betting through which winners divide the total amount bet after management expenses have been deducted.

The Commission oversees horse racing at the Portland Meadows racetrack and at five county fair race sites, including Union, Grants Pass, Prineville, Tillamook and Burns. In order to provide a safe and fair racing environment, the Commission oversees year-round licensing of race participants, pari-mutuel wagering operations, and specific rules on horse racing. During race meets, Commission staff provide onsite monitoring of races, ensure equine competitors are “racing sound” and not exposed to unnecessary risk of injury, and monitor race participants and patrons to guard the integrity of the sport and the safety of the contestants, public and animals.

The Commission also regulates all aspects of on-track and off-site wagering operations, including race simulcasts and Multi-jurisdictional Simulcasting and Interactive Wagering Totalizator Hubs (hubs). There are approximately 3,700 licensed race meet participants, 10 licensed hubs and 11 off-track betting locations in Oregon.

GOVERNOR’S BUDGET

The Governor’s Budget is $3.9 million total funds. This is a 38.9 percent decrease from the 2017-19 Legislatively Approved Budget. Due to uncertainty around commercial racing operations in the upcoming biennium, the Governor’s Budget provides only one year of budgeted funds for the Oregon Racing Commission. The Commission will need to go before the Legislature during the 2019-21 biennium to provide an update on their operations and request expenditure limitation and position authority for the second year of the biennium.

REVENUE

The Commission's operations are funded with Other Funds revenue derived from its share of wagering receipts, license fees, licensee fines and uncollected wins from wagers. Under statute, 25 percent of funds from the Commission's share of pari-mutuel hub wagers are allocated to the state General Fund. The remaining 75 percent of the Commission's proceeds are distributed to racing industry participants to support and develop race meets throughout Oregon.

Department of Revenue

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$185,042,400	$194,469,572	$200,411,318
Lottery Funds	0	0	0
Other Funds	125,282,327	129,820,700	58,273,914
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$310,324,727	$324,290,272	$258,685,232
Positions	1,083	1,101	1,031
Full-time Equivalent	1,023.35	963.28	974.04

OVERVIEW

The Department of Revenue (DOR) administers more than 30 tax programs, including the state's Income and Property Tax programs. It collects more than 96 percent of the state's General Fund, oversees the county property tax function, and collects and distributes taxes and fees for other state agencies and local governments. The Department also operates a tax relief program for the elderly and persons with disabilities who rent or own their homes, the Senior Citizens and Disabled Citizens Property Tax Deferral Program.

GOVERNOR'S BUDGET

The Governor's Budget total funds expenditures for 2019-21 is $258.7 million, 20 percent lower than the 2017-19 Legislatively Approved Budget, largely as the result of the completion of the agency's Core System Replacement project and technical adjustments to Other Funds expenditures. The Governor's Budget funds a project to complete the replacement of obsolete scanners used in process tax returns and provides funds to ensure the Department's new tax processing software has sufficient maintenance and support. The budget supports a legislative concept to increase funding for property tax appraisals at the Department and grants to counties to strengthen their property tax assessment functions and ultimately to bring in more revenue. The budget makes other investments to strengthen revenue collections, including auditing staff in the Business Division and Marijuana Program and resources to continue a data-matching program with financial institutions. Finally, the Governor's Budget funds a position to continue improving the Department's management processes.

The Governor's Budget also makes reductions to non-core operations at the Department to balance to General Fund constraints. These reductions include eliminating reimbursements to counties for the Nonprofit Homes for the Elderly property tax exemption and other administrative funding not critical to the ongoing operations of the Department.

REVENUE SUMMARY

The Department is dependent on the General Fund to support its main programs and functions. The Other Funds revenue in the Department's budget is derived from administrative charges to various tax, fee, assessment, collections and other programs. Most Other Funds revenue collected gets transferred to other departments or to local governments. Revenues from interest paid on delinquent property taxes, a document recording fee and from a reduction in the early filing discount for business taxpayers are used to help administer the Property Tax program.

AGENCY PROGRAMS

Administration

The Administration division provides overall Department leadership and supports the work of the rest of the DOR by providing services in the following areas: the Director's Office, Finance (including the Accounting, Procurement and Budget and Payroll sections), Communications, Facilities, Project Management, the Disclosure Office, Human Resources, Internal Audit and Research. It provides critical business supports necessary to achieve the mission of the agency. The 2019-21 Governor's Budget is $36.3 million total funds and 72 positions. This is 14 percent over the 2017-19 Legislatively Approved Budget. This division is supported primarily by General Fund revenues.

Property Tax Division

The Property Tax Division consists of five major program areas: (1) Cadastral Information Systems, (2) Industrial and Utility Valuation, (3) Review of County Administration, (4) Forestland Valuation and Timber Taxes, and (5) Senior and Disabled Citizen Property Tax Deferral Program. This division is supported primarily by General Fund revenues. Most Other Funds revenues are from the County Mapping and County Assessment Funding programs. The document recording fees, plus a portion of the interest collected on delinquent property tax payments support the Department's appraisal of industrial sites and utility and transportation companies, as well as the Department administration of the county grant process.

The Governor's Budget for Property Tax is $24.9 million total funds and 87 positions. This represents a 57 percent decrease from the 2017-19 Legislatively Approved Budget, largely as a result of a technical adjustment to Other Funds expenditures.

Personal Tax and Compliance Division

The Personal Income Tax and Compliance division has program responsibility for the Personal Income Tax and the Nonprofit Housing for the Elderly programs. It also provides enforcement and collection services for the Personal Income Tax Program and for TriMet and Lane Transit District Self-Employment taxes. This section is supported primarily by General Fund revenues. Personal Tax and Compliance Other Funds expenditures are primarily for the administration of Tri-Met and Lane County Transit Self-Employment Tax programs. The 2019-21 Governor's Budget is $78.9 million total funds and 384 positions. This is a six percent increase from the 2017-19 Legislatively Approved Budget.

Business Division

The Business Division administers several tax programs, including Corporation Income and Excise taxes, Employer Income Tax Withholdings, Transit Payroll Taxes, Fiduciary, Inheritance, Other Agency Accounts, Cigarette Tax, Other Tobacco Products Tax and other Special Programs. The Business Division's program is responsible for the collection of delinquent business taxes. The division also audits corporation income and excise tax returns, fiduciary returns and transit self-employment tax returns.

The Governor's Budget for the Business Division is $35.7 million total funds and 154 positions. This is a 14 percent decrease from the 2017-19 Legislatively Approved Budget, which reflects the move of the Other Agency Accounts program to the Collections Division.

Collections Division

The Collections Division consists in the Other Agency Accounts (OAA) section, formerly part of the Business Division during the 2017-19 biennium. The OAA section acts as an in-house collections agency for state government, collecting on debts for 180 state Departments, boards and commissions. The agency collects the debts and transfers the amount collected less a fee for its work. Senate Bill 1067 (2017) recently expanded the work of the section by requiring that executive branch agencies send their liquidated and delinquent debt to OAA sooner than previously required. OAA also now manages all of the debt assigned to private collection firms. The budget consists of $13.4 million Other Funds and 73 positions.

Information Technology Services Division

The Information Technology Services Division supports the technology platforms on which the Department operates, processes incoming paper returns and correspondence, and processes and deposits all payments received by the agency. The recommended budget for the Information Technology Services Division consists of $46.5 million total funds and 233 positions (185.75 FTE) and includes investments in updating the agency's scanners and providing permanent maintenance and support funding for Gentax, the Department's tax processing software.

Marijuana Program

The Marijuana Program consists of the staff needed to administer the Marijuana Tax, including communications, policy analysis and the development of administrative rules and forms. In addition, the Marijuana Program administers over 70 local marijuana taxes on behalf of local governments. In addition to heightened interest from Legislators and the media, administering the Marijuana Tax has brought new challenges to the Department. As many marijuana businesses are unable use the formal banking system due to federal law, many pay their taxes in cash. This required the Department to build and staff a cash handling facility on the first floor of the Department's headquarters where all taxpayers seeking to make cash payments must go. The Marijuana Program's budget is $5.0 million, an increase of 7.7 percent from the 2017-19 Legislatively Approved Budget and includes 19 positions.

Nonprofit Homes for the Elderly Program

The Nonprofit Homes for the Elderly Program funds a property tax exemption for certain nonprofit homes for the elderly. This program reimburses counties for the tax exemption. The Governor's Budget eliminates funding for this program in 2019-21.

Senior Property Tax Deferral

The Department administers the Senior Citizens' Property Tax Deferral program, the Senior Citizens' Special Assessment Deferral program and the Disabled Citizens' Property Tax Deferral program. These programs pay the property taxes and special property assessments for qualified senior and disabled citizens in exchange for a lien against the property in the amount of the deferred taxes. The deferred taxes are repaid when either the participant no longer lives in their home, sells the home, or the participant dies. The program's expenditures are for staff to administer the program and for payments to counties. The program has a total funds budget of $1.6 million, a 95 percent decrease from the 2017-19 Legislatively Approved Budget, and nine positions. The reduction is the result of a technical change to the expenditures in the program and does not result in a reduction of services to program participants.

Debt Service

This program unit includes the total cost of all debt service for the agency. The $16.3 million total funds Governor's Budget represents a four percent increase over the 2017-19 Legislatively Adopted Budget. The debt service is for the Core System Replacement project and the Property Valuation System project.

Revenue Clearinghouse

This program unit records all of the non-program specific revenues and transfers for the Department of Revenue. It does not contain any expenditures or positions.

Secretary of State

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$10,285,700	$12,649,135	$16,885,739
Lottery Funds	0	0	0
Other Funds	51,509,990	58,170,519	67,976,783
Federal Funds	1,845,372	4,882,166	5,416,887
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$63,641,062	$75,701,820	$90,279,409
Positions	210	215	234
Full-time Equivalent	208.46	214.03	233.14

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included $11,147,866 million General Fund, $67,507,899 Other Funds and $5,411,679 Federal Funds, for a total amount of $84,067,444 in her budget as a placeholder.

OVERVIEW

The Secretary of State is an elected constitutional office. Its duties include:

- Interpreting, applying and enforcing election laws;
- Publishing the Voters' Pamphlet;
- Auditing state agencies' financial operations and program performance;
- Publishing the state's administrative rules;
- Storing and preserving public records;
- Making records accessible to the citizens of Oregon; and
- Providing registration and other services to Oregon businesses.

The office has increased its services to citizens and other customers over recent years, particularly through the use of technology. The agency's requested budget continues that effort.

REQUESTED BUDGET

The Agency Request Budget is $90.3 million total funds. This is approximately a 19.3 percent increase from the 2017-19 Legislatively Approved Budget (LAB). The requested budget funds position reclassifications and new positions in the Audits, Elections, Archives and Corporation Divisions to enhance the Secretary of State's core functions.

In addition to funding positions, the agency's requested budget funds ongoing maintenance of the four new security systems in the Information Systems Division implemented in the 2017-19 biennium. The requested budget also provides funding for a new generator at the Archives Building to prevent the loss of important records in case of a power outage emergency. Additionally, the requested budget provides

funding for legislative changes to promote equity and encourage voter choice, as well as funding to create a nonaffiliated primary that allows nonaffiliated voters to have ballot access and empowers nonaffiliated voters to have a larger voice in the primary.

REVENUE SUMMARY

The Secretary of State uses General Fund to cover part of its operational costs, specifically for the Elections and Administration divisions. The Secretary of State also transfers revenue from Voters' Pamphlet fees, election-filing fees and business registration fees to the General Fund. The agency collects Other Funds revenues from document sales and fees for service, such as charges to state agencies for audits. The agency administers the State Election Fund as required by the Help America Vote Act, which consists of amounts appropriated or otherwise made available by Congress and the Oregon Legislative Assembly for carrying out mandates and activities involved in administering the Help America Vote Act.

Oregon State Library

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$3,410,982	$4,060,172	$4,122,825
Lottery Funds	0	0	0
Other Funds	5,839,536	6,842,189	6,898,487
Federal Funds	4,171,184	5,309,791	5,225,697
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$13,421,702	$16,212,152	$16,247,009
Positions	42	42	41
Full-time Equivalent	40.04	40.04	39.04

OVERVIEW

The Oregon State Library's mission is to provide quality information services to Oregon state government; provide reading materials to blind and print-disabled Oregonians; and to provide leadership, grants and other assistance to improve local library services for all Oregonians. The Library operates the following four programs:

- Library Support and Development – provides grants and assistance to improve local libraries.
- Talking Books and Braille Library – circulates library materials in audio and Braille formats to Oregonians who are blind or have disabilities preventing them from reading printed materials.
- Government Information and Library Services – provides research assistance to state government.
- Administration – supports the Library Board and provides basic business services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Library is $16.2 million total funds and includes 41 positions. This is a 0.2 percent increase from the 2017-19 Legislatively Approved Budget. The budget provides sufficient funding to continue existing operations.

REVENUE SUMMARY

Revenue includes General Fund, which provides 24 percent of the agency's funding. Assessments levied against state agencies provide 42 percent of the funding. Federal Funds from the Library Services and Technology Act provide about 31 percent of available resources. The remaining three percent of revenue comes from charges for services, donations, interest and sales income.

AGENCY PROGRAMS

Operations

The Operations unit provides policy, fiscal, program and management leadership and support for the agency. The unit also works with constituency groups and the Board of Trustees to assure responsive service delivery. The unit includes a biennial budget of $2.2 million total funds and seven positions. This unit is supported by General Fund, Other Funds and Federal Funds. The Other Funds are primarily from the assessment of state agencies, but also include rent and sales income. The Federal Funds come from the Library Services Technology Act. The 2019-21 budget proposal continues existing services.

Library Support and Development

The Library Development Services unit supports approximately 1,600 public, academic and school libraries throughout Oregon. The unit administers the state Ready to Read grant program to public libraries. The unit also administers the federal Library Services and Technology Act grants to make all of Oregon's library resources available to every citizen and to demonstrate new and innovative services for citizens. The unit includes a biennial budget of $7.6 million total funds and eight positions. The Library Development budget is 0.1 percent higher than the 2017-19 Legislatively Approved Budget for the program.

Talking Books and Braille Library

The Talking Books and Braille Services program supplies reading material to Oregonians who are blind or have other disabilities preventing them from reading conventional printed materials. In the 2017-18 fiscal year, the program supplied materials to 5,304 individuals. The unit includes eight positions and a recommended biennial budget of $2.0 million total funds. The 2019-21 budget proposal continues existing services.

Government Information and Library Services

The Government Information and Library Services program unit provides information services to Oregon state government. In the 2017-18 fiscal year, the Library responded to 2,006 requests for information from state agencies and served 21.3 percent of state employees who are registered users of the State Employee Information Center website. The program provides special information services to Oregonians in the areas of state government publications, Oregon history and genealogy, census information and grant information. The Governor's Budget is $4.6 million total funds and includes 18 positions. Funding comes from state agency assessments. The 2019-21 budget proposal continues existing services.

Oregon State Treasury

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$1,904,631	$5,361,270	$0
Lottery Funds	0	0	0
Other Funds	54,259,279	81,048,693	94,649,125
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$56,163,910	$86,409,963	$94,649,125
Positions	123	160	172
Full-time Equivalent	117.85	150.09	170.07

* The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included $94,649,125 Other Funds in her budget as a placeholder.

OVERVIEW

The Oregon State Treasury is a multi-billion dollar cash, debt and investment management center that provides services to all Oregon state agencies, financial solutions for hundreds of Oregon's local government entities, and financial planning programs for individual Oregonians. The State Treasurer is a statewide elected constitutional official with responsibility for the sound management of Oregon's financial resources.

REQUESTED BUDGET

The Oregon State Treasury Agency Request Budget (ARB) is $94.6 million total funds. This is a 9.5 percent increase over the 2017-19 Legislatively Approved Budget. The budget requested continues all programs at their current level and provides for enhancements for the Treasury Services Program, including:

- Five new Investment Division positions to expand division investment capacity and insource certain division support functions.
- Additional information security tools and one new staff member to assist with information security services.
- A placeholder amount for an ongoing core banking business systems renewal project.
- Four new positions to transition the agency from contracted payroll, accounting and budget support services to in-house provision of services.
- Resources for a position classification and compensation study, and restoration of salary levels for certain investment positions.

The ARB also consolidates staffing and program elements of the Oregon 529 Savings Network and the Oregon Retirement Savings Board and transitions these programs from General Fund loans to Other Funds revenue sources.

REVENUE SUMMARY

The ongoing administrative operations of the State Treasury are financed entirely with Other Funds. Some of the revenue comes from investment administrative fees. Other revenues come from the direct billing of customers for actual costs of banking services, bond and coupon redemption services, and bond issuance activities. Banks and credit unions pay the cost of operating the Public Funds Collateralization Program, in which bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts to provide additional protection for public funds.

The Treasury's consumer savings programs are funded primarily by administrative fees. Program administrative fee revenues, network investment plan managers and interest earnings fund the Oregon 529 College Savings Program. The Oregon 529 Achieving a Better Life Experience (ABLE) Savings Plan and the Oregon Retirement Savings Board were both launched using General Fund loans but will be operated this biennium with Other Funds derived from fees.

AGENCY PROGRAMS

Treasury Services

Beyond centralized leadership and administrative staff, this program area has three operating divisions:

- The Finance Program provides centralized banking and cash management services to state agencies. The program provides support for the Oregon Short Term Fund, the Local Government Investment Pool, and the Public Funds Collateralization Program. The program also makes loans to state agencies and coordinates on bond issuance.
- The Debt Management Division provides central coordination and issuance approval for all state revenue and general obligation bonds, as well as many other financing agreements. The division is the state's liaison to the major bond rating agencies, coordinates the timing of various state agency bond sales, secures credit ratings, and assists with bond delivery. The division also monitors local and national bond markets, as well as financial and economic trends impacting bond issuance structures and interest rates.
- The Investment Program includes management of the Oregon Public Employees Retirement Fund, the State Accident Insurance Fund, the Oregon Short Term Fund, the Oregon Local Government Intermediate Fund, the Common School Fund, and numerous smaller funds. The program oversees a portfolio of $102 billion.

Oregon 529 Savings Network

The Oregon 529 College Savings Program increases the ability of Oregon families and individuals to save for qualified higher education expenses through flexible investment options offering state and federal tax benefits. The Savings Network also includes the Oregon 529 ABLE Savings Plan. ABLE accounts provide tax-advantaged savings for individuals and their families to save for qualified disability expenses, without losing their federal and state benefits.

The Oregon Retirement Savings Board

The Oregon Retirement Savings Board oversees OregonSaves, a retirement savings plan for people employed in Oregon. The program provides eligible employees with automatic enrollment, payroll deduction and automatic annual contribution escalation, on a flexible, opt-out basis so that Oregonians have access to professionally managed retirement savings.

LEGISLATIVE BRANCH

LEGISLATIVE BRANCH AGENCIES

Legislative Program Area Budget

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$89,165,955	$127,688,384	$127,631,848
Lottery Funds	0	0	0
Other Funds	11,679,791	33,237,314	12,610,246
Federal Funds	0	0	0
Other Funds (Nonlimited)	5,943,243	1,061,091	1,477,131
Federal Funds (Nonlimited)	0	0	0
Total Funds	$106,788,989	$161,986,789	$141,719,225
Positions	654	660	559
Full-time Equivalent	431.77	447.81	446.17

OVERVIEW

The Legislative Assembly, including its members and their employees, the Commission on Indian Services and five supporting agencies comprise the Legislative Branch. The supporting agencies provide administrative services and specialized analysis, and include the Legislative Administration Committee, the Legislative Counsel Committee, the Legislative Policy and Research Office, the Legislative Fiscal Office and the Legislative Revenue Office.

REQUESTED BUDGET

The requested budgets for the seven agencies within the Legislative Branch maintain program operations at existing levels.

GOVERNOR'S ADJUSTMENT

The Legislative Assembly and supporting agencies comprise a separate and independent branch of state government over which the Governor exercises no budgetary authority. Notwithstanding, the Governor is required by statute to submit a balanced budget for all of state government. For this reason, the Governor's Budget reflects funding for all Legislative Branch agencies at their current levels of service.

Legislative Administration Committee

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$33,025,945	$49,657,276	$44,596,708
Lottery Funds	0	0	0
Other Funds	7,126,023	27,665,211	6,620,683
Federal Funds	0	0	0
Other Funds (Nonlimited)	5,342,049	390,658	765,561
Federal Funds (Nonlimited)	0	0	0
Total Funds	$45,494,017	$77,713,145	$51,982,952
Positions	142	86	76
Full-time Equivalent	100.65	72.16	71.03

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $44,615,471 General Fund, $6,613,462 Other Funds and $765,561 Other Funds Nonlimited for a total funds budget of $51,994,494 in her budget as a placeholder.

OVERVIEW

The Legislative Administration Committee appoints an administrator to direct and manage services and support systems for the Legislative Assembly and other legislative branch agencies. Services include staffing for information systems and technology support, building operations and maintenance for the State Capitol, accounting, payroll, personnel functions and providing information to Legislators and the public.

REQUESTED BUDGET

The Agency Request Budget is $52.0 million total funds. This is approximately a 33.1 percent reduction from the 2017-19 Legislatively Approved Budget, primarily due to elimination of $23.3 million Other Funds associated with capital construction. The requested budget allows the Committee to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 86 percent of the Committee's requested expenditures. The agency also receives Other Funds revenues for rent of office space, parking fees and other items. Nonlimited Other Funds are from the Capitol Gift Shop and the Property and Surplus Stores account.

Legislative Assembly

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$38,726,243	$46,054,850	$48,437,336
Lottery Funds	0	0	0
Other Funds	4,361	26,570	27,580
Federal Funds	0	0	0
Other Funds (Nonlimited)	104,839	115,520	135,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	$38,835,443	$46,196,940	$48,599,916
Positions	423	423	333
Full-time Equivalent	251.52	251.52	251.77

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $48,301,832 General Fund, $27,580 Other Funds and $135,000 Other Funds Nonlimited for a total funds budget of $48,464,412 in her budget as a placeholder.

OVERVIEW

The Legislative Assembly represents the voice of the people, providing a forum for agenda setting, deliberation and determination of public policy. It is tasked with revising and enacting laws pertaining to the health, education and general welfare of Oregonians. The Legislative Assembly is also responsible for balancing the state's biennial budget. In ultimately deciding the allocation of state moneys amongst agencies and programs, the Legislature establishes state policy priorities. In addition to enacting laws, influencing public policy and balancing the budget, Legislators also review administrative rules drafted by state agencies. An additional responsibility is the Senate's confirmation of certain executive appointments made by the Governor.

The Legislature meets in a longer session every odd-numbered year and enacts a biennial budget. In November 2010, voters approved shorter annual sessions that meet during even-numbered years. During the interim, interim committees examine specific topics or program areas and a Joint Committee, the Emergency Board meets periodically to address certain fiscal issues, which are unable to wait until the next regular session. The Emergency Board has limited authority, so there are fiscal circumstances requiring the full Legislature to meet in a special session to ensure the budget remains balanced.

The Legislative Assembly budget includes salaries and per diem for legislative members and their staff, the leadership and caucus offices, the Secretary of the Senate, the Chief Clerk of the House, session staff and Senate Executive Appointments. The portion of the Legislative Assembly budget to cover the costs for members is divided to reflect session and interim activities as well as Senate and House costs.

REQUESTED BUDGET

The Agency Request Budget is $48.6 million total funds. This is a 5.2 percent increase from the 2017-19 Legislatively Approved Budget. The requested budget allows the Assembly to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 99.7 percent of the Legislative Assembly budget. The Assembly receives Other Funds revenues from charging customers for the duplication of legislative materials and miscellaneous receipts. The Assembly also receives Nonlimited Other Funds for use of the House and Senate lounges by legislative members during session.

Legislative Commission on Indian Services

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$420,767	$629,880	$556,385
Lottery Funds	0	0	0
Other Funds	1,186	7,035	7,302
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$421,953	$636,915	$563,687
Positions	2	2	2
Full-time Equivalent	2.00	2.00	2.00

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $550,614 General Fund and $7,302 Other Funds for a total funds budget of $557,916 in her budget as a placeholder.

OVERVIEW

Established in 1975, the Legislative Commission on Indian Services was created to improve services to Indians in Oregon and to provide a forum where Indian concerns can be raised and considered. The Commission compiles information on services available to Indians, assesses state programs and services and advises on matters relating to the preservation and protection of Indian historic and archaeological resources. The Commission must be consulted on matters related to the preservation and protection of fish, wildlife, historic and archaeological resources.

The 13-member Commission is appointed by the President of the Senate and Speaker of the House of Representatives for two-year terms. The Commission members select their own officers to serve one-year terms of office.

REQUESTED BUDGET

The Agency Request Budget is $0.6 million total funds. This is an 11.5 percent decrease from the 2017-19 Legislatively Approved Budget. The requested budget enables the Commission to continue existing levels of service.

REVENUE SUMMARY

The Commission receives most of its budget from the General Fund. The Other Funds revenue comes from registration and other fees derived from the sponsorship of special meetings. The funds are used to cover costs associated with the events.

Legislative Counsel Committee

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$10,511,999	$13,397,725	$14,376,494
Lottery Funds	0	0	0
Other Funds	1,058,979	1,846,216	1,908,386
Federal Funds	0	0	0
Other Funds (Nonlimited)	496,355	554,913	576,570
Federal Funds (Nonlimited)	0	0	0
Total Funds	$12,067,333	$15,798,854	$16,861,450
Positions	57	58	58
Full-time Equivalent	47.60	50.84	51.08

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $14,346,970 General Fund, $1,908,386 Other Funds and $576,570 Other Funds Nonlimited for a total funds budget of $16,831,926 in her budget as a placeholder.

OVERVIEW

Overseen by the Legislative Counsel Committee, the Office of the Legislative Counsel provides legal and publication services to the Legislative Assembly and its members and other state agencies. The office drafts measures and amendments for Legislators, legislative committees, statewide elected officials and state agencies. The office provides legal advice to Legislators and legislative committees. It prepares indexes and tables for all measures introduced during legislative sessions and publishes and distributes the 21-volume Oregon Revised Statutes every two years. Finally, the office reviews all administrative rules adopted by state agencies to determine if they are consistent with the agencies' enabling statute.

Due to the politically sensitive nature of drafting bills and writing legal opinions, the office strives to avoid any appearance of political involvement, bias or policy preference.

REQUESTED BUDGET

The Agency Request Budget is $16.9 million total funds. This is a 6.7 percent increase from the 2017-19 Legislatively Approved Budget. The requested budget allows the Committee to continue at existing program levels.

REVENUE SUMMARY

General Fund supports 85 percent of Legislative Counsel Committee's expenditures. Other Funds are derived from sales of the Oregon Revised Statutes, Oregon Laws, bill drafting services and other Legislative Counsel publications. A portion of the publication sales income is used to defray part of the agency's General Program expenses related to Oregon Revised Statutes publication editing. The balance of the publication sales income is expended as Nonlimited within the Oregon Revised Statutes Publications Program.

Legislative Fiscal Officer

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$3,765,890	$4,976,414	$6,107,186
Lottery Funds	0	0	0
Other Funds	3,489,242	3,692,282	4,046,295
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$7,255,132	$8,668,696	$10,153,481
Positions	22	22	22
Full-time Equivalent	22.00	22.00	22.00

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $6,092,019 General Fund and $4,046,295 Other Funds for a total funds budget of $10,138,314 in her budget as a placeholder.

OVERVIEW

The Legislative Fiscal Office (LFO) is a permanent, non-partisan legislative service agency. The LFO workload changes between legislative sessions and the interim. During sessions, budget analysis and the number of bill introductions and amendments are the primary drivers of workload for the agency. The office also spends a significant amount of time educating and providing information to members, legislative staff and other stakeholders about the budget process and current budget issues, and:

- Provides research, analysis and evaluation of state expenditures, financial affairs, program administration and agency organization.
- Makes recommendations and works with the Legislative Assembly to balance the state's biennial budget.
- Reports to the Joint Committee on Ways and Means during legislative sessions and the meetings of the Emergency Board and the Interim Joint Committee on Ways and Means between sessions.
- Determines the fiscal impact of all legislative measures and, when applicable, publishes fiscal impact statements accompanying bills through the legislative process.

REQUESTED BUDGET

The Agency Request Budget is $10.2 million total funds. This is a 17.1 percent increase from the 2017-19 Legislatively Approved Budget. The requested budget enables LFO to continue existing levels of service.

REVENUE SUMMARY

The General Fund supports 60 percent of the LFO's expenditures. Other Funds revenue is derived from a portion of the Central Government Service Charge assessment associated with the work of the office.

Legislative Policy and Research Office

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$0	$9,903,112	$10,698,993
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$0	$9,903,112	$10,698,993
Positions	0	61	61
Full-time Equivalent	0.00	41.29	41.29

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $10,676,185 General Fund in her budget as a placeholder.

OVERVIEW

The Legislative Policy and Research Office (LPRO) provides centralized, professional and non-partisan research, analysis and committee management services for the Legislative Assembly.

Senate Bill 1569 established LPRO in 2016 as a joint committee of the Legislative Assembly. The LPRO is responsible for preparing and assisting in the preparation of legislative research, facilitating the development of legislative policy and providing advice and assistance to legislative committees.

REQUESTED BUDGET

The Agency Request Budget is $10.7 million total funds. The requested budget supports the office at existing levels of service and funds 61 positions.

REVENUE SUMMARY

The Legislative Policy and Research Office is completely supported by General Funds.

Legislative Revenue Officer

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$2,715,111	$3,069,127	$2,858,746
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$2,715,111	$3,069,127	$2,858,746
Positions	8	8	7
Full-time Equivalent	8.00	8.00	7.00

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included $2,850,943 General Fund in her budget as a placeholder.

OVERVIEW

The Legislative Revenue Office (LRO) provides non-partisan analysis to the Oregon Legislature on tax policy and school finance issues. The office provides staff assistance to the Senate Finance and Revenue Committee and House Revenue Committee during legislative sessions and to interim revenue committees, task forces and workgroups between sessions. The LRO staff provides research for other members, representatives, and committees upon request. Additionally, the staff prepares research reports and writes revenue impact statements on initiatives, proposed legislation affecting state or local public finances, personal and corporate income taxes, property taxes, consumption taxes, school funding and distribution of the State School Fund.

As with other committee staff, the work of LRO changes between legislative sessions and the interim. During sessions, the number of bill introductions and amendments along with tax-related voter initiatives and legislative referrals are the primary driver of workload for the agency. During the interim, workload is driven by the number of revenue, school finance committee, task force and workgroup meetings.

REQUESTED BUDGET

The Agency Request Budget is $2.9 million total funds. This is a 6.9 percent decrease from the 2017-19 Legislatively Approved Budget. The requested budget enables the Legislative Revenue Office to continue existing levels of service.

REVENUE SUMMARY

The Legislative Revenue Office is completely supported by General Fund.

JUDICIAL BRANCH

JUDICIAL BRANCH AGENCIES

Judicial Branch Summary

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$717,396,548	$760,202,816	$960,029,589
Lottery Funds	0	0	0
Other Funds	134,703,364	267,961,533	355,237,116
Federal Funds	1,176,014	1,344,289	1,357,254
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$853,275,926	$1,029,508,638	$1,344,443,959
Positions	1,805	1,978	2,145
Full-time Equivalent	1,664.85	1,853.31	1,983.79

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included $848,693,801 General Fund, $383,057,116 Other Funds and $1,357,254 Federal Funds for total funds of $1,233,108,171 in her budget as a placeholder.

OVERVIEW

The mission of the Judicial Branch is to provide fair and accessible justice services, protect the rights of individuals, preserve community welfare and inspire public confidence.

Three independent state entities compose the Judicial Branch program area. These entities provide policy, programs, administrative support and oversight for Oregon's judicial system and ancillary services.

REQUESTED BUDGET

Highlights of the Chief Justice's requested budget for the Judicial Department include:

- New positions for judges and increased support staffing,
- Judicial compensation increases to better align the salaries of Oregon attorneys and judicial officers to their peers in the 13 Western states,
- Preservation and seismic retrofitting for the Supreme Court Building,
- Bonding support for courthouse replacements in Multnomah, Lane, Clackamas, Benton and Linn counties,
- Support of facility infrastructure, safety and other upgrades for local courts,
- Provision of funding for Treatment and Specialty Court grants that either extend into the 2019-21 biennium or are expected to renew,

- Continued funding for court operations and the continuation of the drug, mental health and domestic violence courts,
- Continued funding to maintain current levels of court collections, which benefit the General Fund, Criminal Fines Account, local governments, and crime victims, and
- Inclusion of budget requests from the Oregon Law Commission for additional resources.

The Public Defense Services Commission's requested budget continues a three-biennium strategy of investments toward its goals. Highlights include:

- Compensation for attorneys and administrative support staff on a salary schedule comparable to the salary schedules at the Department of Justice and other state agencies,
- Restoration of inflationary adjustments removed from the Commission's budget in four of the past five biennia,
- Funding to expand the Parent Child Representation Program into five new counties – Clatsop, Deschutes, Douglas, Malheur and Multnomah. This program seeks to achieve positive outcomes for children and families in juvenile dependency and termination of parental rights cases,
- Additional positions and contracts funding to improve the Commission's quality assurance, and
- Funding to cover increased mandated caseload costs.

The Commission on Judicial Fitness and Disability requests funding to provide administrative support for the Commission, as well as an additional 0.13 FTE (three months) for the Executive Director position.

Overall, the requested Judicial Branch budget is a 31 percent increase from the 2017-19 Legislatively Approved Budget. The General Fund request is a 26 percent increase from the 2017-19 Legislatively Approved Budget.

GOVERNOR'S ADJUSTMENTS

The Judicial Branch agencies are a separate and independent branch of state government. The Governor does not have budgetary authority over them. The law, however, requires the Governor to submit a balanced budget for the state. For this reason, the Governor's Budget includes a placeholder for the Judicial Branch. The Branch in total has requested a budget equal to $960.0 million General Fund, $1,344.4 million total funds. This funding level represents a 26 percent increase in General Fund from the 2017-19 Legislatively Approved Budget and a 31 percent increase in total funds.

Oregon Judicial Department

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$431,879,018	$454,524,551	$545,785,863
Lottery Funds	0	0	0
Other Funds	131,468,646	262,993,590	378,314,865
Federal Funds	1,176,014	1,344,289	1,357,254
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$564,523,678	$718,862,430	$925,457,982
Positions	1,727	1,900	2,061
Full-time Equivalent	1,588.12	1,776.58	1,900.92

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included $504,296,798 General Fund, $378,314,865 Other Funds and $1,357,254 Federal Funds for total funds of $883,968,917 in her budget as a placeholder.

OVERVIEW

The Oregon Judicial Department's budget contains the resources necessary to operate a statewide court system for the Judicial Branch of Oregon state government. Effective January 1983, the Legislature created a unified, state-funded court system with general jurisdiction trial courts (circuit courts) located in all 36 counties. Municipal courts and justice courts, both with limited jurisdiction, remain outside the state-funded system and are operated by cities and counties.

The Chief Justice of the Supreme Court is the administrative head of the Department with authority over the state court system's operations, programs and functions. The Chief Justice appoints the State Court Administrator, who is responsible for assisting in the Department's administration and coordination. The Chief Justice also appoints presiding judges, who in turn appoint trial court administrators to assist in administering the daily operations of the individual courts.

The Oregon Judicial Department includes:

- Operations of the Oregon Supreme Court, Court of Appeals, the Tax Court and the Office of the State Court Administrator.
- Operations of the 36 circuit courts organized into 27 judicial districts statewide. These jurisdiction trial courts, located in every county, rule on a full range of criminal, civil, juvenile, domestic relations cases and other matters.
- Administration of mandated payments for the cost of jurors, transcripts in certain civil appeals, Americans with Disabilities Act compliance and interpreters for non-English speaking and hearing-impaired persons in the courts.

The administration of the centralized management and support functions, such as the statewide systems for case management and information, budget and finance, legal counsel services, education and training, internal auditing, inter-branch and interagency relations, court operations program review, personnel

rules and services, collection of court-imposed financial obligations and a statutory citizen review board that reviews child permanency plans in out-of-home placements and makes recommendations to the circuit court judges on the feasibility and progress of these plans.

REQUESTED BUDGET

The Chief Justice's agency request budget is $925.5 million total funds. It includes $545.8 million General Fund (including General Fund debt service), $378.3 million Other Funds and $1.4 million Federal Funds. This requested budget includes all programs and all policy packages submitted for legislative consideration. The requested budget is a 29 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 2,061 positions.

The Department request supports a long-range plan to provide seismic and other upgrades to the Supreme Court building and circuit court facilities, and meet minimum security standards in all circuit courts. The budget includes judges and staff compensation and benefit adjustments, as well as funding court operations and continuing drug, mental health and domestic violence courts. The budget also requests additional judges and staff to improve timely services to the public and increase access to justice.

A portion of the Judicial Department budget is passed through to other entities, primarily counties, for courthouse capital repairs and replacement, court security and other services. Most of the operating costs are for personnel, located statewide as required by statute.

REVENUE SUMMARY

The Judicial Department generates revenue for the General Fund from filing fees, trial and hearing fees, collections fees and copy sales. Other Funds revenues also are generated by the Judicial Department and other entities from fines, assessments, sales of publications, access to the Oregon Judicial Case Information Network, drug court grants and grants from other state agencies to leverage federal funding sources. The Federal Funds revenues are from the U.S. Department of Health and Human Services for continuation of the Juvenile Court Improvement Project.

Commission on Judicial Fitness and Disability

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$434,708	$252,709	$306,701
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$434,708	$252,709	$306,701
Positions	1	1	1
Full-time Equivalent	0.50	0.50	0.63

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included $255,569 General Fund in her budget as a placeholder.

OVERVIEW

The Commission on Judicial Fitness and Disability investigates complaints filed against Oregon judges. The Commission may recommend the Oregon Supreme Court discipline a judge for misconduct including censure, suspension or removal of a judge from the bench.

REQUESTED BUDGET

The requested budget for the Commission on Judicial Fitness and Disability is $0.3 million General Fund. This is 21.4 percent increase from the 2017-19 Legislatively Approved Budget. The slight increase is attributable to standard inflation and a requested increase in months funded for the Executive Director's position from 0.50 FTE to 0.63 FTE.

REVENUE SUMMARY

The Commission on Judicial Fitness and Disability's entire budget is funded with General Fund.

Public Defense Services Commission

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Agency Request Budget
General Fund	$285,082,822	$305,425,556	$413,937,025
Lottery Funds	0	0	0
Other Funds	3,234,718	4,967,943	4,742,251
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$288,317,540	$310,393,499	$418,679,276
Positions	77	77	83
Full-time Equivalent	76.23	76.23	82.24

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included $344,141,434 General Fund and $4,742,251 Other Funds for a total amount of $348,883,685 in her budget as a placeholder.

OVERVIEW

The Public Defense Services Commission (PDSC) is the judicial branch agency responsible for establishing and maintaining a public defense system. Their mission is to "ensure that eligible individuals have timely access to legal services, consistent with Oregon's standard of justice."

The Public Defense Services Commission consists of three divisions:

- Appellate Division — provides direct legal services for representation on criminal appeals.
- Professional Services Account — contains funding used to pay expenses for trial-level representation and appellate cases not handled by the Appellate Division.
- Contract and Business Services — administers the Public Defense Services Account, negotiates contracts, pays bills for trial-level representation and appellate cases not handled by the Appellate Division and provides all administrative office support.

REQUESTED BUDGET

The requested budget for PDSC is $418.7 million total funds. This includes $413.9 million General Fund and $4.7 million Other Funds. This is a 34.9 percent increase from the 2017-19 Legislatively Approved Budget. The budget includes 83 positions.

The requested budget provides for the following:

- Funding to expand the Parent Child Representation Program into five additional counties including Clatsop, Deschutes, Douglas, Malheur, and Multnomah. This program ensures reasonable caseloads, improved compensation and multidisciplinary representation for parents and children in Oregon's Child Welfare system;
- Restoration of prior biennia inflationary reductions;

- Investments to enhance quality assurance including positions to ensure contract compliance, provider performance, quality assurance reporting and development and training of qualified social workers, among other measures;
- Compensation plan increases for the Office of Public Defense Services staff currently earning approximately 5-10 percent less than comparable employees in other state agencies; and
- Funding to meet the agency's staffing needs in Business and Financial Services.

REVENUE SUMMARY

The Commission is funded primarily with General Fund. Other Funds come from the Application and Contribution program, which collects application fees and contributions for services from people who can afford to pay for a portion of their defense services.

EMERGENCY BOARD

EMERGENCY BOARD

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
General Fund	$0	$98,753,743	$325,500,000
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	$0	$98,753,743	$325,500,000
Positions	0	0	0
Full-time Equivalent	0.00	0.00	0.00

OVERVIEW

The Emergency Board acts to meet emergency needs when the Legislature is not in session. It can allocate money from the Emergency Fund to state agencies. It can also take other action on agency budget requests. The Governor's budget provides a total of $325.5 million for the Emergency Fund. The components of this are described below.

GENERAL PURPOSE

The Governor's budget proposes $40 million for the General Purpose Emergency Fund. The Emergency Board can use this for any purpose during the biennium. Items that would be appropriate for consideration for this fund include situations in which the state must deal with unforeseen but critical needs, or when additional investment is critical to an agency or service.

A decade of challenging fire seasons and the state's model for funding large fire costs have added pressure to the General Purpose Emergency Fund. Currently, large fire costs are shared between the General Fund and private land owners up to $20 million per year and the next $30 million of costs are born by the General Fund, funded through the General Purpose Emergency Fund. The amount reserved in the Governor's Budget for the General Purpose Emergency Fund assumes a shift to an equal cost share between the General Fund and private landowners for large fire costs.

SPECIAL PURPOSE APPROPRIATIONS

The Governor's budget sets aside $200 million in the Emergency Fund for state employee compensation. The funds will help cover cost increases for health and benefit plans and wages for all state employees. Of this $200 million, $50 million is available because the state has successfully reduced health care costs. Since moving to a self-insurance model in 2010, the Public Employees Benefit Board (PEBB) has experienced lower health care costs compared to premiums collected, increasing the balance in the

PEBB stabilization Fund. The ending balance for the fund is above target levels outlined by the Board's actuary and excess funding of $50 million is transferred to the General Fund to support the overall costs of compensation increases for state employees.

A $12 million Special Purpose Appropriation (SPA) is included to cover bargained compensation changes for represented non-state employees including child care workers, home care workers and personal support workers.

In order to support the implementation of the Pay Equity Bill, which expands pay equity protections to Oregonians and creates new obligations for Oregon state government as an employer, the Governor's Budget sets aside $15 million for potential costs to state agencies after completing 2018 pay equity study.

The Governor's Budget provides for a SPA of $10 million in support of compensation for Oregon's elected judicial officers and the state's Family Treatment Courts. Judicial salaries continue to lag behind salaries in other states and this funding would help meet medium salary levels for judges, as compared nationwide, so the state may attract and retain a diversified and experienced bench. Additionally, this SPA will support Family Treatment Courts so they may provide wrap around services to volunteer parents with substance abuse issues. These courts engage parents in long-term recovery efforts to improve the chance of family reunification.

The Governor supports additional Oregon justice initiatives including setting aside $2 million for immigration defense services and $12.8 million for the Parent Child Representation Program. This program seeks to achieve positive outcomes for children and families in juvenile dependency and termination of parental rights cases through enhancing the quality of legal representation and reducing foster care and time to permanency for children. Additionally, $25 million is provided for Oregon Public Defense Services Commission for trial level sustainability and employee compensation. This funding is intended to restore inflation previously reduced and increase salaries to levels commensurate with salaries paid to similar positions at other state agencies.

In order to remove as many potential barriers to voting as possible, the Governor's Budget sets aside $2.7 million to fund prepaid postage for all registered voters for every election. Voters would still be able to return their ballot to a secure drop box, but this would allow them to place the ballot in any mailbox without having to pay postage.

Finally, there is $6.0 million in the Emergency Fund for fire protection severity suppression resources in the Department of Forestry. The appropriation reimburses costs for the state's share of the purchase of catastrophic fire insurance for large fire costs over $50 million and reimbursement for the agency's costs for seasonal aviation and ground-based emergency "initial attack" resources.

STATE AND LOCAL SHARED SERVICES

STATE AND LOCAL SHARED SERVICES

INTRODUCTION

Revenue stability and the capacity of tax revenue to keep pace with economic expansion are pivotal issues for both state and local governments. Local governments depend on the property tax. The property tax is inelastic, which tends to make it a very stable revenue source. These revenues may not, however, grow fast enough to keep up with inflation and population growth.

The state depends heavily on the income tax. It is a more elastic source of revenue that increases or decreases as fast as or faster than the economy. Given the relatively gradual growth of the property tax and the volatility of the General Fund, revenue sharing is crucial to achieving a level of balance between state and local shared services.

State services that benefit local governments and state funding of locally administered programs are vital connections. The most climactic example rises from the passage of Ballot Measure 5 in 1990. Before its passage, education was mainly funded locally, by the property tax through school districts. Since then, education has been principally financed by the income tax-driven state General Fund and has become the largest portion of the state budget.

The Governor recognized the importance of working locally to identify priorities, resolve problems and pursue opportunities for improvement. The Governor's budget seeks to cultivate collaborative approaches to allocating state resources for critical services to constituents at both state and local levels of government. Coordinated efforts address common goals in the state and result in good inter-governmental partnerships.

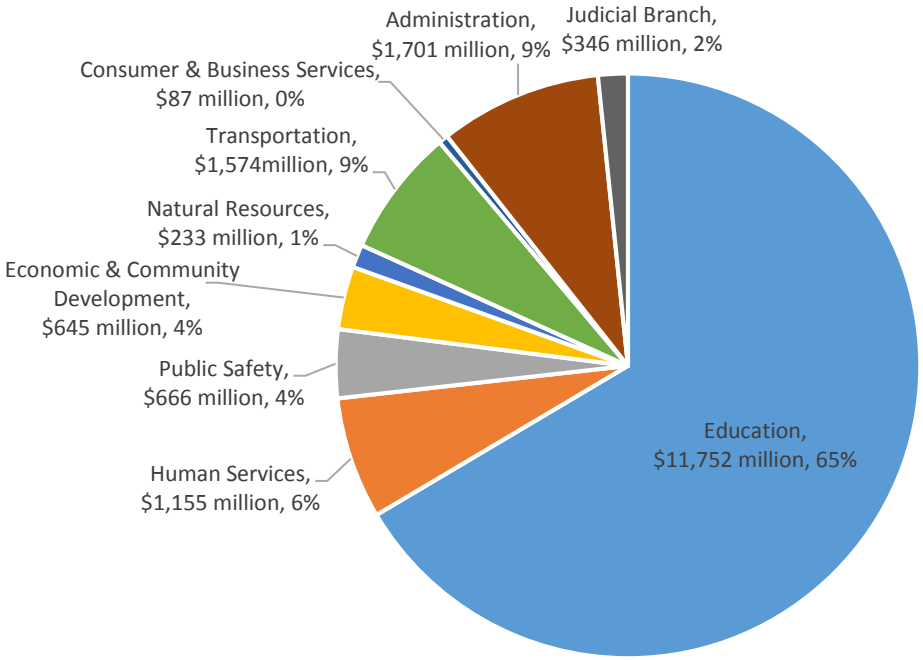
BUDGET OVERVIEW

There are three primary types of shared services between state and local government:

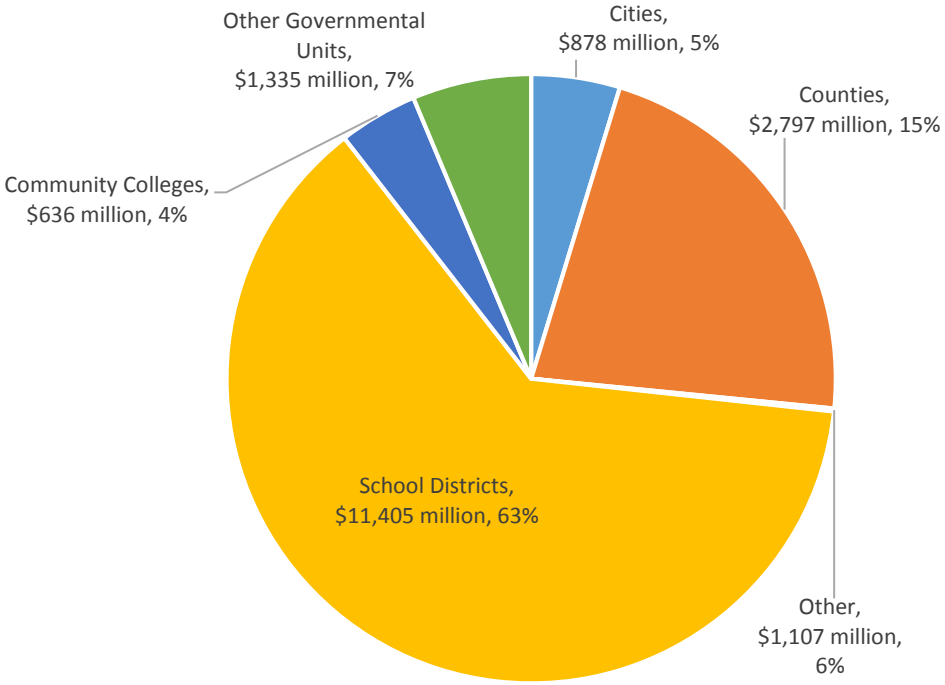
- Funds paid by state agencies to local governments for locally administered programs (primarily county human services, public education, etc.).
- Revenues collected by state agencies and shared with local governments (shared revenues) for the purpose of funding local government services, such as the gas tax.
- Services delivered by state agencies that benefit local governments, for example, directly funding local infrastructure projects.

Resources to non-governmental units, individuals and tax relief are not included.
The 2019-21 Governor's budget contains $18,159 million total funds in state and local shared services (see charts on the next page for specific program area distributions).

2019-21 STATE AND LOCAL SHARED SERVICES BY PROGRAM AREA ($18,159 MILLION)



2019-21 STATE AND LOCAL SHARED SERVICES BY RECIPIENT ($18,159 MILLION)



The following narrative provides a sampling of state and local shared services but is not a complete documentation of all services. Services are both direct and indirect. Indirect services may not be reflected in state budgets. Individual agencies can be contacted for more information.

ADMINISTRATION PROGRAM AREA

The Administration Program Area represents approximately nine percent of total shared services. Agency budgets in this program area apportion $1,701 million total funds to local government. Examples of aid to local government include:

- *Department of Administrative Services (DAS)*. The Department administers a number of funds distributed to cities and counties in Oregon. In the 2019-21 biennium, transfers of revenue total more than $350.8 million. The support includes cigarette, marijuana, tobacco and amusement tax revenues received from the Department of Revenue, as well as fourteen percent of liquor revenues and seven percent of beer and wine taxes from the Oregon Liquor Control Commission. Federal Funds come from U.S. Land Sales, forest reserve rentals and leases, Taylor Grazing Act funds and mineral leases. Distributions to counties from video lottery proceeds pass through the Economic Development Fund.

- *Oregon Liquor Control Commission (OLCC)*. A portion of liquor sales revenue, privilege tax revenue, and license fee revenue is transferred to local governments. Twenty percent of net liquor revenues and ten percent of net privilege tax revenues are transferred to cities. Ten percent of net liquor revenues and five percent of net privilege tax revenues are transferred to counties.

- *Department of Revenue (DOR)*. For the 2019-21 biennium, approximately $1.2 billion will be distributed to local governments from a variety of resources. The Department of Revenue collects local transit taxes on behalf of local governments. The Department also collects and transfers revenues for programs such as the Heavy Equipment Rental Tax, Electric Co-op, Emergency Phone, and Private Rail Car programs. The department also gives grants to counties to help maintain local property tax assessment functions.

- *Oregon State Library (OSL)*. The State Library provides resources to local governments in the form of Library Services and Technology Act (LSTA) competitive grants totaling $5.5 million Federal Funds. These grants are distributed to city, county and other libraries across the state. In addition, nearly $4.2 million General Fund in Ready-to-Read grants are distributed to public libraries throughout Oregon.

ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

The Economic and Community Development Program Area includes four percent of total shared services and $645 million total funds. Agencies in this area help provide economic and cultural enhancement. Examples of shared services include:

- *Oregon Business Development Department (OBDD)*. The Department supports local infrastructure projects through technical assistance, grants, loans and bond financing. The department also administers the Community Development Block Grant program for the non-entitlement areas of the state (those local governments that do not receive a block grant directly from the United States Housing and Urban Development Department). The budget includes $546 million in Lottery Funds, Other Funds and Federal Funds in special payments to local governments and seismic grants for schools and emergency service providers.

- *Housing and Community Services Department (OHCS).* The Department provides approximately $88.1 million to local government. The agency collaborates with community development corporations, community action agencies, housing authorities, and local governments and school districts to expand affordable housing, revitalize rural and distressed communities and low-income utility assistance.
- *Department of Veterans' Affairs (ODVA).* The Department of Veterans Affairs budget includes a total of $10.0 million for 36 county veterans' service organizations in a service-delivery partnership with counties, with Marion County anticipated to stand up county-level services in 2019. The Department's budget also includes $0.7 million to continue the Campus Veteran Grant Program, which provides grants to Oregon's community colleges and public universities to enhance campus resource centers and services for veterans.

EDUCATION PROGRAM AREA

The Education Program Area represents 65 percent, or $11,752 million, of all state resources to local government, more than any other program area. State aid to schools has grown significantly since Ballot Measure 5 (1990) amended the Oregon Constitution to reduce property taxes and required the state to replace property tax revenues lost by schools. The phase-in of Measure 5, as well as the replacement requirement, ended after the 1995-96 fiscal year. Measure 50, however, will continue to restrict the growth in property taxes, and the state has continued to provide increases in school funding. Some examples of shared services are:

- *Department of Education (ODE).* Almost 98 percent of the budget for ODE is for services to local governments. This aid consists of the State School Fund payments to local education districts, as well as numerous Grant-in-Aid programs. Additionally, the department provides grants to local governments for the delivery of services related to early childhood education and school readiness. This includes grants for pre-kindergarten and early education services and contracts with organizations in local service delivery areas to provide child care resource and referral services. The department also provides funding for Healthy Families and Relief Nurseries.
- *Higher Education Coordinating Commission (HECC).* Support for community colleges and local workforce programs is included in HECC. This includes Community College Support Fund payments to local community college districts; distribution of the federal Workforce Innovation and Opportunity funds to regional, county, or community service delivery agents; and distribution of state funding for local workforce and Oregon Youth Conservation Corps programs.

HUMAN SERVICES PROGRAM AREA

The Human Services Program Area promotes health and safety. Agencies foster self-sufficiency and independence. State and local partnerships are vital in providing social supports. The program area represents six percent of total shared services. The agencies provide $1.2 billion total funds to local governments.

Some examples of these services are:

- *Department of Human Services (DHS).* The Department contracts with local government to provide a variety of developmental disability services and case management for seniors and people with

disabilities. In addition, other local governmental units, like school districts, community action agencies and cities, also play key roles in providing or coordinating services. DHS distributes almost $666.0 million for services to seniors and people with physical, intellectual and developmental disabilities. The senior and disabled services system is primarily managed through contracts with local Area Agencies on Aging. The developmental disability program is managed through contracts with local brokerages and county offices.

- *Oregon Health Authority (OHA).* The Health Authority contracts with local governments to deliver a significant number of state services. These contracts include payments for county-based mental health organizations, alcohol and drug abuse treatment services, communicable disease testing, prenatal/parental services and various other public health initiatives. OHA distributes $355 million for addiction and mental health programs and $158 million for public health services.

NATURAL RESOURCES PROGRAM AREA

The Natural Resources Program Area represents one percent of total shared services. Agencies apportion $233 million total funds to local governments. Agencies in this program area manage, protect and preserve Oregon's natural resources. This is done with the best interests of present and future generations in mind, with the goal of protecting a sound, diversified and sustainable economy. The Oregon Plan for Salmon and Watersheds is a cooperative endeavor among the state, local communities and the private sector. The agreement works toward improving and restoring salmon and steelhead runs, habitat and watershed health. Some examples of aid or shared services are: weed control, trail maintenance, recycling and emergency preparedness.

- *Department of Agriculture (ODA).* The Department coordinates with the Oregon Watershed Enhancement Board to award OWEB Lottery Funds grants for various cities, counties, and other local government entities for weed control activities consistent with past levels of support.

- Oregon Climate Authority *(OCA).* The Authority will provide for the coordination of emergency response activities for the Hanford and Columbia Generating Station, and for assistance in evaluating energy facility sitting applications. This was previously administered through the Oregon Department of Energy.

- *Department of Environmental Quality (DEQ).* The agency provides a subsidy to the Lane Regional Air Pollution Authority. It also provides grants to improve solid waste planning and recycling, and loans for sewage treatment infrastructure.

- *Forestry Department (ODF).* The Department manages some state forests for benefits to counties. These lands were transferred to the state in the early part of the 20th century. Revenues from these lands help support county operations. Also, counties and schools receive a share of revenues from the harvesting of timber on forestland managed by the Department on behalf of the State Land Board.

- *Department of Land Conservation and Development (DLCD).* Through its Grants program unit, the agency distributes funds to cities and counties. Grants are awarded to maintain, improve and carry out comprehensive plans and land use regulations, and to help local governments meet the statutory obligation for periodic review of those plans.

- *Department of State Lands (DSL).* The Department transfers revenue to the Department of Education; this revenue becomes part of the funding for primary and secondary public schools (Kindergarten through 12th grade).

- *Marine Board (OSMB).* The Marine Board supports local communities through programs that support boating within their jurisdictions. The Boating Safety program provides state boater funds to local and county law enforcement to assist with marine patrols on Oregon's waterways and boating education in local schools. This money is matched with federal money to support these programs. The Boating Facilities program provides engineering, environmental and contract services to support facility construction grants, and provides direct grant assistance for construction and maintenance. The Marine Board leverages boater money with additional Federal Funds for these projects.

- *Oregon Parks and Recreation Department (OPRD).* The Department operates grant programs that provide funding to counties and other local governments for recreation and historic preservation. Each grant program has specific eligibility requirements. Some are designed for county governments only; others can include cities, counties, metropolitan service districts, park and recreation districts and port districts.

  There are six recreational grant programs, five of which distribute grants primarily for outdoor recreation purposes. Two of the five are pass-through using Federal Funds. The other grant program assists local governments in the creation or preservation of veterans and war memorials.

  Other grant programs include various types of historic preservation and heritage-related projects such as historic buildings and sites, archaeology, museums and cemeteries.

  Parks recreational grants include the following:

  - The County Opportunity Grant program provides funding for recreational vehicle camping sites funded through RV registration fees.

  - The All-Terrain Vehicle (ATV) program distributes grants to local, state and federal entities. Grants are awarded for law enforcement and safety, acquisition and maintenance of trails and facilities, and other ATV-related purposes.

  - The Local Government Grant Program provided by the Lottery funded Parks and Natural Resources Fund, distributes funding to local governments for the acquisition and development of outdoor park grounds and facilities.

  - The federal Recreational Trail Grant Program grant funds are used by local governments for non-motorized trails.

  - The federal Land and Water Conservation Funds are used by local governments for acquisition and development of local parks.

  - Grants for veteran and war memorials.

  Parks historic preservation grants are for historic resource programs, archaeology, museums and historic cemeteries.

PUBLIC SAFETY PROGRAM AREA

The Public Safety Program Area provides four percent of all shared services with local government, or $623.4 million total funds. Community Corrections funds 45 percent of the total. Agencies in the public safety area are responsible for ensuring the safety of Oregon's people, property and natural resources. This is done through trained militia and law enforcement. It also includes prosecution and incarceration of juvenile and adult offenders. Some examples of shared services are:

- *Criminal Justice Commission (CJC).* The Governor's budget includes $62.9 million General Fund for distribution to counties to fund specialty court and Justice Reinvestment grants.
- *Department of Corrections (DOC).* The budget includes $285.9 million total funds for grants to counties for supervision and treatment of state felony offenders on parole, probation, and post-prison supervision, and for management of felony offenders sentenced to incarceration for 12 or fewer months.
- *Department of Justice (DOJ).* The Department expects to distribute $47.1 million total funds to cities and counties for crime victim assistance. These funds come from the Criminal Fine and Account as well as from penalties levied against defendants who were found guilty of committing certain crimes by the courts. Included in the total are $35.1 million in Federal Funds and $0.8 million in General Fund. The main programs responsible for the transfers include Prosecutor-based Victim Assistance Programs, Federal Victims of Crime Act Program, Child Abuse Multidisciplinary Intervention Program, and the Federal Violence against Women Act. The department also expects to distribute $16.9 million Federal Funds and $4.7 million Other Funds to counties to fund District Attorney (DA) costs of the Child Support Program. For the 2019-21 biennium, the department will also transfer approximately $2.6 million General Fund to the DAs to offset a funding reduction from passage of the federal Deficit Reduction Act of 2005.
- *Oregon Military Department (OMD).* The Oregon Military Department provides a variety of services to local government during state emergencies. National Guard members assist in the design and construction of public improvement projects as part of their training activities. The 9-1-1, federal emergency planning and management grants and homeland security grants will be distributed from the department. As a result, the department total is $57.6 million for counties and $81.0 million for cities.
- *Oregon Youth Authority (OYA).* OYA provides funds to juvenile departments for services designed to prevent youth from re-offending and to provide focused gang-related programs. The amount is $24.9 million General Fund.
- *Department of Public Safety Standards and Training (DPSST).* DPSST certifies and trains city and county police officers and state and local corrections, parole and probation, telecommunications and emergency medical dispatchers. It also certifies and provides training for volunteer and professional firefighters. The recommended budget covers continued provision of these services, at no cost to the sending governments or students. The budget includes $0.3 million Other Funds for the Public Safety Memorial Fund, which provides immediate and long-term financial assistance for disabled public safety officers and their families, when public safety officers are injured in the line of duty. An

additional $3.6 million Federal Funds are expended, primarily to counties and for High Intensity Drug Trafficking Area programs and drug enforcement coordination activities.

TRANSPORTATION PROGRAM AREA

The Transportation Program Area distributions make up nine percent of total shared services, or $1,574 million total funds.

- *Department of Transportation (ODOT).* Through *Connect*Oregon, the department provides funding to local governments for multi-modal transportation projects. The department also provides local governments with public transportation funding for the transportation of elderly individuals and individuals with disabilities. Finally, cities and counties receive revenue for highway construction. The funds received are Federal Funds, in addition to a portion of the fuels tax, weight-mile tax and driver licensing fees.
- *Department of Aviation (ODA).* Through the General Aviation Entitlement Program, the department provides grants to airports throughout the state for economic development, FAA grant match, and emergency preparedness. The program also assists with funding of commercial air service to rural Oregon.

CAPITAL BUDGETING

CAPITAL BUDGETING

Capital Construction

Capital Construction projects are presented in appropriation bills separate from agencies' budget bills for ongoing operations. "Major Construction" projects are distinguished from "Capital Improvements" based on a cost of $1.0 million or more and must receive approval by the Legislature before spending begins. Capital Improvements less than $1.0 million do not require specific legislative approval and are included in an agency's operating budget.

The recommended major construction projects are included in one appropriation bill. Projects may be funded with proceeds from bonds that are repaid over time or on a "pay-as-you-go" basis (i.e. without borrowing). Sources for bond repayment and "pay-as-you-go" include General Fund, Other Funds, Lottery Funds and Federal Funds. Income taxes are the primary source of General Fund resources. Other Funds are moneys dedicated by Oregon Law or Constitution. Other Funds revenues are derived from a variety of sources including taxes on fuels, rents, fees for services, grants, and donations. Lottery Funds are net revenues derived from operations of the Oregon Lottery. Federal Funds are moneys from the U.S. Government to pay for specific projects such as armories and airport improvements.

Important investments in the capital construction budget will:

- Provide funds for the Local Innovation and Fast Track (LIFT) housing program to acquire, construct, renovate and furnish affordable housing for low-income Oregonians.
- Expand housing available to disabled individuals and those coming out of chronic homelessness by providing funds to construct permanent supportive housing.
- Make capital improvements to state office buildings to address outstanding deferred maintenance needs and promote best practices in facilities management.
- Improve and expand campus facilities at various community colleges and address safety and accessibility needs of several public university facilities.

The following tables show the major capital construction projects proposed by the Governor for the 2019-21 biennium. The tables also show estimated major capital construction project costs for the four years in the subsequent two biennia, which is a required component of the Governor's Budget under Oregon law (ORS 291.224).

Capital Construction & Acquisition Plans

2019-21 PROGRAM FUNDING REQUEST SUMMARY

Program Area	General Fund	Other Funds	Federal Funds	Total Funds
Education	-	240,656,991	-	240,656,991
Human Services	-	-	-	-
Public Safety	-	75,827,645	6,200,000	82,027,645
Economic & Community Development	-	130,000,000	-	130,000,000
Natural Resources	-	-	-	-
Transportation	-	109,739,000	5,211,000	114,950,000
Administration	-	37,350,000	-	37,350,000
Total	**$ -**	**$ 593,573,636**	**$ 11,411,000**	**$ 604,984,636**

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2019-2021 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	161,000,000	-	161,000,000
UO Shake Alert & Wildfire Alert Seismic Stations	-	12,000,000	-	12,000,000
Community Colleges Capital Construction	-	67,656,991	-	67,656,991
Total Higher Education Coordinating Commission	-	240,656,991	-	240,656,991
Education	- $	240,656,991	- $	240,656,991
Public Safety				
Military Department, Oregon				
Salem & Pendleton Aviation Facility Emergency Enhancements	-	9,852,000	-	9,852,000
Salem & Anderson Readiness Center Service Life Extension	-	5,800,000	6,200,000	12,000,000
Jackson Armory Service Life Extension	-	4,275,000	-	4,275,000
Total Military Department, Oregon	-	19,927,000	6,200,000	26,127,000
Oregon Youth Authority				
Tillamook Medical & Dental Renovations	-	1,521,875	-	1,521,875
MacLaren Infirmary and Pharmacy Renovation	-	1,804,000	-	1,804,000
Oak Creek Medical & Dental Clinic Renovations	-	1,271,202	-	1,271,202
Control Room Renovations	-	1,772,500	-	1,772,500
Electronic Security Improvements	-	771,000	-	771,000
Total Oregon Youth Authority	-	7,140,577	-	7,140,577
Corrections, Department of				
Corrections Information Systems Tool Upgrade	-	1,650,000	-	1,650,000
Radio System Replacement	-	13,998,225	-	13,998,225
Camera Systems Upgrades	-	8,633,804	-	8,633,804
Deferred Maintenance	-	24,478,039	-	24,478,039
Total Corrections, Department of	-	48,760,068	-	48,760,068
Public Safety	- $	75,827,645	$ 6,200,000	$ 82,027,645
Economic & Community Development				
Housing & Community Services Department				
Local Innovation & Fast Track (LIFT) Housing	-	130,000,000	-	130,000,000
Total Housing & Community Services Department	-	130,000,000	-	130,000,000
Economic & Community Development	$	130,000,000	$ -	$ 130,000,000
Transportation				
Transportation, Oregon Department of				
South Coast Maintenance Station	-	12,000,000	-	12,000,000
Central Coast Maintenance Station	-	8,000,000	-	8,000,000
Dundee Bypass Right of Way	-	32,000,000	-	32,000,000
Southwest Corridor Light Rail Extension	-	25,000,000	-	25,000,000
Connect Oregon VIII	-	20,000,000	-	20,000,000
Total Transportation, Oregon Department of	-	97,000,000	-	97,000,000

2019-2021 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS (CONTINUED)

Description	General Fund	Other Funds	Federal Funds	Total
Aviation, Department of				
Airport Resiliency Equipment & Pre-fab Buildings	-	10,000,000	-	10,000,000
Prospect State Airport Runway Reconstruction	-	2,160,000	-	2,160,000
Aurora State Airport Run-Up Area Construction	-	205,000	1,845,000	2,050,000
Condon State Airport Runway Rehabilitation	-	260,000	2,340,000	2,600,000
Siletz Bay State Airport Taxiway Rehabilitation	-	114,000	1,026,000	1,140,000
Total Aviation, Department of	-	12,739,000	5,211,000	17,950,000
Transportation	-	$ 109,739,000	$ 5,211,000	$ 114,950,000
Administration				
Administrative Services, Department of				
Deferred Maintenance	-	13,750,000	-	13,750,000
Justice Building Exterior Updates	-	5,000,000	-	5,000,000
Revenue Building Electrical System Upgrades	-	10,000,000	-	10,000,000
Portland State Office Building Upgrades	-	8,600,000	-	8,600,000
Total Administrative Services, Department of	-	37,350,000	-	37,350,000
Administration	-	$ 37,350,000	-	$ 37,350,000
GRAND TOTAL 2019-21 BIENNIUM	$ -	$ 593,573,636	$ 11,411,000	$ 604,984,636

2021-2023 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	452,600,000	-	452,600,000
Community Colleges Capital Construction	-	75,000,000	-	75,000,000
Total Higher Education Coordinating Commission	-	527,600,000	-	527,600,000
Education	-	$527,600,000	-	$527,600,000
Public Safety				
Military Department, Oregon				
Hillsboro Readiness Center	-	5,025,520	33,633,000	38,658,520
Boardman Multipurpose Machinegun Range	-	753,360	14,077,000	14,830,360
McMinnville Armory Service Life Extension	-	3,404,847	-	3,404,847
Salem Armory Service Life Extension	-	5,272,780	-	5,272,780
Total Military Department, Oregon	-	14,456,507	47,710,000	62,166,507
Corrections, Department of				
Deferred Maintenance	-	12,000,000	-	12,000,000
Total Corrections, Department of	-	12,000,000	-	12,000,000
Oregon Youth Authority				
Facility Renovations and Improvements	-	86,420,220	-	86,420,220
MacLaren Gatehouse	-	15,967,600	-	15,967,600
Total Oregon Youth Authority	-	102,387,820	-	102,387,820
Public Safety	-	$128,844,327	$ 47,710,000	$176,554,327
Natural Resources				
Fish & Wildlife, Oregon Department of				
Deferred Maintenance	-	10,000,000	-	10,000,000
Total Fish & Wildlife, Oregon Department of	-	10,000,000	-	10,000,000
Natural Resources	-	$ 10,000,000	-	$ 10,000,000
Transportation				
Aviation, Department of				
State Airport Renovations	-	2,800,000	5,400,000	8,200,000
Total Aviation, Department of	-	2,800,000	5,400,000	8,200,000
Transportation, Oregon Department of				
South Coast Maintenance Station	-	17,000,000	-	17,000,000
Total Transportation, Oregon Department of	-	17,000,000	-	17,000,000
Transportation	-	$ 19,800,000	$ 5,400,000	$ 25,200,000
Administration				
Administrative Services, Department of				
Oregon Resilience Building Phase 1	-	156,770,000	-	156,770,000
Total Administrative Services, Department of	-	156,770,000	-	156,770,000
Administration	-	$156,770,000	-	$156,770,000
GRAND TOTAL 2021-23 BIENNIUM	-	$843,014,327	$ 53,110,000	$896,124,327

Note: Funding in the Governor's Budget includes only those items identified in capital construction bills. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2021-23; they are not yet recommended in capital construction bills.

2023-2025 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	518,562,500	-	518,562,500
Community Colleges Capital Construction	-	75,000,000	-	75,000,000
Total Higher Education Coordinating Commission	-	593,562,500	-	593,562,500
Education	-	$593,562,500	-	$593,562,500
Public Safety				
Military Department, Oregon				
Lebanon Armed Forces Reserve Center	-	3,312,000	28,436,000	31,748,000
Warrenton Armory Service Life Extension	-	2,116,120	-	2,116,120
Ashland Armory Service Life Extension	-	3,054,539	-	3,054,539
Pendleton Armory Service Life Extension	-	5,175,980	-	5,175,980
Total Military Department, Oregon	-	13,658,639	28,436,000	42,094,639
Oregon Youth Authority				
Facility Renovations and Improvements	-	31,081,050	-	31,081,050
Total Oregon Youth Authority	-	31,081,050	-	31,081,050
Public Safety	-	$ 44,739,689	$ 28,436,000	$ 73,175,689
Natural Resources				
Fish & Wildlife, Oregon Department of				
Deferred Maintenance	-	10,000,000	-	10,000,000
Total Fish & Wildlife, Oregon Department of	-	10,000,000	-	10,000,000
Natural Resources	-	$ 10,000,000	-	$ 10,000,000
Transportation				
Aviation, Department of				
State Airport Renovations	-	2,900,000	5,600,000	8,500,000
Total Aviation, Department of	-	2,900,000	5,600,000	8,500,000
Transportation, Oregon Department of				
South Coast Maintenance Station	-	11,000,000	-	11,000,000
Central Coast Maintenance Station	-	6,000,000	-	6,000,000
Total Transportation, Oregon Department of	-	17,000,000	-	17,000,000
Transportation	-	$ 19,900,000	$ 5,600,000	$ 25,500,000
Administration				
Administrative Services, Department of				
Oregon Resilience Building, L&I and Revenue Building	-	271,500,000	-	271,500,000
Total Administrative Services, Department of	-	271,500,000	-	271,500,000
Administration	-	$271,500,000	-	$271,500,000
GRAND TOTAL 2023-25 BIENNIUM	-	$939,702,189	$ 34,036,000	$973,738,189

Note: Funding in the Governor's Budget includes only those items identified in capital construction bills. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2023-25; they are not yet recommended in capital construction bills.

Bonded Debt Profile

DEBT STRUCTURE AND AUTHORITY

The State of Oregon's borrowing programs consist of many different and separate authorizations, including both constitutional and statutory provisions. Constitutional authorizations permit issuance of general obligation bonds that are backed by the full faith and credit of the state. Statutory authorizations provide for the issuance of revenue bonds and conduit revenue bonds backed only by the moneys derived from operation of the particular enterprise for which the obligations were issued. Appropriation credits include Certificates of Participation (COPs) authorized in ORS Chapter 283 and appropriation bonds which were authorized by Senate Bill 856 (2003), but are no longer outstanding. Both of these are special limited obligations payable solely from funds appropriated by the Legislative Assembly. In addition to these constitutional and statutory limits, the Legislative Assembly approves the volume of bonds and finance agreements that may be issued under each authorization during a given biennium through the budgetary process.

The state's general obligation bond authority is based on the Real Market Value (RMV) of all taxable property in Oregon. Most constitutionally authorized general obligation bond programs have an issuance ceiling based on a percentage of RMV, ranging from 0.2 to 8.0 percent as shown in Table B. The most recent (January 1, 2017) certified statewide RMV is $620.9 billion. The total outstanding general obligation debt at June 30, 2018 was approximately $6.1 billion. Of the outstanding general obligation debt, 52 percent is General Fund supported and the remaining debt is self-supporting, as debt service is paid from various program revenues rather than from General Fund revenues.

In aggregate, the repayment of the state's outstanding general obligation debt is structured conservatively. Approximately 32 percent of outstanding general obligation debt matures in five years, and 64 percent matures in 10 years. The entire debt matures in 31 years as shown in Table D, a schedule of aggregate debt service requirements for general obligation debt as of June 30, 2018. The maturity structure is affected most significantly by required principal payments for pension obligation bonds in 2019 through 2027.

Oregon's gross long-term debt at June 30, 2018 was $10.7 billion, excluding conduit bonds. Compared to $10.3 billion outstanding two years earlier, this represents an increase of approximately four percent. This was primarily driven by an increase in outstanding general obligation bonds, as debt has been more widely used to address capital improvements and seismic retrofits for facilities at local schools, public universities and state agencies.

RECENT DEVELOPMENTS

The 2017 Legislature authorized the issuance of $101.0 million of COPs in the 2017-19 biennium in conjunction with amending ORS 283.085 to expand the purposes for which COPs can be issued. The proceeds will be used to release a portion of the Elliott State Forest from restrictions associated with the forest being owned by the Common School Fund (CSF) and to compensate the CSF for impacts of preserving non-economic public benefits of the forest such as wildlife or habitat preservation and recreation. The COPs are expected to be marketed with a "green"

distinction, a recent trend in the municipal market designed to appeal to buyers seeking investments focused on sustainable or "green" projects.

In May 2018, the state issued its first series of general obligation bonds designated as "Oregon Sustainability Bonds" which funded the Local Innovation and Fast Track Housing Program (LIFT). The LIFT program provides financing for new affordable housing in Oregon for households earning at or below 60 percent of area median income and in historically underserved communities. The Oregon Housing and Community Services Department is responsible to track and report certain attributes of LIFT projects to maintain the sustainability designation. In the future, the state plans to designate additional bonds as Oregon Sustainability Bonds when the proceeds will be used to further the state's sustainability goals.

CURRENT 2017-19 BIENNIUM ISSUANCE

The state is expected to issue approximately $1.8 billion of bonds in the 2017-19 biennium, excluding pass through revenue bonds, COPs, and Other Financing Agreements. This is $14.7 million less than the amount issued in 2015-17. The net change is primarily driven by highway user tax revenue bonds for which $344.1 million were issued in the 2015-17 biennium, but none were issued in 2017-19.

The bond program with the highest projected issuance in 2017-19 is the Article XI-Q general obligation bond program, which is used to finance state-owned or state-operated capital assets. Primary uses include public universities' capital projects, improvements to Oregon Youth Authority facilities, affordable housing, and several information technology projects. In addition, a significant grant is funding construction of the new Multnomah County courthouse through a program established by the 2013 Legislature. The amount of bonds expected to be issued in 2017-19 by bond program is shown in Table A.

HIGHLIGHTS OF RECOMMENDED 2019-21 BIENNIUM ISSUANCE AUTHORITY

Each biennium, the Governor recommends the maximum amount of debt state agencies may issue, as required by ORS 286A.035. The Governor's Budget takes into consideration debt capacity limits recommended by the Office of the State Treasurer for both General Fund supported debt and Lottery Revenue bonds. Recommended levels of debt issuance authority factor in capital needs over a six-year horizon to strategically focus investments and use debt capacity in a prudent and sustainable manner. The Governor's recommendation for bond issuance authority in the 2019-21 biennium is shown in Table A.

The state's capacity to issue General Fund supported debt is slightly higher than the prior biennium as a result of improving growth estimates for General Fund revenue, primarily from personal income taxes. The Governor's Budget for 2019-21 includes authority to issue $715.3 million of General Fund supported debt for various programs. Significant investments include $131.4 million for affordable housing needs through the LIFT program plus $50.7 million to construct permanent supportive housing for individuals coming out of chronic homelessness. Also recommended is $121.2 million to fund grants for seismic rehabilitation of public education and emergency services buildings and $100.9 million for matching grants for school district capital improvements. In addition, General Fund supported financing is recommended to fund $59.0 million in state-owned facility renovations to address deferred maintenance and

$44.2 million to replace and implement various information technology systems.

Approximately $60.6 million is budgeted for community college campus improvements, of which $48.6 million is carryover authority for several projects authorized in prior biennia but were not funded because matching funds were not yet available. In addition to $65.7 million included in the budget for deferred maintenance at public university campuses, the Governor's budget reserves $225.0 million of General Fund supported debt capacity for public university projects. The Higher Education Coordinating Commission is expected to develop a 10-year strategic plan for capital construction at public university campuses in anticipation of considering project requests during the February 2020 legislative session.

Lottery bond issuance capacity in 2019-21 is higher than the prior biennium as a result of improving long-term growth estimates for Lottery Fund revenue, primarily video lottery sales. The Governor's Budget includes $301.3 million in Lottery Revenue Bonds to fund a variety of projects including: multi-modal transportation (Connect Oregon VIII), extension of light rail, grants for water infrastructure, preservation of affordable housing, and other infrastructure investments based on identified regional priorities. Many of these investments will help to revitalize rural communities throughout Oregon.

In addition to the General Fund supported and Lottery Bond projects described above, the bond bill also includes amounts for self-supporting projects such as $94.3 million for acquisition and construction of public university facilities. Highway User Tax Revenue Bonds are included in the bond bill to issue $485.0 million of bonds for financing the transportation infrastructure improvement projects outlined in HB 2017 (2017). Other bonds that are not tax-supported are authorized for a variety of purposes including veterans' home loans and revenue bonds to finance both single-family mortgage loans and multi-family housing projects.

CREDIT RATING CONSIDERATIONS

The State of Oregon continues to be regarded by the capital markets as a well-managed issuer of debt, as evidenced by the state's general obligation debt credit ratings of AA+, Aa1, and AA+ by S&P Global Ratings, Moody's Investors Service, and Fitch Ratings respectively. Almost half of Oregon's general obligation debt is paid from non-tax sources, that is, the debt is self-supporting. Because this debt has general obligation backing, some credit rating analysts may treat a portion of it as a General Fund liability, despite its self-supporting character and history. The Lottery Revenue Bond program also continues to garner strong credit ratings of AAA and Aa2 by S&P Global Ratings and Moody's Investors Service respectively.

Several factors are cited by the ratings agencies in maintaining Oregon's strong credit position. These include sound financial controls underscored by strong executive ability to reduce spending, maintenance of budget reserves, and favorable funding ratios in the state's pension system. Credit challenges include heavy reliance on volatile income tax, the "kicker" law which restricts the state's ability to manage income volatility, and uncertainty created by the voter initiative process.

INTEREST RATES

Oregon bond issuers typically pay lower interest costs when issuing tax-exempt municipal bonds in comparison to their national counterparts, due to their exemption from both federal and state

income taxes and given that Oregon is a relatively high income tax state. Although volatility of interest rates over the last two years has been significant, a lack of stability in the global political environment has contributed to keeping interest rates low. During fiscal year 2018, the 20-year Oregon Bond Index for Aa-rated debt issues ranged from a low of 2.54 percent in December 2017 to a high of 3.19 percent in April 2018. While rates varied weekly, the overall trend was slightly higher rates over the course of the year. However, from a historical perspective, rates are still well within historically low territory. The state has taken advantage of the low interest rate environment to refinance existing debt at lower rates where permissible, achieving millions of dollars in debt service savings.

State of Oregon Active Borrowing Programs

As previously noted, the state's borrowing programs include general obligation bonds (General Fund supported and self-supporting), revenue bonds (direct revenue and conduit), and appropriation credits. A description of each active authorization follows; inactive programs with no bonds outstanding and no issuance recommended are not included. Refer to Table B for constitutional and statutory debt limits as well as amounts outstanding at June 30, 2018.

ACTIVE GENERAL OBLIGATION AUTHORIZATIONS – GENERAL FUND SUPPORTED

ODOT Highway Improvement Projects – Article XI, Section 7. This article prohibits the Legislative Assembly from authorizing debt in excess of $50,000 other than for noted exceptions, one of which is to incur debt to build and maintain permanent roads. In the 2015-17 biennium, general obligation bonds were issued under this article for Highway Improvement Projects. As of June 30, 2018, $29.4 million of bonds were outstanding, all of which was General Fund supported.

Higher Education Institutions and Community Colleges – Article XI-G. Under Article XI-G of the Oregon Constitution, the state may issue general obligation bonds to acquire, construct, improve, repair, and furnish buildings, structures, and land that the Legislative Assembly determines will benefit higher education institutions or community colleges. The bond proceeds fund grants to public universities, community colleges and the Oregon Health and Science University (OHSU), and each grant recipient must certify it has matching funds available for the project. The bonds are repaid with General Fund appropriations and, in addition, are secured by the authority for an unlimited ad valorem tax levied on all taxable property in the State. Total debt outstanding at June 30, 2018 was $832.4 million, of which $482.7 million relates to public universities, $183.2 million relates to community colleges and $166.5 million relates to OHSU.

Pollution Control – Article XI-H. Article XI-H authorizes debt issuance to finance pollution control facilities for any municipal corporation, city, county, or agency of the state. The bonds may be either General Fund supported or self-supporting from revenues generated by the program the bonds finance. Bonds issued to clean up "orphan sites" are primarily General Fund supported and Clean Water State Revolving Fund bonds are primarily Other Funds supported.

On June 30, 2018, $35.5 million in Pollution Control bonded debt was outstanding; of this, $12.1 million (34 percent) was General Fund supported. Under the Constitution, $6.2 billion in pollution control bonds could be issued; however, the Legislature has limited the debt that may

be issued under this authorization to $260 million (ORS 468.195). This occurred, in part, because voters approved expanded use of this bonding authority in 1990 for pollution control and disposal activities and exempted pollution control, disposal, and hazardous substance facilities from the self-supporting requirement.

Alternate Energy Projects – Article XI-J. This article authorizes debt issuance to provide loans for development of small-scale local energy projects. Approximately 39 percent of outstanding bonds are General Fund supported while the remaining 61 percent are supported from project revenue streams. At June 30, 2018, outstanding bonds totaled $156.4 million, of which $61.0 million was General Fund supported.

Oregon Opportunity Bonds (OHSU) – Article XI-L. This article authorizes bonds to finance capital costs of the Oregon Health and Science University (OHSU) in an aggregate principal amount that produces net proceeds not to exceed $200 million. The authorizing legislation contemplates the bonds may be paid from tobacco settlement revenues, but those revenues are not pledged to pay the bonds. Principal outstanding was $75.0 million as of June 30, 2018.

Seismic Rehabilitation – Article XI-M/XI-N. Article XI-M authorizes the state to incur debt to finance seismic rehabilitation of public education buildings. This includes buildings owned by a public university, a school district, an education service district, or a community college district. Article XI-N authorizes the state to incur debt to finance seismic rehabilitation of public emergency services buildings such as hospitals, fire stations, and police stations used by a state, county, district, or municipal law enforcement agency. As of June 30, 2018, $191.4 million in XI-M (public education buildings) and $52.9 million in XI-N (emergency services buildings) bonds were outstanding.

Pension Obligation Bonds – Article XI-O. Article XI-O permits the state to incur debt to finance its pension liabilities and to pay the costs of issuing such debt. The article requires the State to pledge its full faith and credit and taxing power to pay such debt, but does not permit the State to pledge its ad valorem taxing power. House Bill 3659 (2003), the implementing legislation for issuance of Oregon's Pension Obligation Bonds, required the net proceeds of the bonds to be deposited in the Public Employees Retirement Fund. As of June 30, 2018, $1.6 billion remains outstanding. Of this amount, $1.1 billion (67 percent) is considered self-supporting debt and $525.8 million (33 percent) is considered General Fund supported debt. The State does not currently anticipate issuing any additional XI-O Bonds.

School District Capital Costs – Article XI-P. Article XI-P authorizes debt issuance to provide matching funds to finance the capital costs of school districts that have received voter approval for local general obligation bonds. Grants are distributed through the Oregon School Capital Improvement Matching grant program. Given the condition of many school district facilities and the anticipated demand for matching grant monies, this program may use a significant portion of the state's General Fund debt capacity in future biennia. At June 30, 2018, $102.8 million of XI-P bonds were outstanding.

State Real and Personal Property – Article XI-Q. Article XI-Q bonds may be issued to acquire, construct, remodel, equip, or furnish real or personal property that is or will be owned or operated by the state, including infrastructure related to the property. This program is centrally administered by the Oregon Department of Administrative Services and is the primary borrowing program used by state agencies for facility improvements and information technology

projects. At June 30, 2018, $1.5 billion in XI-Q bonds were outstanding, of which $1.3 billion (87 percent) is General Fund supported and $193.2 million (13 percent) is self-supporting debt.

ACTIVE GENERAL OBLIGATION AUTHORIZATIONS – SELF-SUPPORTING

Veterans' Affairs – Article XI-A. Under this article, the state may issue debt to finance farm and home loans for eligible veterans. These bonds are self-supporting from loan repayments, but carry the additional security of the Legislature's ability to levy an annual statewide property tax. At June 30, 2018, the Department of Veterans' Affairs had $350.1 million in outstanding bonds.

Higher Education – Article XI-F(1). Article XI-F(1) allows the state to issue bonds for higher education building projects. Under the framework provided in ORS 286A.830 – 286A.863, the State uses bond proceeds to fund loans to public universities, and the loan repayments from universities are used by the State to pay debt service on the bonds. Therefore, bonds issued under this authority are self-supporting. If necessary, a statewide property tax may be used to provide for payment of this debt. On June 30, 2018, $1.1 billion of debt was outstanding.

Pollution Control – Article XI-H. As noted above, XI-H bonds may be issued to finance pollution control facilities for a municipal corporation, city, county, or state agency. Of the total $35.5 million outstanding as of June 30, 2018, $23.4 million (66 percent) is self-supporting debt.

Elderly and Disabled Housing – Article XI-I(2). The state may issue bonds to provide financing for multi-family housing for elderly low-income persons and for disabled persons. The Elderly and Disabled Housing program debt is self-supporting from project revenues and is backed by the state's general obligation pledge, which includes property taxing authority. As of June 30, 2018, approximately $42.4 million of debt was outstanding.

Alternate Energy Projects – Article XI-J. This article authorizes debt issuance to provide loans for development of small-scale local energy projects. Of the total $156.4 million outstanding as of June 30, 2018, $95.4 million (61 percent) is self-supporting debt. Due to a history of loan defaults, this program is projected to have a shortage of cash for bond repayment of approximately $8.5 million between the years 2021 and 2024. The estimated need for the 2019-21 biennium is $4.3 million of General Fund support to cover the April 1, 2021 bond payment.

Pension Obligations – Article XI-O. As previously noted, the state is authorized to incur debt to finance the state's pension liabilities. As of June 30, 2018, $1.6 billion remains outstanding. Of this amount, $1.1 billion (67 percent) is considered self- supporting debt and $525.8 million (33 percent) is considered General Fund supported debt. The State does not currently anticipate issuing any additional XI-O Bonds.

State Real and Personal Property – Article XI-Q. As noted above, XI-Q bonds may be issued to acquire, construct, remodel, equip, or furnish real or personal property that is or will be owned or operated by the state. Of the $1.5 billion outstanding as of June 30, 2018, $193.2 million (13 percent) is self-supporting debt and $1.3 billion (87 percent) is General Fund supported debt.

ACTIVE REVENUE BOND AUTHORIZATIONS

Single-Family and Multi-Family Housing. Oregon Housing and Community Services Department (OHCSD) may issue revenue bonds to finance both single-family mortgage loans

and multi-family housing projects. The sources of repayment for these bonds are pledged rental revenues, mortgage payments, and fees. ORS 456.661 limits total outstanding debt under these programs to $2.5 billion. As of June 30, 2018, $846.6 million was outstanding.

Highway User Tax. The Oregon Department of Transportation may issue highway user tax revenue bonds to provide proceeds for building and maintaining permanent public roads pursuant to Article IX, Section 3a of the Oregon Constitution, ORS 367.605 to 367.670, and ORS Chapter 286A. These bonds are not general obligation bonds; however, they are unlike other state revenue bonds because they are secured by tax proceeds from fuel sales and various other taxes or fees charged for vehicle use and licensing. The Constitution requires the revenues received to be used exclusively for public highways, roads, streets and roadside rest areas in the state. The total statutory authorization for Highway User Tax bonds is approximately $3.2 billion. At June 30, 2018, approximately $2.4 billion of bonds were outstanding, or about 55 percent of all direct revenue-bonded debt.

Lottery Revenue Bonds. In 1994, Oregon became the first state in the nation to issue revenue bonds backed solely by lottery gaming revenues. ORS 286A.560 to 286A.585 authorize the issuance of bonds and establish the framework for the Lottery Revenue Bond program which is administered by the Oregon Department of Administrative Services. Issuance of additional Lottery Revenue bonds is authorized through legislation as part of the budgetary process; the purposes, projects to be financed, and amount that may be issued are specified in the legislation. Although the maximum amount of debt that can be issued is not set by statute, the master indenture under which bonds are issued require an “additional bonds test” to ensure both historical and projected net lottery proceeds provide coverage of four times the maximum annual debt service on all outstanding bonds.

As specified in Article XV(4), lottery proceeds may be used for creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon’s parks, beaches, watersheds and native fish and wildlife. Proceeds from Lottery Revenue bonds have been used for a variety of purposes including infrastructure improvements, state parks, expansion and refurbishment of school facilities, non-highway transportation infrastructure, watershed enhancements, development of affordable housing, and other purposes. The amount of outstanding Lottery Revenue bonds as of June 30, 2018 was $1.1 billion, or about 25 percent of all direct revenue-bonded debt.

Business Development Department Bond Bank. The Oregon Business Development Department (OBDD) administers the Oregon Bond Bank, which includes the Special Public Works Fund (SPWF) and the Water Fund programs. Revenue bonds may be issued to finance SPWF loans to municipalities for construction and improvement of water, wastewater, and other local infrastructure as authorized by ORS 285B.467 to 285B.479. Under the Water Fund program, loans are provided to municipalities for safe drinking water projects and wastewater systems improvement projects as authorized by ORS 285B.572 to 285B.599. In general, borrowers from the Oregon Bond Bank have pledged sources of repayment related to the project being financed, such as water or sewer system revenues. The amount of bonds outstanding as of June 30, 2018 was $47.1 million.

CONDUIT REVENUE BONDS

Oregon Facilities Authority Bonds – ORS Chapter 289. The Oregon Facilities Authority (OFA) is empowered to issue bonds to assist with financing lands for health, housing, educational, and cultural uses and for construction and financing of facilities for such uses. The OFA reviews proposed projects and makes recommendations to the State Treasurer whether to issue bonds, which are secured solely by payments from entities for which projects were financed. All bonds issued by OFA are "conduit" or "pass-through" revenue bonds, which means the bondsdo not constitute a liability of the State of Oregon, and no state revenues are pledged to repay the bonds. Also, there is no recourse to the State for payment if any entities are unable to meet debt servicerequirements. As of June 30, 2018, $2.2 billion in bonds were outstanding.

Industrial Development Bonds – ORS 285B.320 to 285B.371. The Oregon Business Development Department (OBDD) is authorized to issue conduit revenue bonds for the Industrial Development Bonds (IDB) program. Bond proceeds are loaned to private businesses to finance eligible manufacturing and solid waste disposal projects. The bonds are secured solely by payments from private businesses on whose behalf bonds are issued. As of June 30, 2018, $517.1 million of bonds were outstanding.

Housing Development Bonds – ORS 456.692. Oregon Housing and Community Services Department (OHCS) is authorized to issue conduit revenue bonds for the Housing Development Program. This multifamily housing program provides financing for developments in which a specified number of units are provided to low income households. Each bond issue finances a single development that is separately secured by revenues and assets pledged by the borrower. Similar to other state conduit revenue bond programs, as noted above, there is no recourse to the State for payment if the borrower is unable to meet debt service requirements. Bonds outstanding were $439.0 million as of June 30, 2018.

Beginning and Expanding Farmer Loan Program – ORS 285B.320 to 285B.371. The Oregon Business Development Department (OBDD) is authorized to issue conduit revenue bonds for the Beginning and Expanding Farmer Loan program to provide loans to beginning farmers to finance various agricultural projects. The bonds are secured solely by revenues of the agricultural project. There was $0.5 million of bonds outstanding as of June 30, 2018.

APPROPRIATION CREDITS

ORS 283.085 to 283.092 allows the state to enter into financing agreements including lease-purchase agreements, installment sales agreements, and loan agreements to finance real or personal property and issue Certificates of Participation (COPs) evidencing these financing agreements, subject to Legislative approval. The principal amounts of such financing agreements are subject to maximum biennial issuance levels established by the Legislature. COPs are not debt and therefore cannot include a pledge of the state's full faith and credit. Instead, COPs are payable solely from funds appropriated or otherwise made available by the Legislative Assembly and therefore are considered an appropriation credit. Due to the superior credit of a general obligation bond over an appropriation credit, Article XI-Q bonds have essentially replaced COPs as the primary method of financing state owned or operated real or personal property. In addition, the state has taken advantage of historically low interest rates

by refinancing outstanding COPs with XI-Q bonds, where possible, to achieve debt service savings. As of June 30, 2018, $240.8 million in COPs remained outstanding. However, as noted above in Recent Developments, the 2017 Legislature approved issuance of $101.0 million of COPs in the 2017-19 biennium.

Capital Financing Six-Year Forecast

ORS 291.216 requires the Governor's Budget to compare state agency capital financing needs to the State Debt Policy Advisory Commission's (SDPAC) six-year estimate of debt capacity, which is shown in Table F. The capital financing needs are in three categories: capital construction, equipment and technology, and grants and loans. Capital financing needs beyond 2019-21 are projections of agency needs, subject to change in the future. In the January 25, 2018 SDPAC report, the debt capacity estimate was $3.6 billion General Fund supported debt and $830.5 million Lottery debt for the six-year period 2019-21 through 2023-25. The estimates in Table F reflect changes in debt capacity based on the December 2018 revenue forecast using the SDPAC model, applying a smoothed approach over the six-year period. For the 2019-21 biennium, the debt capacity is $1.1 billion for General Fund supported debt and $305.1 million for Lottery Fund supported debt.

Net tax supported debt includes three components: 1) General Fund supported debt; 2) Lottery Revenue Bond program; and 3) Transportation Department bonds. There are specific debt capacity estimates only for General Fund supported debt programs and the Lottery Revenue Bond program. The Transportation Department bond capacity is limited by Oregon law and in Article XI, Section 7 of the Constitution. The SDPAC also does not estimate capacity for Non Tax-Supported Debt Programs since debt capacity is based on legal limits in Oregon laws and the Constitution, sound program management, loan demand, need for capital projects, and appropriate reviews by the State Treasurer, the Governor, and the Legislative Assembly. Table F shows projected debt issuance only for Non Tax-Supported Debt Programs. Conduit revenue bond programs are excluded from the table, as the SDPAC does not make specific capacity estimates for conduit revenue bonds.

Private Activity Bond Volume Cap

The Tax Reform Act of 1986 imposed a state-by-state volume cap on certain "private activity bonds." The Private Activity Bond (PAB) Committee is a statutory body consisting of its Chair, a representative of the Office of the State Treasurer; a public member appointed by the Governor; and a representative of the Department of Administrative Services. The PAB Committee is charged with re-allocating a portion of the state's PAB authority to various state and local issuers as appropriate under its rules and governing federal and state law. The Debt Management Division in the Office of the State Treasurer serves as staff to the PAB Committee.

The budget recommends allocation of private activity volume cap for calendar years 2020 and 2021 as shown in the chart below. Projected volume cap authorizations for each calendar year are based on $105 per capita and estimated Oregon population as of July 1, 2017. If an increase in the state's population, a sufficient increase in the Consumer Price Index, or a change in federal tax law result in an increase of the private activity bond limit greater than the total noted below, such excess will be allocated to the Private Activity Bond Committee.

Allocation Type	CY 2020	CY 2021
Industrial Development Bonds (OBDD)	40,000,000	40,000,000
Beginning and Expanding Farmer Loan Program (OBDD)	2,500,000	2,500,000
Housing and Community Services Department	250,000,000	250,000,000
Private Activity Bond Committee	142,491,480	142,491,480
Total	**$ 434,991,480**	**$ 434,991,480**

Table A. Recommended Bond Issuance Authorization

Program Designation	2015-17 Actual	2017-19 Estimated	Recommended 2019-21 Maximum Limit
General Obligation Bonds (Constitutional Authority)			
General Fund Obligations			
HECC Public Universities (Art. XI-G)	77,735,000	131,890,000	-
HECC Community Colleges (Art. XI-G)	28,270,000	54,570,000	60,615,000
HECC Oregon Health and Science University (Art. XI-G)	168,205,000	-	-
Department of Environmental Quality (Art. XI-H)	-	10,300,000	-
Business Development Department (Art. XI-M)	147,215,000	97,255,000	100,935,000
Business Development Department (Art. XI-N)	24,585,000	18,880,000	20,305,000
Department of Education (Art. XI-P)	105,295,000	100,985,000	100,935,000
Department of Administrative Services (Art. XI-Q)	363,550,000	605,921,391	432,487,220
Department of Transportation (Art. XI, Section 7)	30,005,000	-	-
Total General Fund Obligations	**944,860,000**	**1,019,801,391**	**715,277,220**
Dedicated Fund Obligations			
Department of Veterans' Affairs (Art. XI-A)	51,715,000	108,190,000	180,000,000
HECC Public Universities (Art. XI-F(1))	41,660,000	15,935,000	94,345,000
Department of Environmental Quality (Art. XI-H)	10,000,000	10,000,000	10,000,000
Housing & Community Services Department (Art. XI-I(2))	-	-	50,000,000
Department of Administrative Services (Art. XI-Q)	-	4,915,775	25,302,780
Total Dedicated Fund Obligations	**103,375,000**	**139,040,775**	**359,647,780**
TOTAL ALL GENERAL OBLIGATION BONDS	**$ 1,048,235,000**	**$ 1,158,842,166**	**$ 1,074,925,000**
Revenue Bonds			
Direct Revenue Bonds			
Housing & Community Services Single/Multi-Family Housing	222,864,832	376,759,580	500,000,000
Department of Transportation Highway User Tax	344,105,000	-	485,000,000
Business Development Department Oregon Bond Bank	-	10,590,000	30,000,000
Dept. of Administrative Services Lottery Revenue Bonds	166,740,000	221,025,000	301,320,000
Total Direct Revenue Bonds	733,709,832	608,374,580	1,316,320,000
Pass-Through Revenue Bonds			
Business Development Dept. Industrial Development Bonds	473,337	400,000,000	600,000,000
Business Development Beginning & Expanding Farmers	436,750	600,000	5,000,000
Oregon Facilities Authority	611,989,805	1,350,000,000	1,000,000,000
Housing and Community Services Department	100,015,000	444,858,227	600,000,000
Total Pass-Through Revenue Bonds	712,914,892	2,195,458,227	2,205,000,000
TOTAL ALL REVENUE BONDS	**$ 1,446,624,724**	**$ 2,803,832,807**	**$ 3,521,320,000**
Certificates of Participation & Other Financing Agreements			
Department of Administrative Services	$ 32,558,916	$ 127,985,000	$ 30,000,000

Amounts do not include refundings.

Table B. Outstanding Bonds and Authorizations

Purpose/Department	Constitutional or Statutory Provision	% Real Market Value {1}
General Obligation Bonds		
General Fund Supported		
General Purpose Bonds {2}	Article XI, Sec 7	0.0000%
ODOT Highway Improvement Projects	Article XI, Sec 7	1.0000%
State Power Development Bonds	Article XI-D	1.5000%
Forest Rehabilitation Bonds	Article XI-E	0.1875%
Higher Education & Community Colleges Facilities {4}	Article XI-G	0.7500%
Pollution Control Bonds (34% of total)	Article XI-H/ORS 468.195	1.0000%
Alternate Energy Project Bonds (39% of total)	Article XI-J	0.5000%
Oregon School Bond Guaranty	Article XI-K	0.5000%
Oregon Opportunity Bonds {5}	Article XI-L	0.5000%
Seismic Retrofit - Public Education Buildings	Article XI-M	0.2000%
Seismic Retrofit - Emergency Service Buildings	Article XI-N	0.2000%
Pension Obligation Bonds (33% of total)	Article XI-O	1.0000%
School District Capital Costs	Article XI-P	0.5000%
State Real and Personal Property (87% of total)	Article XI-Q	1.0000%
Total General Fund Supported		
Self-Supporting		
Veterans' Welfare Bonds	Article XI-A	8.0000%
Higher Education Facility Projects	Article XI-F(1)	0.7500%
Pollution Control Bonds (66% of total)	Article XI-H/ORS 468.195	1.0000%
Water Development Projects Bonds	Article XI-I(1)	1.5000%
Elderly & Disabled Housing Bonds	Article XI-I(2)	0.5000%
Alternate Energy Project Bonds (61% of total)	Article XI-J	0.5000%
Pension Obligation Bonds (67% of total)	Article XI-O	1.0000%
State Real and Personal Property (13% of total)	Article XI-Q	1.0000%
Total Self-Supporting		
Total General Obligation Bonds		
Revenue Bonds		
Single & Multi-Family Housing Programs	ORS 456.661	
ODOT Highway User Tax	ORS 367.620	
ODOT Transportation Infrastructure Bank	ORS 367.030	
Business Development Bond Bank	ORS Chapter 285B	
Lottery Revenue Bond Program	ORS 286A.560-585	
Total Revenue Bonds		
Conduit Revenue Bonds		
Oregon Facilities Authority	ORS Chapter 289	
Industrial Development Revenue Bonds (OBDD)	ORS Chapter 285B	
Conduit Multi-family Housing Programs	ORS 456.692	
Beginning & Expanding Farmer Loans (OBDD)	ORS 285A.420-435	
Total Conduit Revenue Bonds		

Source: Oregon State Treasury, Debt Management Division.

NOTE: Excludes Appropriation Credits. Totals may not agree with sum of components due to rounding. Authorization remaining is not applicable to all programs.

1 Percentages listed are of Real Market Value (RMV) of all taxable real property in the state; the January 1, 2017 RMV was $620,909,716,704.

2 The State of Oregon may not incur indebtedness exceeding $50,000 without a constitutional amendment approved by the voters.

Constitutional Debt Limit {1}{2}	Statutory Debt Limit	Amount Outstanding {3}	Authorization Remaining
50,000	-	-	50,000
6,209,097,167		29,410,000	6,179,687,167
9,313,645,751		-	9,313,645,751
1,164,205,719		-	1,164,205,719
4,656,822,875		832,432,222	3,824,390,653
2,111,093,037	88,400,000	12,069,660	2,099,023,377
1,210,773,948		61,005,750	1,149,768,198
3,104,548,584		-	3,104,548,584
3,104,548,584	203,175,000	75,040,000	3,029,508,584
1,241,819,433		191,372,500	1,050,446,933
1,241,819,433		52,917,500	1,188,901,933
2,049,002,065		525,817,050	1,523,185,015
3,104,548,584		102,835,000	3,001,713,584
5,401,914,535		1,293,124,500	4,108,790,035
		3,176,024,182	**40,737,865,532**
49,672,777,336		350,080,000	49,322,697,336
4,656,822,875		1,112,919,357	3,543,903,518
4,098,004,130	171,600,000	23,429,340	4,074,574,790
9,313,645,751		-	9,313,645,751
3,104,548,584		42,385,000	3,062,163,584
1,893,774,636		95,419,250	1,798,355,386
4,160,095,102		1,067,567,950	3,092,527,152
807,182,632		193,225,500	613,957,132
		2,885,026,397	**74,821,824,649**
		$ 6,061,050,579	**$ 115,559,690,180**
	2,500,000,000	846,620,000	1,653,380,000
	3,240,000,000	2,437,255,000	802,745,000
	200,000,000	-	200,000,000
		47,075,000	-
		1,111,265,000	-
		$ 4,442,215,000	**$ 2,656,125,000**
		2,212,167,229	-
		517,145,040	-
		438,983,815	-
		469,058	-
		$ 3,168,765,142	**N/A**

3. Excludes refunded and defeased bonds.
4. XI-G outstanding amount includes $482.7M for Public Universities, $183.2M for Community Colleges and $166.5M for OHSU.
5. Authorized to finance capital costs of Oregon Health and Science University biotechnology research efforts.

Table C. General Obligation Debt Summary

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Gross General Obligation (GO) Debt {1}	$ 5,360,831,855	$ 5,579,665,415	$ 5,677,773,981	$ 6,135,460,818	$ 6,061,050,579
Revenue Supported GO Debt	$ 3,126,895,296	$ 3,187,147,931	$ 3,119,248,899	$ 3,041,421,288	$ 2,885,026,397
Net GO Debt	$ 2,233,936,559	$ 2,392,517,484	$ 2,558,525,082	$ 3,094,039,530	$ 3,176,024,182
Population {2}	3,962,710	4,013,845	4,076,350	4,141,100	4,203,200
Gross Debt per Capita	$ 1,353	$ 1,390	$ 1,393	$ 1,482	$ 1,442
Net Debt per Capita	$ 564	$ 596	$ 628	$ 747	$ 756
Real Market Value (RMV) {3}	$ 433,473,027,209	$ 469,478,740,724	$ 506,175,463,644	$ 559,127,126,580	$ 620,909,716,704
Gross Debt as Percent of RMV	1.24%	1.19%	1.12%	1.10%	0.98%
Net Debt as Percent of RMV	0.52%	0.51%	0.51%	0.55%	0.51%
Total Personal Income {4}	$ 155,147,986,000	$ 165,816,558,000	$ 178,432,319,000	$ 185,839,645,000	$ 192,440,200,000
Revenue Supported GO Debt as Percent of Total Personal Income	2.02%	1.92%	1.75%	1.64%	1.50%
Net GO Debt as Percent of Total Personal Income	1.44%	1.44%	1.43%	1.66%	1.65%

Source: State Treasury, Debt Management Division.

1. See Table B for detail of programs and amounts pertaining to revenue supported GO debt vs. net GO debt as of June 30, 2018.
2. Population figures are as of July 1 each year. Source: Department of Administrative Services, Office of Economic Analysis.
3. Real Market Value is as of January 1 of the preceding year. Source: Oregon Department of Revenue.
4. Personal income is on a calendar year basis for preceding year. Source: Dept. of Administrative Services, Office of Economic Analysis.

Table D. Aggregate General Obligation Debt Service

Fiscal Year	Principal	Interest	Total Requirements
2019	350,350,074	297,472,937	647,823,011
2020	374,213,966	281,974,727	656,188,693
2021	398,806,352	261,389,834	660,196,186
2022	392,875,187	241,932,681	634,807,867
2023	413,035,000	221,328,998	634,363,998
2024	418,730,000	200,791,958	619,521,958
2025	427,610,000	179,402,309	607,012,309
2026	454,545,000	156,962,646	611,507,646
2027	473,105,000	132,905,591	606,010,591
2028	206,100,000	107,698,690	313,798,690
2029	203,370,000	98,250,978	301,620,978
2030	202,070,000	88,689,965	290,759,965
2031	194,985,000	79,217,103	274,202,103
2032	190,760,000	70,206,671	260,966,671
2033	180,615,000	61,507,004	242,122,004
2034	177,980,000	53,152,822	231,132,822
2035	169,865,000	44,970,521	214,835,521
2036	167,980,000	36,940,171	204,920,171
2037	147,325,000	29,171,005	176,496,005
2038	120,610,000	22,317,516	142,927,516
2039	112,925,000	16,498,930	129,423,930
2040	79,935,000	11,555,953	91,490,953
2041	65,550,000	8,151,235	73,701,235
2042	59,680,000	5,156,590	64,836,590
2043	36,825,000	2,727,271	39,552,271
2044	19,630,000	1,375,010	21,005,010
2045	7,520,000	764,615	8,284,615
2046	6,635,000	475,711	7,110,711
2047	4,325,000	246,096	4,571,096
2048	2,620,000	92,806	2,712,806
2049	475,000	9,500	484,500
TOTAL	**$ 6,061,050,579**	**$ 2,713,337,845**	**$ 8,774,388,424**

NOTE: Totals may not agree with sum of components due to rounding.

Source: Oregon State Treasury, Debt Management Division.

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund

Description	2015-17 Actuals	
	TOTAL	COPS
General Fund Supported		
Human Services, Dept. of	3,863,400	-
Administrative Svcs, Dept of	6,672,851	5,654,810
Oregon Business Development Department	10,559,695	-
Justice, Dept of	4,782,487	-
Revenue, Dept of	11,783,649	-
Legislative Administration Committee	6,911,780	5,092,131
Judicial Dept	18,508,519	-
Military Dept, Oregon	9,531,687	5,141,819
Police, Dept of State	-	-
Public Safety Standards & Training, Dept of	9,550,468	-
Veterans' Affairs, Oregon Dept of	2,618,937	-
Corrections, Dept of	124,139,216	55,056,592
Oregon Climate Authority	-	-
Environmental Quality, Dept of	3,815,066	-
Oregon Youth Authority	5,340,858	1,018,713
Oregon Health Authority	64,266,045	32,787,743
Higher Education Coordinating Commission	128,428,273	5,730,351
Education, Dept of	-	-
Forestry, Dept of	2,934,375	2,045,638
Fish & Wildlife, Oregon Dept of	352,594	352,594
Transportation, Oregon Dept of	2,243,724	-
Housing & Community Svcs Dept	-	-
Total General Fund Supported	**$416,303,624**	**$112,880,391**
Lottery Funds Supported		
Administrative Svcs, Dept of	12,777,072	-

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

2017-19 Leg Approved Budget		2019-21 Governor's Budget	
TOTAL	COPS	TOTAL	COPS
15,414,969	-	26,418,852	-
7,137,196	5,576,116	7,042,720	837,510
39,036,407	-	63,349,611	-
12,507,190	-	14,625,490	-
14,425,618	-	15,066,620	-
12,379,677	2,392,854	10,746,310	211,010
17,871,089	-	30,968,960	-
9,997,675	3,289,961	12,173,498	732,650
358,283	-	356,360	-
9,795,963	-	9,665,010	-
1,017,323	-	2,249,440	-
113,974,191	27,847,684	118,037,566	19,402,960
-	-	4,334,048	-
4,658,847	-	6,524,882	-
11,294,254	510,208	15,595,624	-
66,343,686	28,608,550	63,938,630	22,670,020
176,259,238	5,220,550	248,452,120	-
18,239,116	-	32,479,290	-
2,329,152	1,250,777	19,045,821	17,700,220
174,217	174,217	1,964,790	-
4,098,246	-	25,314,930	3,248,440
9,066,521	-	29,302,250	-
$546,378,858	**$74,870,917**	**$757,652,822**	**$64,802,810**
15,873,695	-	21,582,690	-

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

Description	2015-17 Actuals	
	TOTAL	COPS
Lottery Funds Supported		
Oregon Business Development Department	42,251,316	-
Lands, Dept of State	-	-
Energy, Dept of	2,980,489	-
Oregon Climate Authority	-	-
Higher Education Coordinating Commission	42,349,758	-
Education, Dept of	1,434,923	-
Forestry, Dept of	2,481,956	-
Parks & Recreation Dept	1,682,346	-
Water Resources Dept	2,511,474	-
Transportation, Oregon Dept of	107,484,130	-
Housing & Community Svcs Dept	11,676,461	-
Total Lottery Funds Supported	**$227,629,925**	**-**
Other Funds Supported		
Administrative Svcs, Dept of	407,467,332	10,731,967
Oregon Business Development Department	45,123,891	-
Revenue, Dept of	55,516	-
Legislative Administration Committee	4,897,766	-
Military Dept, Oregon	139,689	-
Police, Dept of State	-	-
Veterans' Affairs, Oregon Dept of	90,563,568	-
Corrections, Dept of	29,263,146	117,867
Energy, Dept of	125,078,298	-
Oregon Climate Authority	-	-
Environmental Quality, Dept of	18,610,707	-
Oregon Health Authority	133,125,449	67,592

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

2017-19 Leg Approved Budget		2019-21 Governor's Budget	
TOTAL	COPS	TOTAL	COPS
49,761,252	-	60,553,568	-
-	-	589,920	-
3,023,630	-	-	-
-	-	3,023,370	-
43,580,814	-	46,039,345	-
651,225	-	692,870	-
2,601,001	-	2,605,450	-
2,152,590	-	2,374,100	-
3,953,969	-	8,493,320	-
113,596,792	-	118,775,740	-
16,007,282	-	21,868,790	-
$251,202,250	**-**	**$286,599,163**	**-**
406,616,039	4,097,651	442,091,015	2,381,900
37,239,805	-	37,131,696	-
1,185,157	-	1,237,830	-
1,212,689	-	4,828,500	-
550,790	-	100,050	-
149,632	-	148,840	-
219,521,159	-	215,754,089	-
43,042	-	-	-
63,376,902	-	-	-
-	-	39,988,071	-
15,787,887	-	15,848,330	-
1,371,293	-	300,000	-

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

Description	2015-17 Actuals	
	TOTAL	COPS
Other Funds Supported		
Public Employees Retirement System, Oregon	1,290,750	-
Higher Education Coordinating Commission	502,683,797	7,336,286
Education, Dept of	-	-
Forestry, Dept of	2,926,826	1,092,503
Fish & Wildlife, Oregon Dept of	1,834,860	-
Transportation, Oregon Dept of	866,716,784	8,731,915
Housing & Community Svcs Dept	537,956,905	-
Total Other Funds Supported	**$2,767,735,284**	**$28,078,130**
Federal Funds Supported		
Corrections, Dept of	1,123,728	1,123,728
Energy, Dept of	-	-
Oregon Climate Authority	-	-
Oregon Health Authority	4,054,172	4,054,172
Higher Education Coordinating Commission	625,641	625,641
Transportation, Oregon Dept of	20,145,859	-
Total Federal Funds Supported	**$25,949,400**	**$5,803,541**
Grand Total Debt Service Requirements	**$3,437,618,233**	**$146,762,062**

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

2017-19 Leg Approved Budget		2019-21 Governor's Budget	
TOTAL	COPS	TOTAL	COPS
-	-	-	-
237,852,863	5,328,218	242,087,520	3,601,300
24,302	-	-	-
772,524	672,438	636,962	337,150
1,832,210	-	1,836,410	-
571,388,923	6,742,741	384,438,233	85,570
446,165,858	-	497,037,817	-
$2,005,091,075	**$16,841,048**	**$1,883,465,363**	**$6,405,920**
1,038,513	1,038,513	940,120	940,120
104,000	-	-	-
-	-	104,000	-
3,719,310	3,719,310	3,467,210	3,467,210
4,587,374	-	4,597,230	627,330
21,575,775	-	21,243,619	-
$31,024,972	**$4,757,823**	**$30,352,179**	**$5,034,660**
$2,833,697,155	**$96,469,788**	**$2,958,069,527**	**$76,243,390**

Table F. Capital Financing Six-Year Forecast Summary

General Fund Supported Debt	General Fund Repayment Source		
NET TAX-SUPPORTED DEBT PROGRAMS	2019-21	2021-23	2023-25
SDPAC Estimated New Debt Capacity	1,148,000,000	1,148,000,000	1,148,000,000
Projected Debt Capacity Carryforward Added Back	52,615,000	485,337,780	430,182,980
Estimated Debt Capacity as Adjusted	1,200,615,000	1,633,337,780	1,578,182,980
GENERAL OBLIGATION BONDS			
Art. XI-G Higher Education & Community Colleges			
Capital Construction - Public Universities	-	86,450,000	87,500,000
Capital Construction - Community Colleges	60,615,000	75,000,000	75,000,000
Art. XI-H Pollution Control (GF Supported Portion)			
Grants and Loans	-	10,000,000	7,000,000
Art. XI-M & XI-N Seismic Rehabilitation			
Grants and Loans	121,240,000	150,000,000	125,000,000
Art. XI-P School Districts Capital Costs			
Grants and Loans	100,935,000	80,000,000	60,000,000
Art. XI-Q State Property (GF Supported Portion)			
Capital Construction	342,817,220	781,494,300	578,242,800
Equipment and Technology	89,670,000	20,210,500	8,428,000
Less Total General Obligation Bonds (GF Portion)	**715,277,220**	**1,203,154,800**	**941,170,800**
Remaining Estimated General Fund Debt Capacity {1}	**$ 485,337,780**	**$ 430,182,980**	**$ 637,012,180**

Lottery Revenue Bond Program	Lottery Funds Repayment Source		
NET TAX-SUPPORTED DEBT PROGRAMS	2019-21	2021-23	2023-25
SDPAC Estimated New Debt Capacity	305,100,000	305,100,000	305,100,000
Projected Debt Capacity Carryforward Added Back	-	3,780,000	-
Estimated Debt Capacity as Adjusted	305,100,000	308,880,000	305,100,000
LOTTERY REVENUE BONDS			
Dept. of Administrative Services Grants and Loans	292,505,000	308,880,000	305,100,000
Dept. of Administrative Services Capital Construction	8,815,000	-	-
Less Total Lottery Revenue Bonds	**301,320,000**	**308,880,000**	**305,100,000**
Remaining Estimated Lottery Funds Debt Capacity	**$ 3,780,000**	**$ -**	**$ -**

Transportation Department Bonds	Other Funds Repayment Source		
OTHER NET TAX-SUPPORTED DEBT PROGRAMS	2019-21	2021-23	2023-25
GENERAL OBLIGATION BONDS			
Debt Capacity – General Obligation Art. XI, Section 7	6,179,687,167	6,179,687,167	6,179,687,167
Department of Transportation Capital Construction	-		
Remaining transportation general obligation capacity	**6,179,687,167**	**N/A**	**N/A**
REVENUE BONDS			
Debt Capacity Limited by Statute	1,002,745,000	517,745,000	517,745,000
Transportation Highway User Tax Capital Construction	485,000,000		
Transportation Infrastructure Fund Grants and Loans	-		
Less Total Transportation Revenue Bonds	**485,000,000**	**N/A**	**N/A**
Remaining Transportation Revenue Debt Capacity	**$ 517,745,000**	**N/A**	**N/A**

Table F. Capital Financing Six-Year Forecast Summary (continued)

Debt Issuance Forecast	Other Funds Repayment Source		
NON TAX-SUPPORTED DEBT PROGRAMS	2019-21	2021-23	2023-25
GENERAL OBLIGATION BONDS			
Art. XI-A Veterans' Welfare			
Grants and Loans	180,000,000	190,000,000	200,000,000
Art. XI-F(1) Higher Education Facilities			
Capital Construction	94,345,000	95,000,000	35,000,000
Art. XI-H Pollution Control (Other Funds Supported Portion)			
Grants and Loans	10,000,000	10,000,000	10,000,000
Art. XI-I(2) Elderly and Disabled Housing			
Grants and Loans	50,000,000	25,000,000	25,000,000
Art. XI-Q State Property (Other Funds Supported Portion)			
Capital Construction	25,302,780	157,000,000	160,000,000
Equipment and Technology	-	-	-
Total General Obligation Bonds	**359,647,780**	**477,000,000**	**430,000,000**
REVENUE BONDS			
Single and Multi-family Housing			
Grants and Loans	500,000,000	375,000,000	375,000,000
Business Development Department Oregon Bond Bank			
Grants and Loans	30,000,000	50,000,000	50,000,000
Total Revenue Bonds	**530,000,000**	**425,000,000**	**425,000,000**
Total Non Tax-Supported Debt Forecast	**$ 889,647,780**	**$ 902,000,000**	**$ 855,000,000**

1. Of the remaining General Fund debt capacity for 2019-21, the Governor has reserved $225.0 million of capacity for public university projects. The Higher Education Coordinating Commission is expected to develop a 10-year strategic plan for capital construction at public university campuses in anticipation of considering project requests during the February 2020 legislative session.

REVENUES

REVENUES

Revenue Summary

CURRENT LAW PROJECTION

The Department of Administrative Services Office of Economic Analysis projects General Fund revenue of $21,335.2 million for the 2019-21 biennium. A beginning balance of $1,307.9 million is anticipated for the new biennium, after a transfer of $179.4 million is made to the Rainy Day Fund.

Personal income tax makes up the largest share of the General Fund. It accounts for about 89 percent of projected revenues. Corporate income taxes are about five percent of the total revenue amount. Other sources make up the remainder. The largest of the other sources are insurance taxes, estate taxes and liquor apportionment transfer.

Personal income tax revenues in the 2019-21 Current Law Forecast total $19,024.8 million, and corporate income tax revenues are expected to be $984.0 million for the biennium.

New state Lottery revenues for the biennium are forecasted to be $1,432.0 million. The budget anticipates a beginning balance of $53.7 million. Interest on the Education Stability Fund and Economic Development Fund provide an additional $2 million of resources. Total resources are expected to be $1,487.7 million for the 2019-21 biennium.

Dedicated distributions for the Education Stability Fund, the Parks and Natural Resources Fund, county economic development, county fairs, veterans, outdoor education, and problem gambling treatment will total $611.8 million. Funds dedicated for debt service on Lottery bonds will total $249.6 million. In addition to these distributions, $626.3 million will be available for allocation to education and economic development activities in the 2019-21 biennium.

GOVERNOR'S RECOMMENDED REVENUE CHANGES

Oregon's personal income tax system provides a favorable rate structure for business income earned by taxpayers who actively manage their own businesses (ORS316.043 & ORS316.044). Starting in 2019, it is proposed that tax rates revert to standard income tax rates for qualified taxable business income in excess of $1 million. It is also proposed that the preferential rate be limited for specified service businesses as is now done with the federal deduction on pass through income. Specified service industries include financial services together with "health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners." Tax rates on these businesses would be treated as ordinary income above certain inflation-adjusted thresholds. This proposal is anticipated to generate an additional $45.9 million to the General Fund.

The Governor recommends continuing nine corporate and personal income tax credits set to end in the 2019-21 biennium. The credits total to approximately $72.7 million. The budget also recommends adding five new steps to the existing corporate minimum tax structure. This will increase corporate tax revenues by $31.3 million.

Additionally, the “Gain Share” transfer to counties will be eliminated, which provides savings of $33.1 million General Fund.

The budget increases General Fund revenue raised by the Oregon Liquor Control Commission in the following ways:

- Raising the markup on liquor sales by 5 percent starting on July 1, 2019. This proposal is anticipated to generate an additional $21.2 million to the General Fund.
- Doubling alcohol licensing fees on July 1, 2019 while maintaining the current fee for server permits. This proposal is anticipated to generate an additional $5.1 million to the General Fund.

The budget includes expected costs for the issuance of Tax Anticipation Notes (TANs). These notes are used by the State Treasurer during the biennium to help with General Fund cash flow. The total cost for the biennium is estimated at $21.5 million.

The budget includes a $50 million transfer from the Public Employees Benefits Board Stabilization Fund earmarked to fund the Special Purpose Appropriation in the Emergency Fund for the state employee compensation increases.

When the Governor’s recommended revenue changes are incorporated into the revenue forecast, total General Fund revenues for 2019-21 will be $21,456.5 million. This is a 5 percent increase over the latest forecast of General Fund resources for the 2017-19 biennium.

Tax Expenditure Report

SUMMARY OF THE 2019-21 TAX EXPENDITURE REPORT

Oregon law (ORS 291.202) requires the Governor to produce a tax expenditure report. The Department of Revenue prepares the report, which goes to the Legislature along with the Governor's Budget. The following is a summary of the report for the 2019-21 biennium. The full report is available from the Department of Revenue, Research Section.

A definition of a tax expenditure appears in ORS 291.201. A tax expenditure is any law that exempts some class of person, income, good, service or property from taxes that would otherwise apply to it. For example, the value of property in general is subject to property taxation, but the law exempts properties that are used for charitable, literary or scientific purposes. The part that is not taxed is the "tax expenditure."

The report contains 368 tax expenditures found in Oregon law or that flow from the interaction of Oregon's tax code with the federal tax code. Of these, 134 relate to property taxes and 190 relate to income taxes. The remaining 44 relate to other state tax programs. More than half of the income tax expenditures result from Oregon's connection to the federal income tax code. This reduces the costs to comply with Oregon tax law and makes it simpler to administer the tax programs.

Oregon Revenues and Tax Expenditures

By Tax Program (in millions)

Tax Program	Number of Tax Expenditures	Estimated Revenues 2019-21	Revenue Impact 2017-19	Revenue Impact 2019-21
Income	190	$20,187.5	$12,851.7	$14,176.4
Property	134	$15,400.0	$9,834.2	$10,345.3
All Other State Taxes with Expenditures	44	$5,437.7	$395.9	$428.5
All Taxes		**$41,025.2**	**$23,081.8**	**$24,950.2**

TAX EXPENDITURES SCHEDULED FOR SUNSET IN 2019-21

ORS 291.214 requires the Governor to identify tax expenditures that fully or partially sunset in the coming biennium. A sunset means the tax expenditure no longer applies after the sunset date. The Governor recommends whether the sunset should take effect. A sunset must be changed by the Legislature to maintain the tax expenditure. The sunset recommendations appear below by tax program.

Income Tax

1.313	Mobile Home Park Capital Gain	ORS 317.401 / 316.792	Sunsets 12-31-2019
	Governor's Recommendation: ***Extend sunset.***		
1.401	Employer Provided Scholarships	ORS 315.237	Sunsets 12-31-2019
	Governor's Recommendation: ***Extend sunset.***		

1.405	Earned Income Credit *Governor's Recommendation:* ***Extend sunset.***	ORS 315.266	Sunsets 12-31-2019
1.408	Volunteer Rural Emergency Medical Technicians *Governor's Recommendation:* ***Extend sunset.***	ORS 315.622	Sunsets 12-31-2019
1.411	Agriculture Workforce Housing Construction *Governor's Recommendation:* ***Extend sunset.***	ORS 315.164	Sunsets 12-31-2019
1.428	Manufactured Dwelling Park Closure *Governor's Recommendation:* ***Extend sunset.***	ORS 316.116	Sunsets 12-31-2019
1.430	Crop Donation *Governor's Recommendation:* ***Extend sunset.***	ORS 315.156	Sunsets 12-31-2019
1.446	Political Contributions *Governor's Recommendation:* ***Extend sunset.***	ORS 316.102	Sunsets 12-31-2019
1.447	Oregon Cultural Trust *Governor's Recommendation:* ***Extend sunset.***	ORS 315.675	Sunsets 12-31-2019
1.450	Certain Retirement Income *Governor's Recommendation:* ***Extend sunset.***	ORS 316.157	Sunsets 12-31-2019
1.505	Nonresident Income from Disaster or Emergency Related Work *Governor's Recommendation:* ***Extend sunset.***	ORS 401.685 / 401.690	Sunsets 12-31-2020

Property Tax

2.007	Land Owned by Nonprofit for Purpose of Building Low-Income Housing *Governor's Recommendation:* ***Extend sunset.***	ORS 307.513	Sunsets 06-30-2021
2.028	Cargo Containers *Governor's Recommendation:* ***Extend sunset.***	ORS 307.385	Sunsets 06-30-2020
2.032	Food Processing Equipment *Governor's Recommendation:* ***Extend sunset.***	ORS 307.455	Sunsets 06-30-2020
2.049	Property Used for Golf Course and Effluent *Governor's Recommendation:* ***Extend sunset.***	ORS 307.118	Sunsets 06-30-2021
2.097	Gigabit Internet *Governor's Recommendation:* ***Extend sunset.***	ORS 308.677	Sunsets 6-30-2021
2.100	Cap on Central Assessments for Certain Companies *Governor's Recommendation:* ***Extend sunset.***	ORS 308.674	Sunsets 6-30-2021
2.106	Property for Low Income Rental *Governor's Recommendation:* ***Extend sunset.***	ORS 307.517/ 307.518	Sunsets 12-31-2019
2.116	Surviving Spouse of Public Safety Officer *Governor's Recommendation:* ***Extend sunset.***	ORS 307.295	Sunsets 6-30-2021
2.125	Historic Property *Governor's Recommendation:* ***Extend sunset.***	ORS 358.505	Sunsets 06-30-2020

All Other Taxes

4.003	Vehicle Used for Testing Emissions (Weight-Mile Tax) *Governor's Recommendation:* ***Extend sunset.***	ORS 825.475	Sunsets 12-31-2020
4.004	Dealer Vehicle on Test Drive *Governor's Recommendation:* ***Extend sunset.***	ORS 822.040(1)(e)	Sunsets 12-31-2020
3.003	Vehicle Used for Testing Emissions (Gas and Fuel Use Taxes) *Governor's Recommendation:* ***Extend sunset.***	ORS 825.475	Sunsets 12-31-2020
3.004	Diesel Fuel Blended with Biodiesel *Governor's Recommendation:* ***Extend sunset.***	ORS 319.530(5)(a)	Sunsets 12-31-2019
3.005	Natural Gas and Propane Vehicles *Governor's Recommendation:* ***Extend sunset.***	ORS 319.535	Sunsets 12-31-2020

SCHEDULE I. SUMMARY OF GENERAL FUNDS REVENUES BY MAJOR SOURCE

	2015-17 Actuals	2017-19 Current Estimates	Percent of Total	2019-21 Current Law Forecast	Percent of Total	2019-21 Governor's Budget	Change from Current Law or Other Adjustment	
Taxes								
Personal Income Taxes	$16,039,408,000	$17,771,695,000	87.0%	$19,024,777,000	89.2%	$19,031,047,000	6,270,000	(1)
Corporate Excise and Income Taxes	1,194,526,000	1,267,787,000	6.2%	984,041,000	4.6%	1,015,341,000	31,300,000	(2)
Insurance Taxes	139,215,000	146,796,000	0.7%	142,811,000	0.7%	142,811,000	-	
Estate Taxes	322,826,000	353,685,000	1.7%	341,984,000	1.6%	341,984,000	-	
Cigarette Taxes	70,480,000	67,149,000	0.3%	65,709,000	0.3%	65,709,000	-	
Other Tobacco Products Taxes	62,362,000	65,423,000	0.3%	68,203,000	0.3%	68,203,000	-	
Other Taxes	1,802,000	1,724,000	0.0%	1,636,000	0.0%	1,636,000	-	
Fines and Fees								
State Court Fees	114,542,000	120,422,000	0.6%	120,863,000	0.6%	120,863,000	-	
Secretary of State Corporation Fees	66,448,000	71,112,000	0.3%	70,837,000	0.3%	70,837,000	-	
Criminal Fines and Assessments	41,158,000	52,651,000	0.3%	60,690,000	0.3%	60,529,447	(160,553)	(3)
Securities Fees	24,021,000	23,293,000	0.1%	23,782,000	0.1%	23,782,000	-	
Charges for Services	10,277,000	10,876,000	0.1%	10,876,000	0.1%	10,876,000	-	
Sales Income	261,947,000	308,841,000	1.5%	343,337,000	1.6%	362,319,469	18,982,469	(4)
Interest Earnings	24,873,000	50,187,000	0.2%	62,122,000	0.3%	62,122,000	-	
Other	8,482,000	11,089,000	0.1%	13,500,000	0.1%	13,500,000	-	
One-time Transfers	140,883,000	111,425,000	0.5%	0	0.0%	64,900,000	64,900,000	(5)
Total General Fund Revenues	$18,523,250,000	$20,434,155,000	100.0%	$21,335,168,000	100.0%	$21,456,459,916	$121,291,916	

Explanation of Recommended Changes:

(1) Includes a $72.7 million reduction for extending personal income tax credits that are scheduled to sunset in 2019-21. See the Tax Expenditure Report for a full list of sunset dates. Oregon's personal income tax system provides a favorable rate structure for business income earned by taxpayers who actively manage their own businesses (ORS316.043 & ORS316.044). Starting in 2019, it is proposed that tax rates revert to standard income tax rates for qualified taxable business income in excess of $1 million. It is also proposed that the preferential rate be limited for specified service businesses as is now done with the federal deduction on passthrough income. Specified service industries include financial services together with "health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners". Tax rates on these businesses would be treated as ordinary income above certain inflation-adjusted thresholds.
Eliminates the "Gain Share" transfer to counties.

(2) Adds new steps to the current minimum tax structure, with an implementation date of January 1, 2020.

(3) Represents program cost changes in agencies that receive a percentage portion of CFA revenue. These changes decrease CFA revenue to be deposited in the General Fund.

(4) Increases the mark-up on distilled spirits, increases liquor license fees and reflects changes in the OLCC budget.

(5) Includes a $50 million transfer from the Public Employees Benefits Board Stabilization Fund earmarked to fund the Special Purpose Appropriation in the Emergency Fund for state employee compensation increases. Transfers also include anticipated 2015-17 GF reversions of $14.9 million.
*Percentages do not foot due to rounding

General Fund Summaries

CASH BALANCES

	2019-21 GOVERNOR'S BUDGET
Beginning Balance	$ 1,108,612,762
Current Revenues*	21,434,959,916
Total Available Resources	$ 22,543,572,678
Less: Expenditures	(22,343,572,678)
Balances Carried Forward	$ 200,000,000

GENERAL FUND REVENUES BY MAJOR SOURCE

	2015-17 ACTUALS	2017-19 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2019-21 GOVERNOR'S BUDGET	% CHANGE (EST/GB)
Taxes	$17,830,619,000	$19,674,259,000	10.3%	$20,666,731,000	5.0%
Fines and Fees	246,169,000	267,478,000	8.7%	276,011,447	3.2%
Charges for Service	10,277,000	10,876,000	5.8%	10,876,000	0.0%
Sales Income	261,947,000	308,841,000	17.9%	362,319,469	17.3%
Interest Earnings	24,873,000	50,187,000	101.8%	62,122,000	23.8%
Other	8,482,000	11,089,000	30.7%	13,500,000	21.7%
One-Time Transfers	140,883,000	111,425,000		64,900,000	100.0%
TOTAL **	$ 18,523,250,000	$ 20,434,155,000	10.3%	$ 21,456,459,916	5.0%

* For 2019-21 Governor's Budget a reduction for projected Tax Anticipation Notes is also included in the available General Fund Revenue.

** Does not include beginning balance

Summary of General Fund Expenditures

SUMMARY OF GENERAL FUND EXPENDITURES BY CATEGORY

Description	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Personal Services	2,734,388,163	3,542,469,402	30%	4,162,379,750	17%
Services & Supplies	1,488,688,345	1,388,067,680	-7%	1,546,810,962	11%
Capital Outlay	28,789,248	22,057,867	-23%	29,912,321	36%
Special Payments	13,227,714,316	14,417,408,617	9%	15,846,816,823	10%
Debt Service	416,302,184	546,378,858	31%	757,652,822	39%
Capital Improvement *	(4,562,736)	(6,235,636)	37%	(5,319,038)	-15%
TOTAL	$17,895,882,256	$19,916,382,424	11%	$22,343,572,678	12%

* For information only; amounts are included in appropriate categories above.

SUMMARY OF GENERAL FUND EXPENDITURES BY PROGRAM AREA

Program Area	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Education	9,271,486,908	10,366,787,063	12%	11,185,582,062	8%
Human Services	4,877,604,584	5,373,761,074	10%	6,256,054,043	16%
Public Safety	2,360,902,235	2,509,655,168	6%	2,694,833,259	7%
Economic & Community Development	60,963,227	123,544,685	103%	207,154,550	68%
Natural Resources	248,022,042	257,525,798	4%	279,418,207	9%
Transportation	22,052,311	23,456,104	6%	35,172,907	50%
Consumer & Business Services	14,402,327	13,461,113	-7%	16,243,666	21%
Administration	233,886,119	261,546,476	12%	367,486,149	41%
Legislative Branch *	89,165,955	127,688,384	43%	127,434,034	-0%
Judicial Branch *	717,396,548	760,202,816	6%	848,693,801	12%
Miscellaneous Programs	-	98,753,743	100%	325,500,000	230%
TOTAL	$17,895,882,256	$19,916,382,424	11%	$22,343,572,678	12%

* See agency narrative section for complete Agency Request information.

Lottery Funds

INTRODUCTION

Oregon's Lottery proceeds are used in the education, economic and community development, human services, transportation, natural resources and public safety program areas. Lottery Funds make up 5.2 percent of the state's General Fund and Lottery Funds expenditure budget.

The Oregon Lottery collects revenues from traditional and video lottery gaming. It pays player prizes and administrative expenses out of these revenues and transfers the balance to the state. State lottery revenues for the biennium are forecast to be $1,432.0 million. The beginning balance is anticipated to be $60.3 million. Interest on the Economic Development Fund and the Education Stability Fund provide an additional $2.0 million of resources. Total resources are expected to be $1,494.3 million for the 2019-21 biennium.

Lottery Funds are transferred to the Administrative Services Economic Development Fund. That fund is distributed based on the Oregon constitution, statute, and legislative allocations. The plan below includes recently passed ballot measures dedicating Lottery Funds, and proposed changes in the Governor's Budget:

- *Local Government*. Counties receive 2.5 percent of video poker proceeds, a total of $50.0 million for the 2019-21 biennium.
- *Education*. The Education Stability Fund receives 18 percent of total transfers. A total of $257.8 million is expected to be deposited in the Education Stability fund in the 2017-19 biennium. Interest on the Education Stability Fund, except for the Oregon Growth Account portion of the Fund, is divided between the Department of Education to pay debt service on education bonds (75 percent) and the Higher Education Coordinating Commission for education grants (25 percent).
- *Education*. Outdoor School Measure 98 (2016) dedicates Lottery Funds to increase access to outdoor school for Oregon children. The Governor's Budget includes $24.0 million for this purpose.
- *Economic Development*. Measure 96 (2016) dedicates 1.5 percent of Lottery Funds to services for veterans. This money will be used to expand veteran's services through local governments, as well as to increase access to housing, healthcare and mental health for Oregon veterans. The Governor's Budget includes $23.1 million for services to veterans.
- *Natural Resources*. Under the Oregon Constitution, the Parks and Natural Resources Fund receives 15 percent of total transfers. This amounts to $214.8 million in the 2019-21 biennium. The Oregon Constitution requires that half of this money be used for parks, ocean shore and public beach access, historic sites and recreation areas. The other half must be used to help restore and protect wild salmon, watersheds, fish and wildlife habitat and water quality. The Governor's budget uses the funds for projects in a number of natural resource agencies.
- *Human Services*. The Problem Gambling Treatment Fund receives one percent of total transfers. This amounts to $12.9 million in the 2019-21 biennium.

- *Local Government.* The Department of Administrative services receives money for distribution to county fairs. By law, this amount equals one percent of total transfers up to a cap specified by statute. The Governor's Budget includes $3.8 million for this purpose.

Remaining Lottery Funds are available for allocation to agencies for Lottery bond debt service expenditures and other program purposes.

The Governor proposes to use the remaining Lottery funds for:

- The State School Fund.
- Debt service costs on outstanding and proposed bonds for education, transportation, economic development, and infrastructure activities.
- Economic development programs and agency operations.

The following tables show the state's Lottery Funds cash flow and each agency's Lottery Funds budget. Lottery expenditures are described in more detail in each agency's budget narrative.

Combined General Fund and Lottery Funds Summary

	2019-21 CURRENT LAW			2019-21 GOVERNOR'S BUDGET		
	GENERAL	LOTTERY	TOTAL	GENERAL	LOTTERY	TOTAL
BEGINNING CASH BALANCES*	$ 1,108,612,762	$65,209,897	$ 1,173,822,659	$ 1,108,612,762	$65,209,897	$ 1,173,822,659
AVAILABLE REVENUES **	$21,335,168,000	$1,173,995,578	22,509,163,578	$21,434,959,916	$1,173,995,578	22,608,955,494
TOTAL RESOURCES	$ 22,443,780,762	$ 1,239,205,475	$ 23,682,986,237	$ 22,543,572,678	$ 1,239,205,475	$ 23,782,778,153
LESS EXPENDITURES	(22,343,572,678)	(1,230,720,471)	(23,574,293,149)	(22,343,572,678)	(1,230,720,471)	(23,574,293,149)
PROJECTED CASH BALANCE	$ 100,208,084	$ 8,485,004	$ 108,693,088	$ 200,000,000	$ 8,485,004	$ 208,485,004
NET CHANGE IN PROJECTED ENDING BALANCE				$ 99,791,916	$ -	$ 99,791,916

*Beginning General Fund cash balances include an anticipated appropriation to the Rainy Day Fund at the end of the 2019-21 biennium per the December 2018 forecast by the Office of Economic Analysis.

**Available Lottery revenue includes interest on the Education Stability Fund but does not include video lottery transfers to counties or the Education Stability Fund. For the 2019-21 Governor's Budget a reduction for projected Tax Anticipation Notes is also included in available General Fund revenue.

Non-General Fund Summaries

CASH BALANCES

	2019-21 GOVERNOR'S BUDGET
BEGINNING BALANCES	$ 90,125,581,750
CURRENT REVENUES	65,259,935,375
TOTAL RESOURCES AVAILABLE	$ 155,385,517,125
LESS: TRANSFERS TO OTHER GOVERNMENTS	(1,885,744,741)
EXPENDITURES **	(60,136,297,113)
BALANCES CARRIED FORWARD	$ 93,363,475,271

NON-GENERAL FUND REVENUES BY MAJOR SOURCE

	2015-17 ACTUALS	2017-19 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2019-21 GOVERNOR'S BUDGET	% CHANGE (LAB/GB)
TAXES	$ 3,720,362,011	$ 7,892,064,582	112.1%	$ 7,967,471,167	1.0%
FEDERAL FUNDS	21,538,499,724	22,314,477,367	3.6%	23,614,279,987	5.8%
FEDERAL FUNDS AS OTHER FUNDS	1,022,766,871	1,139,780,041	11.4%	1,367,299,305	20.0%
DONATIONS AND CONTRIBUTIONS	3,421,884,737	4,820,652,088	40.9%	4,619,435,891	-4.2%
OTHER	3,377,424,337	3,313,476,701	-1.9%	4,204,804,540	26.9%
BOND SALES	3,013,918,921	2,218,232,730	-26.4%	2,794,997,430	26.0%
INTEREST EARNINGS	9,735,031,492	14,861,561,898	52.7%	10,679,960,322	-28.1%
LIQUOR AND OTHER SALES INCOME	661,221,705	642,954,949	-2.8%	731,685,966	13.8%
LOAN REPAYMENTS	709,655,294	491,147,079	-30.8%	659,142,294	34.2%
LOTTERY DISTRIBUTIONS	1,235,350,608	1,387,223,035	12.3%	1,431,956,155	3.2%
CHARGES FOR SERVICES	3,764,970,887	5,711,775,281	51.7%	5,325,521,042	-6.8%
LICENSES AND FEES	1,522,727,326	1,647,933,034	8.2%	1,863,381,276	13.1%
TOTAL *	$ 53,723,813,913	$ 66,441,278,785	23.7%	$ 65,259,935,375	-1.8%

* Does not include beginning balance.
** Excludes Non-Add expenditures.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY CATEGORY

Description	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Personal Services	3,537,667,343	4,213,962,645	19%	4,516,688,604	7%
Services & Supplies	5,441,988,116	6,561,194,209	21%	6,926,886,303	6%
Capital Outlay	315,852,706	576,516,333	83%	549,240,849	-5%
Special Payments	35,500,714,612	41,339,465,279	16%	45,943,064,652	11%
Debt Service	2,483,572,706	2,286,178,667	-8%	2,200,416,705	-4%
Nonlimited Budget *	(16,282,780,410)	(17,844,744,882)	10%	(19,803,450,536)	11%
Capital Improvement	(24,999,683)	(31,118,176)	24%	(42,764,224)	37%
Capital Construction	(263,855,216)	(845,754,319)	221%	(632,804,636)	-25%
TOTAL **	$47,279,795,483	$54,977,317,133	16%	$60,136,297,113	9%

* Expenditures not limited by statute; included for informational purposes only.

** Excludes Non-Add expenditures.

( ) Special reporting classifications; amounts are included in appropriate expenditure categories above.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY PROGRAM AREA

Program Area	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Education	1,980,819,155	3,725,656,413	88%	3,836,655,502	3%
Human Services	24,413,351,773	26,509,712,125	9%	28,378,710,441	7%
Public Safety	899,096,637	1,168,354,532	30%	1,204,745,495	3%
Economic & Community Development	3,110,675,682	4,400,654,562	41%	5,421,326,476	23%
Natural Resources	1,452,391,744	1,894,455,975	30%	1,868,917,262	-1%
Transportation	3,808,333,002	4,231,753,409	11%	4,593,576,231	9%
Consumer & Business Services	591,389,586	671,670,382	14%	887,687,676	32%
Administration	10,870,235,492	12,071,455,508	11%	13,546,183,504	12%
Legislative Branch *	17,623,034	34,298,405	95%	14,080,156	-59%
Judicial Branch *	135,879,378	269,305,822	98%	384,414,370	43%
TOTAL **	$47,279,795,483	$54,977,317,133	16%	$60,136,297,113	9%

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule II. Other Funds and Lottery Funds Revenue by Source

Description	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Taxes			
Gross Receipts Business Taxes/Fees	5,066,548	5,600,000	5,800,000
Employment Taxes	55,182,300	2,092,715,141	1,286,003,244
Workers Comp Insurance Taxes	114,735,337	131,360,016	140,185,166
Other Employer -Employee Taxes	188,934,802	1,067,521,382	1,345,542,363
Cigarette Taxes	361,746,557	342,566,000	436,831,000
Other Tobacco Products Taxes	54,247,689	57,058,000	61,775,000
Marijuana Taxes	21,134,240	218,248,584	236,513,273
Amusement Taxes	-	3,800,000	3,890,000
Insurance Taxes	-	579,078	223,923,169
Eastern Oregon Severance Taxes	-	8,000	8,000
Western Oregon Severance Taxes	-	780,000	780,000
Other Severance Taxes	-	237,000	178,779
Forest Protection Taxes	42,092,183	72,567,532	53,942,485
Motor Fuels Taxes	1,078,829,542	1,274,112,318	1,331,956,357
Weight-Mile Taxes	591,070,376	742,502,352	815,074,920
Privilege Taxes	26,540,406	66,786,400	113,753,952
Other Selective Taxes	1,016,797,668	1,420,311,948	1,325,879,882
Other Taxes	-	238,378,530	424,900,301
Total Taxes	$3,556,377,648	$7,735,132,281	$7,806,937,891
Licenses and Fees			
Business Lic and Fees	382,172,442	394,079,072	456,582,135
Non-business Lic. and Fees	95,342,026	77,238,748	85,641,895
State Court Fees	21,132,314	24,274,853	25,708,502
Hunter and Angler Licenses	106,673,471	119,244,000	125,107,599
Commercial Fish Lic and Fees	10,339,724	10,042,728	10,285,680
Public Utilities Fees	163,984,363	156,932,201	160,533,276
Power and Water Fees	9,659,959	11,451,864	9,206,975
Fire Marshal Fees	25,923,191	26,620,436	29,181,073
Park User Fees	53,918,468	52,145,721	57,360,066
Vehicle Licenses	643,977,149	754,788,723	882,089,357
Drivers Licenses	79,008,362	81,540,099	87,038,547
Transportation Lic and Fees	94,580,220	96,506,790	95,179,447
Total Licenses and Fees	$1,686,711,689	$1,804,865,235	$2,023,914,552
Federal Funds as Other Funds			
Federal Revenues	1,021,146,564	1,137,585,246	1,364,656,476

Schedule II. Other Funds and Lottery Funds Revenue by Source (continued)

Description	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Federal Revenues - Svc Contracts	1,620,307	2,194,795	2,642,829
Total Federal Funds as Other Funds	$1,022,766,871	$1,139,780,041	$1,367,299,305
Charges for Services			
Central Service Charges	4,000,000	4,000,000	4,000,000
Charges for Services	967,657,402	1,774,155,553	1,010,688,147
Admin and Service Charges	2,766,260,459	3,907,792,673	4,284,507,940
Care of State Wards	27,053,026	25,827,055	26,324,955
Total Charges for Services	$3,764,970,887	$5,711,775,281	$5,325,521,042
Fines, Rents and Royalties			
Fines and Forfeitures	257,064,039	189,616,226	205,320,029
Rents and Royalties	119,610,420	117,235,995	131,645,519
Total Fines, Rents and Royalties	$376,674,459	$306,852,221	$336,965,548
Bond Sales			
General Fund Obligation Bonds	906,723,050	1,040,041,627	977,646,400
Dedicated Fund Oblig Bonds	163,369,323	340,212,845	439,200,000
Lottery Bonds	136,244,758	187,045,188	352,872,779
Revenue Bonds	847,055,449	393,322,536	1,025,278,251
Refunding Bonds	960,526,341	155,254,241	-
Cert of Participation	-	102,356,293	-
Total Bond Sales	$3,013,918,921	$2,218,232,730	$2,794,997,430
Interest Earnings			
Interest Income	$9,734,913,999	$14,861,561,898	$10,679,960,322
Sales Income			
Sales Income	72,082,130	37,087,461	28,100,387
Liquor Sales	356,433,100	418,656,328	457,867,429
Pari-Mutuel Receipts	4,014,091	4,142,433	3,598,481
State Forest Lands Sales	217,923,554	178,379,727	234,362,797
Common School Lands Sales	10,768,830	4,689,000	7,756,872
Total Sales Income	$661,221,705	$642,954,949	$731,685,966
Donations and Contributions			
Donations	24,952,954	27,895,567	30,037,891
Grants (Non-Fed)	21,852,798	6,956,521	11,944,734

Schedule II. Other Funds and Lottery Funds Revenue by Source (continued)

Description	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Retirement System Contribution	3,375,078,985	4,785,800,000	4,577,453,266
Total Donations and Contributions	$3,421,884,737	$4,820,652,088	$4,619,435,891
Loan Repayment			
Loan Repayments	329,915,722	177,390,769	207,427,089
Housing Div Loan Repayments	281,770,561	227,756,310	322,013,491
Veterans Loan Repayments	80,309,971	86,000,000	95,000,000
Sr Citizen Prop Tax Repayments	-	-	32,201,714
Total Loan Repayment	$691,996,254	$491,147,079	$656,642,294
Insurance Premium			
Insurance Premiums	$327,906,147	-	$532,320,468
Other			
Other Revenues	3,000,749,878	3,006,624,480	3,867,838,992
Loan Proceeds	17,659,040	-	2,500,000
Total Other	$3,018,408,918	$3,006,624,480	$3,870,338,992
Lottery Distributions	$1,235,350,608	$1,387,223,035	$1,431,956,155
Total Transfers In/Out	$568,260,084	$634,112,443	($197,461,992)
Total Other Funds and Lottery Funds Revenue	33,081,362,927	44,760,913,761	41,980,513,864
Total Non Add Expenditures	855,048,643	928,516,256	995,424,103
Revised Total w/ NonAdd Exp Removed	32,226,314,284	43,832,397,505	40,985,089,761

Schedule III. Receipts from the Federal Government

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
EDUCATION			
Education, Dept of	1,225,811,164	1,442,898,073	1,522,497,260
Higher Education Coordinating Commission	84,757,242	141,747,277	151,460,851
EDUCATION TOTAL	**$1,310,568,406**	**$1,584,645,350**	**$1,673,958,111**
HUMAN SERVICES			
Commission for the Blind	13,907,889	16,645,593	16,071,582
Human Services, Dept. of	6,661,541,201	7,788,498,339	8,168,334,997
Oregon Health Authority	11,275,052,546	11,263,618,054	11,827,813,144
HUMAN SERVICES TOTAL	**$17,950,501,636**	**$19,068,761,986**	**$20,012,219,723**
PUBLIC SAFETY			
Corrections, Dept of	5,218,441	5,457,833	5,473,702
Criminal Justice Comm, Oregon	6,582,262	7,460,897	4,730,000
Justice, Dept of	170,043,172	186,688,612	215,211,383
Military Dept, Oregon	154,967,173	296,098,794	299,468,698
Oregon Youth Authority	26,348,882	37,328,320	40,695,495
Police, Dept of State	5,775,703	11,090,821	12,433,972
Public Safety Standards & Training, Dept of	6,394,657	8,012,359	7,364,566
PUBLIC SAFETY TOTAL	**$375,330,290**	**$552,137,636**	**$585,377,816**
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	1,218,469,334	232,875,443	261,031,590
Housing & Community Svcs Dept	237,393,088	243,982,820	267,425,728
Oregon Business Development Department	24,991,584	36,595,240	38,191,928
Veterans' Affairs, Oregon Dept of	4,397,354	7,347,138	1,525,000
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	**$1,485,251,360**	**$520,800,641**	**$568,174,246**
NATURAL RESOURCES			
Agriculture, Oregon Dept of	12,757,348	17,615,623	17,410,298
Energy, Dept of	2,314,962	2,902,624	-
Environmental Quality, Dept of	22,204,576	29,439,531	29,471,343
Fish & Wildlife, Oregon Dept of	115,221,307	136,572,685	144,994,699
Forestry, Dept of	16,189,049	34,338,044	36,353,352
Geology & Mineral Industries, Dept of	5,415,399	6,040,857	5,525,649

Schedule III. Receipts from the Federal Government (continued)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
NATURAL RESOURCES			
Land Conservation & Development, Dept of	4,260,687	6,487,739	7,250,008
Lands, Dept of State	1,491,899	2,808,773	2,808,773
Marine Board, Oregon State	5,420,167	6,633,313	6,260,265
Oregon Climate Authority	-	-	2,208,278
Parks & Recreation Dept	7,266,847	16,422,002	16,690,443
Water Resources Dept	664,364	1,905,917	876,734
Watershed Enhancement Board, Oregon	24,324,998	41,671,381	58,710,763
NATURAL RESOURCES TOTAL	**$217,531,603**	**$302,838,489**	**$328,560,605**
TRANSPORTATION			
Aviation, Dept of	7,277,222	9,318,243	11,313,182
Transportation, Oregon Dept of	106,260,876	127,332,543	133,269,934
TRANSPORTATION TOTAL	**$113,538,098**	**$136,650,786**	**$144,583,116**
CONSUMER & BUSINESS SERVICES			
Consumer and Business Svcs, Dept of	16,025,387	17,278,630	183,768,324
Labor & Industries, Bureau of	1,996,338	1,088,949	1,197,200
Public Utility Commission	668,655	818,796	1,020,188
CONSUMER & BUSINESS SERVICES TOTAL	**$18,690,380**	**$19,186,375**	**$185,985,712**
ADMINISTRATION			
Administrative Svcs, Dept of	61,651,551	119,028,155	108,794,185
Governor, Office of the	-	3,585,152	-
Secretary of State	100,774	187,092	43,222
State Library	4,171,184	5,311,416	5,225,997
ADMINISTRATION TOTAL	**$65,923,509**	**$128,111,815**	**$114,063,404**
JUDICIAL BRANCH			
Judicial Dept	1,164,442	1,344,289	1,357,254
JUDICIAL BRANCH TOTAL	**$1,164,442**	**$1,344,289**	**$1,357,254**
NET FEDERAL GOVERNMENT RECEIPTS	**$21,538,499,724**	**$22,314,477,367**	**$23,614,279,987**

All Funds Summary

CASH BALANCES

	2019-21 GOVERNOR'S BUDGET
BEGINNING BALANCES	$ 91,234,194,512
CURRENT REVENUES:	
GENERAL FUND	21,456,459,916
OTHER AND LOTTERY FUNDS	41,645,655,388
FEDERAL FUNDS	23,614,279,987
SUBTOTAL	86,716,395,291
TOTAL RESOURCES AVAILABLE	$ 177,950,589,803
LESS: TRANSFERS TO OTHER GOVERNMENTS	
OTHER AND LOTTERY FUNDS	(1,777,050,556)
FEDERAL FUNDS	(108,794,185)
SUBTOTAL	(1,885,844,741)
EXPENDITURES **	
GENERAL FUND	(22,343,572,678)
LOTTERY FUNDS	(1,230,720,471)
OTHER FUNDS	(35,527,825,713)
FEDERAL FUNDS	(23,377,750,929)
SUBTOTAL	(82,479,869,791)
BALANCES CARRIED FORWARD	$ 93,584,875,271

ALL FUNDS REVENUE BY MAJOR SOURCE

	2015-17 ACTUALS	2017-19 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2019-21 GOVERNOR'S BUDGET	% CHANGE (EST/GB)
TAXES	$ 21,550,981,011	$ 27,566,323,582	27.9%	$28,634,202,167	3.9%
FEDERAL FUNDS	21,538,499,724	22,314,477,367	3.6%	23,614,279,987	5.8%
FEDERAL FUNDS AS OTHER FUNDS	1,022,766,871	1,139,780,041	11.4%	1,367,299,305	20.0%
DONATIONS AND CONTRIBUTIONS	3,421,884,737	4,820,652,088	40.9%	4,619,435,891	-4.2%
OTHER	3,385,906,337	3,324,565,701	-1.8%	4,218,304,540	26.9%
BOND SALES	3,013,918,921	2,218,232,730	-26.4%	2,794,997,430	26.0%
INTEREST EARNINGS	9,759,904,492	14,911,748,898	52.8%	10,742,082,322	-28.0%
LIQUOR AND OTHER SALES INCOME	923,168,705	951,795,949	3.1%	1,094,005,435	14.9%
LOAN REPAYMENTS	709,655,294	491,147,079	-30.8%	659,142,294	34.2%
LOTTERY DISTRIBUTIONS	1,235,350,608	1,387,223,035	12.3%	1,431,956,155	3.2%
CHARGES FOR SERVICES	3,775,247,887	5,722,651,281	51.6%	5,336,397,042	-6.7%
LICENSES, FINES AND FEES	1,522,727,326	1,647,933,034	8.2%	1,863,381,276	13.1%
TOTAL *	$ 71,860,011,913	$ 86,496,530,785	20.4%	$86,375,483,844	-0.1%

* Does not include beginning balance.
** Excludes Non-Add expenditures.

All Funds Summary

SUMMARY OF ALL FUNDS EXPENDITURES BY CATEGORY

Description	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Personal Services	6,259,472,170	7,756,432,047	24%	8,679,068,354	12%
Services & Supplies	6,925,029,708	7,949,261,889	15%	8,473,697,265	7%
Capital Outlay	344,641,954	598,574,200	74%	579,153,170	-3%
Special Payments	47,091,000,355	55,756,873,896	18%	61,789,881,475	11%
Debt Service	2,771,446,617	2,832,557,525	2%	2,958,069,527	4%
Nonlimited Budget *	(16,282,780,410)	(17,844,744,882)	10%	(19,803,450,536)	11%
Capital Improvement	(29,562,419)	(37,353,812)	26%	(48,083,262)	29%
Capital Construction	(263,855,216)	(845,754,319)	221%	(632,804,636)	-25%
TOTAL **	$63,391,590,804	$74,893,699,557	18%	$82,479,869,791	10%

* Expenditures not limited by statute; included for informational purposes only.

** Excludes Non-Add expenditures.

( ) Special reporting classifications; amounts are included in appropriate expenditure categories above.

SUMMARY OF ALL FUNDS EXPENDITURES BY PROGRAM AREA

Program Area	2015-17 Actuals	2017-19 Leg Approved Budget	% Change (ACT/LAB)	2019-21 Governor's Budget	% Change (LAB/GB)
Education	9,468,219,128	14,092,443,476	49%	15,022,237,564	7%
Human Services	29,290,956,357	31,883,473,199	9%	34,634,764,484	9%
Public Safety	3,259,998,872	3,678,009,700	13%	3,899,578,754	6%
Economic & Community Development	3,171,638,909	4,524,199,247	43%	5,628,481,026	24%
Natural Resources	1,700,413,786	2,151,981,773	27%	2,148,335,469	-0%
Transportation	3,830,385,313	4,255,209,513	11%	4,628,749,138	9%
Consumer & Business Services	605,791,913	685,131,495	13%	903,931,342	32%
Administration	11,104,121,611	12,333,001,984	11%	13,913,669,653	13%
Legislative Branch *	106,788,989	161,986,789	52%	141,514,190	-13%
Judicial Branch *	853,275,926	1,029,508,638	21%	1,233,108,171	20%
Miscellaneous Programs	-	98,753,743	100%	325,500,000	230%
TOTAL **	$63,391,590,804	$74,893,699,557	18%	$82,479,869,791	10%

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule IV. Summary of Detail Revenues by Program Area, Agency and Fund

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Chief Education Office			
General Fund Appropriation	13,360,803	8,207,271	-
All Funds Available for Exp	13,360,803	8,207,271	-
All Expenditures			
General Fund	10,485,209	8,207,271	-
Total Expenditures	10,485,209	8,207,271	-
Reversions	(2,875,594)	-	-
Education, Dept of			
Beginning Balance			
Lottery Funds	36,663	4,234	3
Other Funds	94,395,823	137,974,217	150,966,306
Federal Funds	1,445,862,084	-	-
Beginning Balance Adjustment			
Other Funds	-	-	17,367,386
General Fund Appropriation	7,505,387,532	8,407,900,600	9,239,863,481
Lottery Funds			
Interest Income	4,669	-	-
Other Funds Revenues			
Business Lic and Fees	16,600	3,377,291	6,052,765
Federal Revenues	142,880	-	-
Charges for Services	7,292,682	1,252,959	687,476
Admin and Service Charges	-	55,915	-
Fines and Forfeitures	511,465	-	-
Rents and Royalties	330,592	310,846	310,846

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Education, Dept of			
Other Funds Revenues			
General Fund Obligation Bonds	61,616,077	44,742,315	100,935,000
Interest Income	1,122,446	1,000	-
Sales Income	520,167	32,868	472,868
Donations	1,376,475	17,500	1,217,500
Grants (Non-Fed)	749,613	-	2,911,651
Other Revenues	15,993,706	137,963,604	30,968,854
Federal Funds	1,233,192,700	1,451,420,937	1,534,048,835
Transfers In			
Lottery Funds	449,105,818	536,366,898	551,238,269
Other Funds	300,092,325	508,695,663	706,117,221
Federal Funds	5,593,474	-	-
Transfers Out			
Lottery Funds	(4,076)	-	-
Other Funds	(56,319,986)	(5,985,615)	(5,133,356)
Federal Funds	(12,975,010)	(8,522,864)	(11,551,575)
All Funds Available for Exp	11,054,044,719	11,215,608,368	12,326,473,530
All Expenditures			
General Fund	7,476,714,764	8,407,900,600	9,239,863,481
Lottery Funds	449,138,830	536,371,132	551,238,272
Other Funds	269,861,682	686,171,831	978,884,054
Federal Funds	1,255,242,352	1,442,266,238	1,520,925,100
Total Expenditures	9,450,957,628	11,072,709,801	12,290,910,907
Reversions	(28,672,768)	-	-
Ending Balance			
Lottery Funds	4,244	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Education, Dept of			
Ending Balance			
Other Funds	157,979,183	142,266,732	33,990,463
Federal Funds	1,416,430,896	631,835	1,572,160
Higher Education Coordinating Commission			
Beginning Balance			
Lottery Funds	2,026,912	1,917,181	7,284,497
Other Funds	59,136,416	35,746,939	2,021,857
Beginning Balance Adjustment			
Lottery Funds	170,222	89,912	-
Other Funds	(55,965,284)	-	-
General Fund Appropriation	1,789,711,145	1,948,979,192	1,945,718,581
Lottery Funds			
Interest Income	120,643	-	-
Other Funds Revenues			
General Fund Revenues	725	48,549	123,947
Business Lic and Fees	779,193	-	-
Non-business Lic. and Fees	-	792,695	693,750
Charges for Services	2,073,864	2,313,367	2,313,367
Admin and Service Charges	1,139,607	1,356,021	1,356,021
General Fund Obligation Bonds	425,483,484	429,315,000	142,980,000
Dedicated Fund Oblig Bonds	-	75,388,775	93,000,000
Lottery Bonds	4,190,821	9,000,000	8,127,921
Revenue Bonds	69,667	-	-
Refunding Bonds	246,781,802	-	-
Interest Income	164,168,890	80,082	82,965
Donations	9,637,316	12,357,654	12,598,133
Grants (Non-Fed)	-	664,784	2,738,431
Loan Repayments	92,085,141	-	-
Other Revenues	1,567,057	246,789,625	214,400,723

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Higher Education Coordinating Commission			
Federal Funds	84,940,166	142,017,277	151,730,851
Transfers In			
Lottery Funds	80,816,056	101,844,486	100,727,363
Other Funds	190,454,634	13,460,600	45,543,896
Federal Funds	6,951	-	-
Transfers Out			
Lottery Funds	(25,675,826)	-	-
Other Funds	(759,954)	(7,373,824)	(123,947)
Federal Funds	(189,875)	(270,000)	(270,000)
All Funds Available for Exp	3,072,769,773	3,014,518,315	2,731,048,356
All Expenditures			
General Fund	1,784,086,935	1,948,979,192	1,945,718,581
Lottery Funds	55,540,827	96,567,082	100,727,363
Other Funds	1,136,072,417	813,426,443	524,478,177
Federal Funds	84,757,242	141,747,277	151,460,851
Total Expenditures	3,060,457,421	3,000,719,994	2,722,384,972
Reversions	(5,624,210)	-	-
Ending Balance			
Lottery Funds	1,917,180	7,284,497	7,284,497
Other Funds	4,770,962	6,513,824	1,378,887
Teacher Standards & Practices Comm			
Beginning Balance			
Other Funds	1,082,795	1,198,000	3,577,894
Beginning Balance Adjustment			
Other Funds	-	300,000	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Teacher Standards & Practices Comm			
General Fund Appropriation	200,000	1,700,000	-
Other Funds Revenues			
Business Lic and Fees	6,070,432	7,218,016	6,297,550
Admin and Service Charges	1,168,471	-	674,712
Interest Income	7	1,000	36,000
Other Revenues	331	6,539	-
Transfers In			
Other Funds	400,000	1,700,000	-
Transfers Out			
Other Funds	(200,000)	-	-
All Funds Available for Exp	8,722,036	12,123,555	10,586,156
All Expenditures			
General Fund	200,000	1,700,000	-
Other Funds	6,576,291	9,106,410	8,941,685
Total Expenditures	6,776,291	10,806,410	8,941,685
Ending Balance			
Other Funds	1,945,745	1,317,145	1,644,471
PROGRAM AREA: HUMAN SERVICES			
Commission for the Blind			
Beginning Balance			
Other Funds	370,584	-	-
Federal Funds	4,156,249	-	-
Beginning Balance Adjustment			
Other Funds	227,998	-	-
Federal Funds	(3,976,039)	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Commission for the Blind			
General Fund Appropriation	3,693,316	3,535,937	6,598,039
Other Funds Revenues			
Charges for Services	242	-	-
Admin and Service Charges	38,599	-	-
Interest Income	39	-	-
Sales Income	37,005	15,552	16,134
Other Revenues	837,517	1,466,497	1,551,549
Federal Funds	13,871,514	16,645,593	16,071,582
Transfers In			
Other Funds	458,424	-	-
Federal Funds	4,874,811	-	-
Transfers Out			
Other Funds	(494,799)	-	-
Federal Funds	(4,838,436)	-	-
All Funds Available for Exp	19,257,024	21,663,579	24,237,304
All Expenditures			
General Fund	3,690,478	3,535,937	6,598,039
Other Funds	1,035,705	1,482,049	1,557,852
Federal Funds	14,088,099	16,645,593	15,994,599
Total Expenditures	18,814,282	21,663,579	24,150,490
Reversions	(2,838)	-	-
Ending Balance			
Other Funds	439,904	-	9,831
Federal Funds	-	-	76,983

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Human Services, Dept. of			
Beginning Balance			
Other Funds	5,860,866	1,729,767	1,729,767
Federal Funds	73,001,763	-	-
General Fund Appropriation	2,727,212,617	3,197,087,399	3,797,162,519
Other Funds Revenues			
Other Selective Taxes	117,696,672	158,118,455	144,221,140
Business Lic and Fees	2,236,717	2,700,316	2,469,718
Non-business Lic. and Fees	1,466	-	1,500,000
Admin and Service Charges	154,120,718	-	-
Care of State Wards	9,405,015	18,225,479	21,396,376
Fines and Forfeitures	230,651	-	-
General Fund Obligation Bonds	5,854,787	21,403	34,675,000
Interest Income	1,615,437	-	-
Sales Income	24,345	-	-
Donations	208,734	-	-
Grants (Non-Fed)	304,721	-	-
Other Revenues	86,317,671	370,586,221	307,065,766
Loan Proceeds	9,000,000	-	-
Federal Funds	6,690,642,697	7,791,744,833	8,178,087,951
Transfers In			
Other Funds	99,267,148	104,484,034	121,399,655
Transfers Out			
Other Funds	(542,558)	(243,000)	(243,000)
Federal Funds	(32,592,839)	(3,246,494)	(9,752,954)
All Funds Available for Exp	9,949,866,628	11,641,208,413	12,599,711,938
All Expenditures			
General Fund	2,713,968,780	3,197,087,399	3,797,162,519
Other Funds	484,567,909	654,392,908	623,272,839

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Human Services, Dept. of			
All Expenditures			
Federal Funds	6,731,051,621	7,788,498,339	8,130,328,111
Total Expenditures	9,929,588,310	11,639,978,646	12,550,763,469
Reversions	(13,243,837)	-	-
Ending Balance			
Other Funds	7,034,481	1,229,767	10,941,583
Federal Funds	-	-	38,006,886
Long Term Care Ombudsman			
Beginning Balance			
Other Funds	126,316	226,642	222,593
General Fund Appropriation	6,306,755	6,401,552	7,553,107
Other Funds Revenues			
Fines and Forfeitures	-	169,000	-
Transfers In			
Other Funds	881,802	633,028	640,909
Transfers Out			
Other Funds	(119,007)	-	-
All Funds Available for Exp	7,195,866	7,430,222	8,416,609
All Expenditures			
General Fund	4,929,019	6,401,552	7,553,107
Other Funds	679,823	908,057	853,177
Total Expenditures	5,608,842	7,309,609	8,406,284

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Long Term Care Ombudsman			
Reversions	(1,377,736)	-	-
Ending Balance			
Other Funds	209,288	120,613	10,325
Oregon Health Authority			
Beginning Balance			
Lottery Funds	344,356	-	-
Other Funds	435,604,196	2,192,230,821	2,192,230,821
Federal Funds	30,000	-	-
Beginning Balance Adjustment			
Other Funds	-	17,683,441	(1,848,043,010)
General Fund Appropriation	2,158,369,827	2,163,688,359	2,441,537,660
Lottery Funds			
Interest Income	25,214	-	-
Other Funds Revenues			
Other Selective Taxes	891,331,138	1,252,096,875	1,168,999,999
Business Lic and Fees	17,247,591	14,139,112	16,362,668
Non-business Lic. and Fees	27,927,768	14,187,416	14,334,787
Charges for Services	25,307,691	23,117,699	23,117,699
Admin and Service Charges	2,034,311,938	3,567,273,190	3,811,611,546
Care of State Wards	14,689,373	2,369,042	2,369,042
Fines and Forfeitures	1,671,375	1,140,607	1,140,607
Rents and Royalties	76,445	-	-
Refunding Bonds	129,500,902	-	-
Cert of Participation	-	1,371,293	-
Interest Income	13,358,141	4,976,604	4,976,604
Sales Income	8,705,272	9,797,241	9,797,241
Donations	5,000	-	-
Grants (Non-Fed)	5,773,240	-	108,333

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Oregon Health Authority			
Other Funds Revenues			
Insurance Premiums	1,894	-	-
Other Revenues	1,966,641,836	1,247,703,887	2,160,754,877
Loan Proceeds	4,000,000	-	-
Federal Funds	11,299,705,885	11,282,509,373	11,846,844,248
Transfers In			
Lottery Funds	11,348,753	12,540,702	12,925,769
Other Funds	792,824,589	640,690,893	811,178,092
Federal Funds	490,374	-	-
Transfers Out			
Other Funds	(128,980,148)	(8,204,301)	(58,231,870)
Federal Funds	(25,143,713)	(18,891,319)	(19,031,104)
All Funds Available for Exp	19,685,168,937	22,420,420,935	22,592,984,009
All Expenditures			
General Fund	2,152,357,931	2,163,688,359	2,441,537,660
Lottery Funds	11,113,255	12,498,909	12,925,769
Other Funds	5,895,726,725	6,771,665,968	7,766,255,646
Federal Funds	11,275,082,546	11,263,618,054	11,827,522,448
Total Expenditures	19,334,280,457	20,211,471,290	22,048,241,523
Reversions	(6,011,896)	-	-
Ending Balance			
Lottery Funds	605,068	41,793	-
Other Funds	344,271,516	2,208,907,852	544,451,790
Federal Funds	-	-	290,696

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Psychiatric Security Review Board			
Beginning Balance			
Other Funds	7,970	3,386	-
General Fund Appropriation	2,690,702	3,047,827	3,202,718
All Funds Available for Exp	2,698,672	3,051,213	3,202,718
All Expenditures			
General Fund	2,658,376	3,047,827	3,202,718
Other Funds	6,090	2,248	-
Total Expenditures	2,664,466	3,050,075	3,202,718
Reversions	(32,326)	-	-
Ending Balance			
Other Funds	1,880	1,138	-
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Beginning Balance			
Other Funds	14,214,375	3,512,323	15,350,917
Federal Funds	41,784	93,679	-
Beginning Balance Adjustment			
Other Funds	(81,286)	4,940,369	(280,000)
Federal Funds	(1)	-	-
General Fund Appropriation	1,611,218,502	1,706,635,363	1,824,439,471
Other Funds Revenues			
Federal Revenues	149,000	130,342	230,953

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Other Funds Revenues			
Charges for Services	19,706,869	13,268,252	23,544,238
Admin and Service Charges	1,193,817	26,102	1,285,032
Fines and Forfeitures	578,424	139,126	746,326
Rents and Royalties	307,647	289,840	331,152
General Fund Obligation Bonds	14,146,582	38,493,534	49,525,000
Refunding Bonds	27,167,985	-	-
Interest Income	263,123	110,036	33,446
Sales Income	2,144,929	1,971,038	2,328,305
Donations	75,777	14,045	81,567
Grants (Non-Fed)	369,159	194,618	397,365
Loan Repayments	-	34,563	-
Other Revenues	3,796,146	18,756,493	4,270,365
Federal Funds	5,218,441	5,457,833	5,473,702
Transfers In			
Other Funds	10,463,254	6,652,210	6,944,127
Transfers Out			
Other Funds	(3,418,874)	(1,438,365)	(1,548,265)
All Funds Available for Exp	1,707,555,653	1,799,281,401	1,933,153,701
All Expenditures			
General Fund	1,604,985,118	1,706,635,363	1,824,439,471
Other Funds	78,079,293	82,099,322	96,713,703
Federal Funds	5,258,440	5,391,499	5,473,702
Total Expenditures	1,688,322,851	1,794,126,184	1,926,626,876
Reversions	(6,233,384)	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Ending Balance			
Other Funds	12,997,634	4,995,204	6,526,825
Federal Funds	1,784	160,013	-
Criminal Justice Comm, Oregon			
Beginning Balance			
Other Funds	402,388	543,386	639,470
Federal Funds	3,512,076	4,188,680	553,108
General Fund Appropriation	55,132,449	65,021,569	72,371,040
Other Funds Revenues			
Fines and Forfeitures	677,831	546,000	723,000
Interest Income	2,062	-	2,400
Other Revenues	424,876	1,000	1,000
Federal Funds	6,582,262	7,460,897	4,730,000
Transfers In			
Other Funds	-	1,500,000	3,000,000
All Funds Available for Exp	66,733,944	79,261,532	82,020,018
All Expenditures			
General Fund	54,221,723	65,021,569	72,371,040
Other Funds	695,077	2,461,392	4,052,011
Federal Funds	4,209,944	8,224,498	1,211,441
Total Expenditures	59,126,744	75,707,459	77,634,492
Reversions	(910,726)	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Criminal Justice Comm, Oregon			
Ending Balance			
Other Funds	812,080	128,994	313,859
Federal Funds	5,884,394	3,425,079	4,071,667
District Attorneys and their Deputies			
General Fund Appropriation	12,047,411	12,592,454	12,884,488
All Funds Available for Exp	12,047,411	12,592,454	12,884,488
All Expenditures			
General Fund	11,995,440	12,592,454	12,884,488
Total Expenditures	11,995,440	12,592,454	12,884,488
Reversions	(51,971)	-	-
Justice, Dept of			
Beginning Balance			
Other Funds	65,221,386	46,849,729	47,218,902
Federal Funds	358,349	-	-
Beginning Balance Adjustment			
Other Funds	157,396	70,811,836	-
Federal Funds	(50,451)	-	-
General Fund Appropriation	78,490,126	85,709,883	102,050,752
Other Funds Revenues			
General Fund Revenues	45,193	-	-
Business Lic and Fees	10,739,941	7,713,461	7,763,600
Federal Revenues	11,260,222	13,644,616	12,876,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Justice, Dept of			
Other Funds Revenues			
Charges for Services	155,127,703	206,504,019	237,742,400
Admin and Service Charges	30,196,330	-	-
Fines and Forfeitures	76,264,805	639,884	663,258
General Fund Obligation Bonds	12,379,952	19,400,000	1,945,000
Interest Income	136,816	60,390	112,652
Sales Income	31,365	20,021	20,050
Donations	47,998	47,758	47,484
Other Revenues	17,191,667	29,698,571	35,517,644
Loan Proceeds	4,659,040	-	-
Federal Funds	170,043,172	186,688,612	215,211,383
Transfers In			
Other Funds	26,696,364	33,584,700	30,140,009
Transfers Out			
Other Funds	(1,824,236)	(51,202,718)	(26,000)
All Funds Available for Exp	657,173,138	650,170,762	691,283,134
All Expenditures			
General Fund	77,042,764	85,709,883	102,050,752
Other Funds	299,036,535	330,308,027	342,613,896
Federal Funds	170,128,826	186,688,612	214,728,819
Total Expenditures	546,208,125	602,706,522	659,393,467
Reversions	(1,447,362)	-	-
Ending Balance			
Other Funds	109,295,407	47,464,240	31,407,103
Federal Funds	222,244	-	482,564

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Military Dept, Oregon			
Beginning Balance			
Other Funds	5,858,619	15,588,496	21,212,824
Federal Funds	2,000,000	-	-
General Fund Appropriation	25,558,014	27,578,231	34,178,284
Other Funds Revenues			
Federal Revenues	597,275	376,200	600,000
Charges for Services	4,947,205	7,656,230	3,333,208
Fines and Forfeitures	152	-	-
Rents and Royalties	2,633,586	3,009,720	3,136,538
General Fund Obligation Bonds	-	17,323,000	20,230,000
Dedicated Fund Oblig Bonds	29,766,769	-	-
Refunding Bonds	60,623	-	-
Interest Income	219,039	36,832	110,679
Sales Income	5,103,156	101,571	110,786
Donations	1,051,416	-	-
Grants (Non-Fed)	6,500	-	-
Other Revenues	113,964	2,158,000	38,708
Federal Funds	156,213,874	297,664,597	302,318,665
Transfers In			
Other Funds	127,413,544	86,586,082	96,176,933
Federal Funds	6,090	-	-
Transfers Out			
Other Funds	(47,870,238)	(507,839)	(434,439)
Federal Funds	(1,252,791)	(1,565,803)	(2,849,967)
All Funds Available for Exp	312,426,797	456,005,317	478,162,219
All Expenditures			
General Fund	25,478,056	27,578,231	34,178,284
Other Funds	123,602,554	126,246,339	131,931,413

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Military Dept, Oregon			
All Expenditures			
Federal Funds	156,967,173	296,098,794	297,219,587
Total Expenditures	306,047,783	449,923,364	463,329,284
Reversions	(79,958)	-	-
Ending Balance			
Other Funds	6,299,056	6,081,953	12,583,824
Federal Funds	-	-	2,249,111
Oregon Youth Authority			
Beginning Balance			
Other Funds	278,095	385,172	385,172
Federal Funds	455,392	-	-
General Fund Appropriation	297,695,975	312,595,798	327,214,716
Other Funds Revenues			
Charges for Services	9,635	73,050	75,959
Admin and Service Charges	635,451	-	-
Care of State Wards	2,958,638	5,232,534	2,559,537
Rents and Royalties	18,848	25,280	25,280
General Fund Obligation Bonds	48,706,896	49,995,000	7,737,200
Interest Income	475,205	-	-
Sales Income	392,679	905,000	914,500
Donations	13,238	103,580	103,580
Grants (Non-Fed)	145,345	-	-
Other Revenues	191,874	1,603,134	1,656,960
Federal Funds	-	37,328,320	40,695,495

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Oregon Youth Authority			
Transfers In			
Other Funds	2,112,348	2,914,855	1,980,662
Federal Funds	26,348,882	-	-
Transfers Out			
Other Funds	(162,666)	-	-
All Funds Available for Exp	380,275,835	411,161,723	383,349,061
All Expenditures			
General Fund	290,295,711	312,595,798	327,214,716
Other Funds	55,497,491	60,852,433	15,053,678
Federal Funds	26,348,882	37,328,320	40,652,558
Total Expenditures	372,142,084	410,776,551	382,920,952
Reversions	(7,400,264)	-	-
Ending Balance			
Other Funds	278,095	385,172	385,172
Federal Funds	455,392	-	42,937
Parole & Post Prison Supervision, State Board of			
Beginning Balance			
Other Funds	29,439	35,637	35,637
General Fund Appropriation	8,044,741	9,048,876	9,083,612
Other Funds Revenues			
Fines and Forfeitures	3,495	5,072	5,072
Sales Income	7,290	5,258	5,258
Other Revenues	523	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Parole & Post Prison Supervision, State Board of			
All Funds Available for Exp	8,085,488	9,094,843	9,129,579
All Expenditures			
General Fund	6,728,521	9,048,876	9,083,612
Other Funds	523	11,254	11,682
Total Expenditures	6,729,044	9,060,130	9,095,294
Reversions	(1,316,220)	-	-
Ending Balance			
Other Funds	40,224	34,713	34,285
Police, Dept of State			
Beginning Balance			
Lottery Funds	604,750	-	-
Other Funds	20,678,913	13,660,110	19,993,491
Federal Funds	1,465,384	1,470,277	250,000
Beginning Balance Adjustment			
Lottery Funds	-	398,523	-
Other Funds	-	7,636,497	8,863,571
Federal Funds	-	(136,320)	-
General Fund Appropriation	282,360,406	280,677,031	302,945,886
Other Funds Revenues			
Business Lic and Fees	418,138	392,475	2,344,649
Non-business Lic. and Fees	1,678,248	1,315,479	1,379,019
Fire Marshal Fees	1,842,982	1,765,772	1,815,905
Charges for Services	36,156,662	37,075,278	42,495,626
Fines and Forfeitures	49,934	389,452	415,099
Rents and Royalties	845	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Police, Dept of State			
Other Funds Revenues			
Interest Income	2,154	-	-
Sales Income	34,072	156,450	124,159
Donations	7,435	24,368	25,294
Grants (Non-Fed)	-	5,500	3,667
Other Revenues	4,422,544	14,489,422	5,645,859
Federal Funds	5,775,703	11,090,821	12,433,972
Transfers In			
Lottery Funds	7,560,297	7,747,438	9,073,618
Other Funds	105,417,660	133,650,105	139,087,922
Federal Funds	332,485	231,597	399,357
Transfers Out			
Other Funds	(31,075,443)	(37,175,414)	(18,856,837)
Federal Funds	(332,485)	(231,597)	(399,357)
All Funds Available for Exp	437,400,684	474,633,264	528,040,900
All Expenditures			
General Fund	280,102,391	280,677,031	302,945,886
Lottery Funds	7,740,839	8,145,961	9,035,781
Other Funds	101,465,180	151,266,325	168,980,557
Federal Funds	6,420,284	12,274,226	12,638,622
Total Expenditures	395,728,694	452,363,543	493,600,846
Reversions	(2,258,015)	-	-
Ending Balance			
Lottery Funds	424,208	-	37,837
Other Funds	38,168,964	22,119,169	34,356,867

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Police, Dept of State			
Ending Balance			
Federal Funds	820,803	150,552	45,350
Public Safety Standards & Training, Dept of			
Beginning Balance			
Other Funds	7,887,621	6,174,905	6,034,453
Federal Funds	31,213	-	-
Beginning Balance Adjustment			
Other Funds	-	531,242	-
General Fund Appropriation	10,146,476	9,795,963	9,665,010
Other Funds Revenues			
Business Lic and Fees	2,472,371	2,162,717	2,162,717
Charges for Services	89,651	182,304	182,304
Admin and Service Charges	10,884	21,000	21,000
Fines and Forfeitures	32,920	30,000	30,000
Rents and Royalties	1,273,438	1,213,224	1,213,224
Interest Income	2,073	3,000	3,000
Donations	-	2,000	2,000
Other Revenues	37,060	5,500	5,500
Federal Funds	6,481,057	8,158,471	7,510,678
Transfers In			
Other Funds	38,756,918	44,795,953	45,358,655
Transfers Out			
Other Funds	(833,447)	(557,200)	(561,044)
Federal Funds	(86,400)	(146,112)	(146,112)
All Funds Available for Exp	66,301,835	72,372,967	71,481,385
All Expenditures			
General Fund	10,052,511	9,795,963	9,665,010

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Public Safety Standards & Training, Dept of			
All Expenditures			
Other Funds	39,321,468	49,116,738	48,933,641
Federal Funds	6,394,657	8,012,359	7,364,566
Total Expenditures	55,768,636	66,925,060	65,963,217
Reversions	(93,965)	-	-
Ending Balance			
Other Funds	10,408,021	5,447,907	5,518,168
Federal Funds	31,213	-	-
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept			
Beginning Balance			
Other Funds	2,548,079,438	3,169,375,951	4,753,265,070
General Fund Appropriation	6,133,655	-	-
Other Funds Revenues			
Employment Taxes	55,182,300	2,092,715,141	1,286,003,244
Charges for Services	28,614,822	39,277,965	51,444,077
Fines and Forfeitures	3,454,750	14,833,329	17,145,228
Rents and Royalties	295,195	-	-
Interest Income	-	127,708,000	127,815,000
Other Revenues	4,575,044	32,015,267	31,350,000
Federal Funds	1,218,469,334	232,875,443	255,031,590
Transfers In			
Other Funds	1,108,556,122	1,547,521,421	1,730,001,697

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept			
Transfers In			
Federal Funds	-	-	6,000,000
Transfers Out			
Other Funds	(1,111,444,634)	(1,552,640,119)	(1,741,131,841)
All Funds Available for Exp	3,861,916,026	5,703,682,398	6,516,924,065
All Expenditures			
General Fund	5,868,497	-	-
Other Funds	1,138,716,165	1,576,904,308	1,774,540,284
Federal Funds	194,811,831	229,644,349	254,194,760
Total Expenditures	1,339,396,493	1,806,548,657	2,028,735,044
Reversions	(265,158)	-	-
Ending Balance			
Other Funds	1,498,596,872	3,893,902,647	4,481,352,191
Federal Funds	1,023,657,503	3,231,094	6,836,830
Housing & Community Svcs Dept			
Beginning Balance			
Lottery Funds	18,509	-	-
Other Funds	395,957,663	389,578,990	416,381,010
Federal Funds	1,401	-	-
Beginning Balance Adjustment			
Lottery Funds	-	29,030	-
General Fund Appropriation	28,591,263	59,963,031	126,459,961
Lottery Funds			
Interest Income	46,857	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Housing & Community Svcs Dept			
Other Funds Revenues			
Non-business Lic. and Fees	94,115	1,132,606	92,750
Public Utilities Fees	69,846,234	70,079,405	71,362,893
Charges for Services	1,072,602	1,047,555	1,136,070
Admin and Service Charges	16,281,730	17,372,879	28,222,471
Fines and Forfeitures	36,418	48,808	21,050
General Fund Obligation Bonds	40,175,000	81,090,000	131,430,000
Dedicated Fund Oblig Bonds	-	-	100,730,000
Lottery Bonds	26,161,119	25,395,235	40,686,408
Revenue Bonds	336,415,000	340,700,000	500,000,000
Refunding Bonds	1,072,823	-	-
Interest Income	99,008,577	83,257,507	97,826,049
Donations	22,530	-	-
Housing Div Loan Repayments	281,770,561	227,756,310	322,013,491
Other Revenues	6,792,051	4,981,360	7,454,127
Federal Funds	236,325,066	242,982,820	259,925,728
Transfers In			
Lottery Funds	11,640,225	18,628,252	21,868,790
Other Funds	599,612,955	564,486,581	615,668,801
Federal Funds	1,068,022	1,000,000	7,500,000
Transfers Out			
Lottery Funds	-	(1,150,000)	-
Other Funds	(552,363,464)	(467,546,735)	(518,177,602)
All Funds Available for Exp	1,599,647,257	1,660,833,634	2,230,601,997
All Expenditures			
General Fund	27,328,954	59,963,031	126,459,961
Lottery Funds	11,676,461	17,507,282	21,868,790
Other Funds	920,857,341	1,056,346,814	1,560,566,965
Federal Funds	237,394,489	243,982,635	267,409,653

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Housing & Community Svcs Dept			
Total Expenditures	1,197,257,245	1,377,799,762	1,976,305,369
Reversions	(1,262,309)	-	-
Ending Balance			
Lottery Funds	29,130	-	-
Other Funds	401,098,573	283,033,687	254,280,553
Federal Funds	-	185	16,075
Oregon Business Development Department			
Beginning Balance			
Lottery Funds	3,616,927	7,036,371	4,250,000
Other Funds	313,667,083	456,191,715	416,840,600
Federal Funds	14,134,240	12,497,696	12,569,000
Beginning Balance Adjustment			
Lottery Funds	7,439	6,704,321	2,312,014
Other Funds	-	(2,283,434)	-
Federal Funds	-	(4,894,304)	-
General Fund Appropriation	15,796,523	55,013,540	70,567,441
Lottery Funds			
Interest Income	364,403	-	41,000
Other Funds Revenues			
Business Lic and Fees	-	7,500	7,500
Non-business Lic. and Fees	412	-	-
Charges for Services	491,809	898,000	898,000
Rents and Royalties	83,330	100,000	100,000
General Fund Obligation Bonds	195,450,272	121,610,000	246,674,500
Lottery Bonds	46,035,356	56,976,251	185,396,862
Revenue Bonds	-	30,000,000	30,000,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Oregon Business Development Department			
Other Funds Revenues			
Interest Income	36,415,260	31,286,126	34,172,467
Donations	9,349,589	10,337,894	10,337,894
Grants (Non-Fed)	521,304	700,000	700,000
Loan Repayments	121,389,146	78,149,257	78,413,481
Other Revenues	1,297,343	5,358,877	12,176,314
Federal Funds	24,991,584	36,595,240	38,191,928
Transfers In			
Lottery Funds	165,740,895	119,464,704	127,145,783
Other Funds	140,735,853	80,500,868	85,566,657
Federal Funds	664,031	-	-
Transfers Out			
Lottery Funds	(58,931,430)	(4,659,893)	-
Other Funds	(114,523,634)	(56,561,226)	(64,248,203)
Federal Funds	(664,031)	-	-
All Funds Available for Exp	916,633,704	1,041,029,503	1,292,113,238
All Expenditures			
General Fund	14,811,095	55,013,540	70,567,441
Lottery Funds	100,496,117	117,789,412	129,457,797
Other Funds	187,712,876	617,460,295	861,646,913
Federal Funds	25,924,065	41,457,527	43,131,975
Total Expenditures	328,944,153	831,720,774	1,104,804,126
Reversions	(985,428)	-	-
Ending Balance			
Lottery Funds	10,302,117	10,756,091	4,291,000
Other Funds	563,200,247	195,811,533	175,389,159

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Oregon Business Development Department			
Ending Balance			
Federal Funds	13,201,759	2,741,105	7,628,953
Veterans' Affairs, Oregon Dept of			
Beginning Balance			
Other Funds	146,416,571	151,940,326	131,420,869
General Fund Appropriation	13,007,966	8,568,114	10,127,148
Other Funds Revenues			
Business Lic and Fees	144,000	150,000	150,000
Non-business Lic. and Fees	46,245	60,000	60,000
Charges for Services	1,416,264	87,946,166	98,646,163
Admin and Service Charges	70,447,794	3,218,547	3,800,556
Rents and Royalties	960,228	1,500,000	1,500,000
General Fund Obligation Bonds	-	13,260,000	-
Dedicated Fund Oblig Bonds	133,602,554	240,000,000	245,000,000
Interest Income	24,403,494	53,150,000	53,150,000
Sales Income	-	10,000	10,000
Donations	421,879	600,000	600,000
Veterans Loan Repayments	80,309,971	86,000,000	95,000,000
Insurance Premiums	693,347	-	-
Other Revenues	296,178	1,100,000	1,100,000
Federal Funds	4,397,354	7,347,138	1,525,000
Transfers In			
Lottery Funds	-	15,198,799	23,095,751
Other Funds	110,295,010	243,098,029	233,428,066
Transfers Out			
Other Funds	(110,089,740)	(242,888,582)	(233,167,997)
Federal Funds	(900,000)	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Veterans' Affairs, Oregon Dept of			
All Funds Available for Exp	475,869,115	670,258,537	665,445,556
All Expenditures			
General Fund	12,954,681	8,568,114	10,127,148
Lottery Funds	-	15,198,799	23,095,751
Other Funds	315,664,880	504,439,766	513,267,285
Federal Funds	3,403,376	7,347,138	1,525,000
Total Expenditures	332,022,937	535,553,817	548,015,184
Reversions	(53,285)	-	-
Ending Balance			
Other Funds	143,698,915	134,704,720	117,430,372
Federal Funds	93,978	-	-
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
Beginning Balance			
Lottery Funds	804	-	-
Other Funds	24,348,697	27,911,794	30,214,414
Federal Funds	128,469	-	-
Beginning Balance Adjustment			
Lottery Funds	(804)	-	-
General Fund Appropriation	24,630,128	22,698,953	25,970,304
Other Funds Revenues			
General Fund Revenues	3	-	-
Business Lic and Fees	33,925,295	33,453,782	34,727,506

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
Other Funds Revenues			
Federal Revenues - Svc Contracts	1,471,231	1,480,756	1,480,756
Charges for Services	19,716,872	19,792,252	20,117,484
Admin and Service Charges	76,689	354,875	354,875
Fines and Forfeitures	347,258	279,111	279,111
Interest Income	462,425	246,674	1,014,884
Sales Income	14,096	7,178	7,178
Other Revenues	192,135	828,989	828,989
Federal Funds	14,462,598	18,915,623	18,710,298
Transfers In			
Lottery Funds	7,616,990	10,062,222	7,570,661
Other Funds	12,435,799	11,401,679	12,286,347
Transfers Out			
Other Funds	(10,000,481)	(9,502,521)	(10,336,085)
Federal Funds	(1,705,250)	(1,300,000)	(1,300,000)
All Funds Available for Exp	128,122,954	136,631,367	141,926,722
All Expenditures			
General Fund	24,497,951	22,698,953	25,970,304
Lottery Funds	7,077,309	9,001,307	7,570,661
Other Funds	52,663,810	68,154,857	73,488,500
Federal Funds	12,712,955	17,615,623	17,371,337
Total Expenditures	96,952,025	117,470,740	124,400,802
Reversions	(132,177)	-	-
Ending Balance			
Lottery Funds	539,681	1,060,915	-
Other Funds	30,326,209	18,099,712	17,486,959

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
Ending Balance			
Federal Funds	172,862	-	38,961
Columbia River Gorge Comm			
General Fund Appropriation	920,291	992,000	1,366,856
All Funds Available for Exp	920,291	992,000	1,366,856
All Expenditures			
General Fund	920,288	992,000	1,366,856
Total Expenditures	920,288	992,000	1,366,856
Reversions	(3)	-	-
Energy, Dept of			
Beginning Balance			
Lottery Funds	63	-	-
Other Funds	36,741,956	28,745,896	56,132,866
Federal Funds	56,642	-	393,615
Beginning Balance Adjustment			
Lottery Funds	3,589	8,084	-
Other Funds	50,000	-	(56,132,866)
Federal Funds	(30,830)	-	(393,615)
Lottery Funds			
Interest Income	12,589	-	-
Other Funds Revenues			
Business Lic and Fees	4,037,003	6,618,398	-
Charges for Services	2,372,867	2,566,324	-
Admin and Service Charges	13,718,917	15,964,233	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Energy, Dept of			
Other Funds Revenues			
Fines and Forfeitures	74,589	290,168	-
General Fund Obligation Bonds	-	55,000,000	-
Refunding Bonds	64,820,000	-	-
Interest Income	18,345,035	21,237,929	-
Sales Income	3,216,138	748,125	-
Loan Repayments	28,089,153	37,201,391	-
Other Revenues	71,577	637,401	-
Federal Funds	3,150,799	4,007,234	-
Transfers In			
Lottery Funds	4,319,139	3,015,546	-
Other Funds	83,890,499	83,572,362	-
Federal Funds	241,619	-	-
Transfers Out			
Lottery Funds	(1,354,891)	-	-
Other Funds	(83,067,635)	(83,124,752)	-
Federal Funds	(1,077,456)	(1,104,610)	-
All Funds Available for Exp	177,681,362	175,383,729	-
All Expenditures			
Lottery Funds	2,980,489	3,023,630	-
Other Funds	151,498,133	154,892,140	-
Federal Funds	2,337,024	2,559,398	-
Total Expenditures	156,815,646	160,475,168	-
Ending Balance			
Other Funds	20,861,966	14,565,335	-
Federal Funds	3,750	343,226	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Environmental Quality, Dept of			
Beginning Balance			
Lottery Funds	16,358	20,644	-
Other Funds	287,015,631	260,064,148	325,338,651
Federal Funds	240,365	-	-
Beginning Balance Adjustment			
Other Funds	-	2,617,490	-
General Fund Appropriation	38,164,101	48,377,650	51,169,413
Other Funds Revenues			
General Fund Revenues	2,007,660	1,000,000	1,000,000
Business Lic and Fees	66,533,742	71,863,355	86,896,695
Non-business Lic. and Fees	27,128,376	27,805,476	28,737,162
Federal Revenues	42,282,182	30,000,000	63,000,000
Charges for Services	20,028,179	23,771,867	26,422,933
Admin and Service Charges	4,388,359	5,345,944	7,569,507
Fines and Forfeitures	301,822	255,000	205,600
General Fund Obligation Bonds	10,000,000	23,265,300	27,099,700
Refunding Bonds	3,222,000	-	-
Interest Income	22,122,772	22,325,604	20,506,547
Loan Repayments	66,956,205	52,000,000	95,000,000
Other Revenues	2,174,984	11,410,400	11,806,320
Federal Funds	25,248,082	32,866,345	33,432,066
Transfers In			
Lottery Funds	4,088,464	4,732,711	5,322,214
Other Funds	66,052,527	67,785,421	83,665,733
Transfers Out			
Other Funds	(58,742,769)	(39,840,152)	(50,357,262)
Federal Funds	(3,043,506)	(3,426,814)	(3,960,723)
All Funds Available for Exp	626,185,534	642,240,389	812,854,556

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Environmental Quality, Dept of			
All Expenditures			
General Fund	38,163,023	48,377,650	51,169,413
Lottery Funds	4,084,180	4,732,711	5,322,214
Other Funds	237,333,437	326,549,719	399,684,948
Federal Funds	22,268,911	29,266,525	29,461,797
Total Expenditures	301,849,551	408,926,605	485,638,372
Reversions	(1,078)	-	-
Ending Balance			
Lottery Funds	20,642	20,644	-
Other Funds	324,138,233	233,120,134	327,206,638
Federal Funds	176,030	173,006	9,546
Fish & Wildlife, Oregon Dept of			
Beginning Balance			
Other Funds	39,777,479	41,625,239	59,623,103
Federal Funds	21,117	-	-
Beginning Balance Adjustment			
Lottery Funds	(64,956)	-	-
Other Funds	(2,713,932)	1,308,863	-
Federal Funds	(3,062,233)	-	-
General Fund Appropriation	31,162,079	29,458,285	33,208,714
Other Funds Revenues			
Business Lic and Fees	11,464,151	-	-
Non-business Lic. and Fees	69,655	-	-
Hunter and Angler Licenses	106,673,471	119,244,000	125,107,599
Commercial Fish Lic and Fees	10,339,724	10,042,728	10,285,680
Park User Fees	1,295,461	1,458,000	1,073,330

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Fish & Wildlife, Oregon Dept of			
Other Funds Revenues			
Charges for Services	219,928	14,161,781	25,731,970
Fines and Forfeitures	1,762,819	-	-
Rents and Royalties	942,456	286,067	570,797
General Fund Obligation Bonds	-	10,215,000	-
Interest Income	876,174	-	2,063
Sales Income	1,555,680	3,275,251	3,399,000
Donations	275,026	-	-
Grants (Non-Fed)	10,167,052	-	-
Other Revenues	2,833,763	130,000	50,000
Federal Funds	129,081,642	156,522,685	164,944,699
Transfers In			
Lottery Funds	10,345,162	5,326,259	5,640,031
Other Funds	253,957,572	85,629,703	97,082,539
Federal Funds	16,783,233	-	-
Transfers Out			
Lottery Funds	(5,427,581)	-	-
Other Funds	(227,681,947)	(52,947,152)	(62,844,278)
Federal Funds	(30,643,568)	(19,950,000)	(19,950,000)
All Funds Available for Exp	360,009,427	405,786,709	443,925,247
All Expenditures			
General Fund	31,162,078	29,458,285	33,208,714
Lottery Funds	4,852,625	5,326,259	5,640,031
Other Funds	159,519,582	193,825,411	197,595,177
Federal Funds	112,180,191	135,372,685	144,994,699
Total Expenditures	307,714,476	363,982,640	381,438,621

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Fish & Wildlife, Oregon Dept of			
Reversions	(1)	-	-
Ending Balance			
Other Funds	52,294,950	40,604,069	62,486,626
Federal Funds	-	1,200,000	-
Forestry, Dept of			
Beginning Balance			
Lottery Funds	279,759	-	-
Other Funds	47,695,095	-	-
Federal Funds	6,657,799	-	-
Beginning Balance Adjustment			
Lottery Funds	-	4,987	-
General Fund Appropriation	102,150,421	96,605,737	88,317,235
Lottery Funds			
Interest Income	8,527	-	-
Other Funds Revenues			
Forest Protection Taxes	42,092,183	72,567,532	53,942,485
Business Lic and Fees	101,635	1,437,545	1,548,311
Non-business Lic. and Fees	841,844	-	-
Park User Fees	224,054	-	-
Charges for Services	67,360,247	68,651,186	39,688,947
Admin and Service Charges	1,865,892	-	-
Fines and Forfeitures	250	-	-
Rents and Royalties	9,957,471	11,928,493	11,928,493
General Fund Obligation Bonds	-	3,832,965	5,105,000
Refunding Bonds	1,731,479	-	-
Cert of Participation	-	100,985,000	-
Interest Income	488,846	-	-
Sales Income	1,056,054	28,678	28,678

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Forestry, Dept of			
Other Funds Revenues			
State Forest Lands Sales	217,923,554	178,379,727	234,362,797
Common School Lands Sales	10,764,720	4,689,000	6,756,872
Donations	26,012	295,851	307,093
Loan Repayments	56,367	1,832,558	1,681,303
Other Revenues	2,573,139	44,782,951	16,837,137
Federal Funds	17,523,798	34,338,044	36,353,352
Transfers In			
Lottery Funds	7,695,798	2,596,014	2,605,450
Other Funds	107,872,909	64,956,324	81,717,200
Federal Funds	59,770	-	-
Transfers Out			
Other Funds	(199,582,935)	(147,751,814)	(163,497,268)
Federal Funds	(1,400,165)	-	-
All Funds Available for Exp	446,024,523	540,160,778	417,683,085
All Expenditures			
General Fund	102,048,469	96,605,737	88,317,235
Lottery Funds	6,987,642	2,601,001	2,605,450
Other Funds	273,333,801	366,655,973	262,398,892
Federal Funds	16,914,057	33,907,251	35,363,903
Total Expenditures	399,283,969	499,769,962	388,685,480
Reversions	(101,952)	-	-
Ending Balance			
Lottery Funds	996,442	-	-
Other Funds	39,715,015	39,960,023	28,008,156

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Forestry, Dept of			
Ending Balance			
Federal Funds	5,927,145	430,793	989,449
Geology & Mineral Industries, Dept of			
Beginning Balance			
Other Funds	678,709	1,844,443	980,825
Beginning Balance Adjustment			
Other Funds	98,537	(185,989)	370,594
Federal Funds	(4,712)	-	-
General Fund Appropriation	4,806,968	4,709,949	5,374,205
Other Funds Revenues			
Non-business Lic. and Fees	2,608,661	2,581,796	3,786,613
Charges for Services	678,631	3,802,524	2,066,511
Interest Income	6,017	-	13,063
Sales Income	17,399	-	-
Other Revenues	1,808,972	5,940	574,742
Federal Funds	5,237,590	6,040,857	5,525,649
Transfers In			
Other Funds	537,955	582,602	282,602
Federal Funds	177,809	-	-
Transfers Out			
Other Funds	(186,491)	(307,500)	(7,500)
All Funds Available for Exp	16,466,045	19,074,622	18,967,304
All Expenditures			
General Fund	4,806,968	4,709,949	5,374,205
Other Funds	4,917,107	6,881,528	7,164,219
Federal Funds	5,410,687	6,040,857	5,500,972

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Geology & Mineral Industries, Dept of			
Total Expenditures	15,134,762	17,632,334	18,039,396
Ending Balance			
Other Funds	1,331,283	1,442,288	903,231
Federal Funds	-	-	24,677
Land Conservation & Development, Dept of			
Beginning Balance			
Other Funds	199,063	289,448	-
Beginning Balance Adjustment			
Other Funds	-	(40,000)	-
General Fund Appropriation	13,593,528	15,160,953	15,069,903
Other Funds Revenues			
Business Lic and Fees	17,500	78,631	78,631
Charges for Services	1,215	21,441	21,441
Interest Income	473	-	-
Other Revenues	4,508	152,003	999,395
Federal Funds	4,260,687	6,487,739	7,250,008
Transfers In			
Other Funds	518,729	1,573,017	1,632,548
All Funds Available for Exp	18,595,703	23,723,232	25,051,926
All Expenditures			
General Fund	13,211,189	15,160,953	15,069,903
Other Funds	546,079	1,785,545	1,460,719
Federal Funds	4,260,687	6,487,739	6,964,297

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Land Conservation & Development, Dept of			
Total Expenditures	18,017,955	23,434,237	23,494,919
Reversions	(382,339)	-	-
Ending Balance			
Other Funds	195,409	288,995	1,271,296
Federal Funds	-	-	285,711
Land Use Board of Appeals			
Beginning Balance			
Other Funds	13,654	10,896	12,196
General Fund Appropriation	1,846,330	1,952,556	2,071,330
Other Funds Revenues			
General Fund Revenues	67,800	103,100	103,100
Sales Income	35,175	35,000	35,000
Other Revenues	666	-	-
Transfers Out			
Other Funds	(67,800)	(103,100)	(103,100)
All Funds Available for Exp	1,895,825	1,998,452	2,118,526
All Expenditures			
General Fund	1,817,892	1,952,556	2,071,330
Other Funds	24,228	33,700	34,981
Total Expenditures	1,842,120	1,986,256	2,106,311
Reversions	(28,438)	-	-

PROGRAM AREA: NATURAL RESOURCES	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Land Use Board of Appeals			
Ending Balance			
Other Funds	25,267	12,196	12,215
Lands, Dept of State			
Beginning Balance			
Other Funds	1,119,510,142	1,537,306,182	1,596,690,395
Federal Funds	364,004	1,123,035	1,465,620
General Fund Appropriation	346,082	5,000,000	-
Other Funds Revenues			
Business Lic and Fees	51,166	-	30,000
Non-business Lic. and Fees	3,256,972	800,000	3,100,000
Federal Revenues	402,950	-	-
Charges for Services	430,007	273,750	750,000
Admin and Service Charges	60,304	130,000	265,000
Fines and Forfeitures	135,037	190,000	262,000
Rents and Royalties	10,513,709	9,500,000	17,200,000
Lottery Bonds	-	-	5,281,463
Interest Income	57,910,555	140,170,000	55,600,000
Sales Income	100,673	120,000	30,000
Common School Lands Sales	4,110	-	1,000,000
Donations	5,000	12,000	10,000
Grants (Non-Fed)	15,000	142,027	75,000
Other Revenues	89,898,979	72,062,956	86,700,000
Federal Funds	1,491,899	2,808,773	2,808,773
Transfers In			
Lottery Funds	-	-	589,920
Other Funds	13,531,497	147,404,743	35,233,731
Transfers Out			
Other Funds	(147,046,767)	(257,045,532)	(149,505,027)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Lands, Dept of State			
All Funds Available for Exp	1,150,981,319	1,659,997,934	1,657,586,875
All Expenditures			
General Fund	242,904	5,000,000	-
Lottery Funds	-	-	589,920
Other Funds	45,463,329	66,670,386	73,166,934
Federal Funds	1,541,286	2,466,188	2,475,477
Total Expenditures	47,247,519	74,136,574	76,232,331
Reversions	(103,178)	-	-
Ending Balance			
Other Funds	1,103,316,005	1,584,395,740	1,579,555,628
Federal Funds	314,617	1,465,620	1,798,916
Marine Board, Oregon State			
Beginning Balance			
Other Funds	6,292,204	-	-
Beginning Balance Adjustment			
Other Funds	(919,804)	6,065,290	3,625,016
Other Funds Revenues			
Non-business Lic. and Fees	15,749,191	17,810,931	20,824,588
Charges for Services	7,651	-	-
Fines and Forfeitures	93,772	103,011	126,642
Interest Income	84,853	79,500	151,282
Sales Income	9,799	2,000	2,100
Donations	461	700	400
Other Revenues	156,467	185,910	182,395
Federal Funds	5,420,167	6,633,313	6,260,265

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Marine Board, Oregon State			
Transfers In			
Other Funds	26,169,361	26,726,356	26,195,629
Transfers Out			
Other Funds	(17,095,566)	(18,624,356)	(18,657,148)
All Funds Available for Exp	35,968,556	38,982,655	38,711,169
All Expenditures			
Other Funds	25,175,987	27,142,592	28,268,239
Federal Funds	5,420,164	6,633,313	6,260,265
Total Expenditures	30,596,151	33,775,905	34,528,504
Ending Balance			
Other Funds	5,372,402	5,206,750	4,182,665
Federal Funds	3	-	-
Oregon Climate Authority			
Beginning Balance Adjustment			
Other Funds	-	-	22,068,959
Federal Funds	-	-	393,615
General Fund Appropriation	-	-	17,702,183
Other Funds Revenues			
Business Lic and Fees	-	-	5,508,109
Charges for Services	-	-	2,956,276
Admin and Service Charges	-	-	15,164,233
Fines and Forfeitures	-	-	290,168
Interest Income	-	-	11,248,069
Loan Repayments	-	-	23,291,103
Other Revenues	-	-	173,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Oregon Climate Authority			
Federal Funds	-	-	3,593,768
Transfers In			
Lottery Funds	-	-	3,023,370
Other Funds	-	-	59,497,425
Transfers Out			
Other Funds	-	-	(57,179,815)
Federal Funds	-	-	(1,385,490)
All Funds Available for Exp	-	-	106,344,973
All Expenditures			
General Fund	-	-	17,702,183
Lottery Funds	-	-	3,023,370
Other Funds	-	-	72,903,321
Federal Funds	-	-	2,539,545
Total Expenditures	-	-	96,168,419
Ending Balance			
Other Funds	-	-	10,114,206
Federal Funds	-	-	62,348
Parks & Recreation Dept			
Beginning Balance			
Lottery Funds	20,120,389	26,948,608	30,599,517
Other Funds	31,961,412	26,954,445	49,366,101
Beginning Balance Adjustment			
Lottery Funds	-	1,268,704	-
General Fund Appropriation	-	228,729	273,580

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Parks & Recreation Dept			
Lottery Funds			
Interest Income	210,869	144,964	200,914
Other Funds Revenues			
Non-business Lic. and Fees	1,602,551	2,131,121	2,129,287
Park User Fees	52,398,953	50,687,721	56,286,736
Charges for Services	5,000	-	-
Rents and Royalties	1,685,013	-	-
Lottery Bonds	11,551,905	5,111,682	-
Interest Income	1,046,917	502,876	2,131,271
Sales Income	3,068,612	2,929,540	4,097,658
Donations	844,528	-	-
Grants (Non-Fed)	417,324	-	-
Other Revenues	676,060	8,913,743	9,399,274
Federal Funds	7,375,564	16,422,002	16,690,443
Transfers In			
Lottery Funds	92,651,295	106,669,580	109,770,811
Other Funds	53,837,401	49,804,570	51,589,933
Transfers Out			
Lottery Funds	(48,068)	(1,364,447)	(106,185)
Other Funds	(16,986,820)	(16,853,115)	(17,009,283)
Federal Funds	(108,717)	-	-
All Funds Available for Exp	262,310,188	280,500,723	315,420,057
All Expenditures			
General Fund	-	228,729	273,580
Lottery Funds	78,504,001	102,148,107	116,823,167
Other Funds	102,346,202	101,176,692	126,010,604
Federal Funds	7,266,847	16,422,002	16,690,443
Total Expenditures	188,117,050	219,975,530	259,797,794

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Parks & Recreation Dept			
Ending Balance			
Lottery Funds	34,430,484	31,519,302	23,641,890
Other Funds	39,762,654	29,005,891	31,980,373
Water Resources Dept			
Beginning Balance			
Lottery Funds	3,146	-	-
Other Funds	11,686,081	3,461,046	-
Federal Funds	29,651	-	-
Beginning Balance Adjustment			
Lottery Funds	-	4,970	-
Other Funds	-	29,155,893	35,099,308
General Fund Appropriation	31,220,037	32,150,986	38,894,484
Lottery Funds			
Interest Income	8,533	-	-
Other Funds Revenues			
General Fund Revenues	7,725	-	8,250
Non-business Lic. and Fees	400	-	-
Power and Water Fees	9,659,959	11,451,864	9,206,975
Federal Revenues - Svc Contracts	149,076	714,039	1,162,073
Charges for Services	1,735,304	1,725,160	1,753,732
Rents and Royalties	13,502	13,000	13,000
Lottery Bonds	-	5,269,633	-
Revenue Bonds	22,091,394	22,622,536	15,278,251
Interest Income	292,212	275,000	117,502
Sales Income	962	-	-
Other Revenues	12,749	55,000	34,000
Federal Funds	664,364	1,905,917	876,734

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Water Resources Dept			
Transfers In			
Lottery Funds	2,543,062	3,948,999	8,493,320
Other Funds	2,870,441	2,346,384	347,185
Transfers Out			
Lottery Funds	(38,330)	-	-
Other Funds	(5,123,363)	(4,649,740)	(2,789,926)
All Funds Available for Exp	77,826,905	110,450,687	108,494,888
All Expenditures			
General Fund	31,151,280	32,150,986	38,894,484
Lottery Funds	2,511,474	3,953,969	8,493,320
Other Funds	12,105,217	66,864,861	59,718,058
Federal Funds	629,631	1,905,917	876,734
Total Expenditures	46,397,602	104,875,733	107,982,596
Reversions	(68,757)	-	-
Ending Balance			
Lottery Funds	4,937	-	-
Other Funds	31,291,225	5,574,954	512,292
Federal Funds	64,384	-	-
Watershed Enhancement Board, Oregon			
Beginning Balance			
Lottery Funds	883,061	-	-
Other Funds	1,020,480	-	-
Beginning Balance Adjustment			
Lottery Funds	-	7,881,880	7,391,185
Other Funds	-	1,326,341	800,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Watershed Enhancement Board, Oregon			
General Fund Appropriation	-	190,000	-
Lottery Funds			
Interest Income	1,022,246	1,230,000	3,400,000
Other Funds Revenues			
Donations	654,306	1,252,609	1,396,945
Other Revenues	25,000	37,728	37,728
Loan Proceeds	-	-	2,500,000
Federal Funds	24,324,998	41,671,381	58,710,763
Transfers In			
Lottery Funds	200,350,248	110,862,518	116,326,092
Other Funds	2,442,231	938,303	893,967
Transfers Out			
Lottery Funds	(131,882,285)	(34,689,420)	(34,988,027)
Other Funds	(159,038)	-	-
All Funds Available for Exp	98,681,247	130,701,340	156,468,653
All Expenditures			
General Fund	-	190,000	-
Lottery Funds	62,490,494	79,589,460	84,173,659
Other Funds	2,709,180	3,009,486	5,570,646
Federal Funds	24,324,998	41,759,143	58,710,763
Total Expenditures	89,524,672	124,548,089	148,455,068
Ending Balance			
Lottery Funds	7,882,776	5,695,518	7,955,591
Other Funds	1,273,799	545,495	57,994
Federal Funds	-	(87,762)	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Aviation, Dept of			
Beginning Balance			
Other Funds	3,077,439	2,106,792	2,884,414
Other Funds Revenues			
Motor Fuels Taxes	-	879	-
Non-business Lic. and Fees	1,304,576	1,117,234	1,127,640
Fines and Forfeitures	2,560	-	-
Rents and Royalties	556,723	548,693	584,778
General Fund Obligation Bonds	-	-	10,240,000
Other Revenues	327,390	301,277	350,784
Federal Funds	7,277,222	9,318,243	11,313,182
Transfers In			
Other Funds	11,768,268	20,885,316	26,525,973
Federal Funds	-	-	5,211,000
Transfers Out			
Other Funds	(1,923,280)	(8,886,226)	(13,605,829)
Federal Funds	-	-	(5,211,000)
All Funds Available for Exp	22,390,898	25,392,208	39,420,942
All Expenditures			
Other Funds	7,471,010	13,745,866	27,284,299
Federal Funds	7,277,222	9,318,243	11,313,182
Total Expenditures	14,748,232	23,064,109	38,597,481
Ending Balance			
Other Funds	7,642,666	2,328,099	823,461
Transportation, Oregon Dept of			
Beginning Balance			
Lottery Funds	267,879	-	-
Other Funds	587,449,174	436,443,290	367,017,604

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Transportation, Oregon Dept of			
Beginning Balance Adjustment			
Lottery Funds	-	210,621	-
Other Funds	(3,412,754)	50,000,001	-
General Fund Appropriation	22,056,357	23,456,104	35,172,907
Lottery Funds			
Interest Income	361,561	-	-
Other Funds Revenues			
Gross Receipts Business Taxes/Fees	5,066,548	5,600,000	5,800,000
Motor Fuels Taxes	1,078,829,542	1,274,111,439	1,331,956,357
Weight-Mile Taxes	591,070,376	742,502,352	815,074,920
Business Lic and Fees	18,182,506	5,414,998	3,313,043
Non-business Lic. and Fees	-	706,969	833,434
Vehicle Licenses	643,977,149	754,788,723	882,089,357
Drivers Licenses	79,008,362	81,540,099	87,038,547
Transportation Lic and Fees	94,580,220	96,506,790	95,179,447
Federal Revenues	964,501,998	1,093,434,088	1,287,949,523
Charges for Services	65,069,798	7,003,009	6,578,267
Admin and Service Charges	1,013,816	2,285,464	3,250,747
Fines and Forfeitures	9,677,941	2,557,463	2,692,887
Rents and Royalties	7,712,332	1,814,806	1,910,629
Lottery Bonds	48,305,557	37,603,821	78,155,567
Revenue Bonds	478,863,569	-	480,000,000
Refunding Bonds	453,507,963	155,254,241	-
Interest Income	13,285,669	17,416,155	13,639,797
Sales Income	47,324,202	13,172,249	13,763,104
Donations	250	-	-
Loan Repayments	21,197,607	8,173,000	9,041,202
Other Revenues	1,938,916	10,792,115	9,879,597

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Transportation, Oregon Dept of			
Federal Funds	110,917,068	132,208,214	133,269,934
Transfers In			
Lottery Funds	107,282,813	113,386,171	118,775,740
Other Funds	3,820,537,988	3,633,538,814	3,606,468,048
Federal Funds	397,400	-	-
Transfers Out			
Lottery Funds	(428,123)	-	-
Other Funds	(4,727,033,779)	(4,350,195,602)	(4,441,249,222)
Federal Funds	(5,053,592)	(4,875,671)	-
All Funds Available for Exp	4,536,456,313	4,344,849,723	4,947,601,436
All Expenditures			
General Fund	22,052,311	23,456,104	35,172,907
Lottery Funds	107,484,130	113,596,792	118,775,740
Other Funds	3,579,841,239	3,967,759,965	4,303,014,331
Federal Funds	106,259,401	127,332,543	133,188,679
Total Expenditures	3,815,637,081	4,232,145,404	4,590,151,657
Reversions	(4,046)	-	-
Ending Balance			
Other Funds	720,813,711	112,704,319	357,368,524
Federal Funds	1,475	-	81,255

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Accountancy, Board of			
Beginning Balance			
Other Funds	1,150,128	1,023,748	1,903,493
Other Funds Revenues			
Business Lic and Fees	2,546,981	2,585,305	2,533,515
Fines and Forfeitures	159,042	122,760	130,000
Interest Income	18,489	7,200	55,000
Sales Income	539	900	900
Other Revenues	7,476	6,635	4,000
Transfers In			
Other Funds	1,145,077	-	-
Transfers Out			
Other Funds	(1,145,077)	-	-
All Funds Available for Exp	3,882,655	3,746,548	4,626,908
All Expenditures			
Other Funds	2,261,508	2,617,527	2,805,291
Total Expenditures	2,261,508	2,617,527	2,805,291
Ending Balance			
Other Funds	1,621,147	1,129,021	1,821,617
Construction Contractors Board			
Beginning Balance			
Other Funds	7,103,333	7,706,929	6,271,364
Beginning Balance Adjustment			
Other Funds	-	1,453,583	3,200,780
Other Funds Revenues			
General Fund Revenues	1,098,205	734,607	1,078,733
Business Lic and Fees	15,470,651	10,838,350	12,192,082
Charges for Services	-	104,551	149,280
Fines and Forfeitures	362,732	278,720	484,843
Interest Income	2,912	1,045	5,400

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Construction Contractors Board			
Other Funds Revenues			
Sales Income	-	3,582	6,720
Other Revenues	61,202	49,336	73,562
Transfers Out			
Other Funds	(1,098,205)	(734,607)	(1,078,733)
All Funds Available for Exp	23,000,830	20,436,096	22,384,031
All Expenditures			
Other Funds	13,236,738	16,174,047	16,665,921
Total Expenditures	13,236,738	16,174,047	16,665,921
Ending Balance			
Other Funds	9,764,092	4,262,049	5,718,110
Consumer and Business Svcs, Dept of			
Beginning Balance			
Other Funds	200,878,573	258,267,819	304,917,476
Federal Funds	336,473	-	-
Beginning Balance Adjustment			
Other Funds	578,696	-	-
General Fund Appropriation	1,823,000	-	1,906,627
Other Funds Revenues			
General Fund Revenues	168,032,783	155,765,944	178,821,494
Workers Comp Insurance Taxes	114,735,337	131,360,016	140,185,166
Other Employer -Employee Taxes	188,934,802	166,832,082	173,109,676
Insurance Taxes	-	579,078	223,923,169
Business Lic and Fees	101,038,080	114,939,830	118,114,871
Fire Marshal Fees	24,080,209	24,854,664	27,365,168
Federal Revenues	1,135,065	-	-
Charges for Services	1,631,652	3,015,026	1,876,689

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Consumer and Business Svcs, Dept of			
Other Funds Revenues			
Admin and Service Charges	3,327,100	3,086,625	3,080,983
Fines and Forfeitures	8,215,758	8,364,520	8,552,346
Interest Income	10,020,591	12,203,983	22,707,254
Donations	300	-	-
Insurance Premiums	13,081,425	-	-
Other Revenues	12,824,796	2,830,795	2,116,085
Federal Funds	15,916,097	17,278,630	183,768,324
Transfers In			
Other Funds	45,456,811	45,055,909	55,813,362
Federal Funds	109,290	-	-
Transfers Out			
Other Funds	(238,008,068)	(227,898,285)	(264,172,561)
All Funds Available for Exp	674,148,770	716,536,636	1,182,086,129
All Expenditures			
General Fund	1,823,000	-	1,906,627
Other Funds	391,039,076	455,102,401	577,593,398
Federal Funds	13,695,903	16,803,370	99,945,657
Total Expenditures	406,557,979	471,905,771	679,445,682
Ending Balance			
Other Funds	264,924,834	244,155,605	418,817,780
Federal Funds	2,665,957	475,260	83,822,667
Health Related Licensing Boards			
Beginning Balance			
Other Funds	3,115,222	3,142,051	4,472,972
Other Funds Revenues			
Business Lic and Fees	4,214,839	3,839,431	4,328,160

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Health Related Licensing Boards			
Other Funds Revenues			
Non-business Lic. and Fees	1,287,221	1,431,529	1,428,657
Charges for Services	1,067	737	175
Fines and Forfeitures	197,648	87,761	60,750
Interest Income	69,374	36,635	103,928
Other Revenues	89,382	25,665	98,654
Transfers In			
Other Funds	-	130,924	130,924
Transfers Out			
Other Funds	(47,427)	(219,514)	(219,514)
All Funds Available for Exp	8,927,326	8,475,219	10,404,706
All Expenditures			
Other Funds	5,101,941	6,204,915	7,111,976
Total Expenditures	5,101,941	6,204,915	7,111,976
Ending Balance			
Other Funds	3,825,385	2,270,304	3,292,730
Labor & Industries, Bureau of			
Beginning Balance			
Other Funds	12,545,698	10,822,109	11,935,005
Federal Funds	713,332	351,644	174,500
General Fund Appropriation	12,908,494	13,461,113	14,337,039
Other Funds Revenues			
General Fund Revenues	159,238	-	-
Business Lic and Fees	3,882,861	3,549,600	3,852,600
Charges for Services	3,134,485	1,382,520	1,629,542
Fines and Forfeitures	226,032	56,000	56,000
Interest Income	110,055	75,000	325,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Labor & Industries, Bureau of			
Other Funds Revenues			
Sales Income	704,202	575,800	703,000
Other Revenues	103,633	2,348,507	2,340,000
Federal Funds	1,996,338	1,088,949	1,197,200
Transfers In			
Other Funds	9,209,293	10,638,681	11,187,224
Federal Funds	245,643	280,379	292,335
Transfers Out			
Other Funds	(3,688,778)	(4,054,155)	(4,349,241)
Federal Funds	(245,643)	(280,379)	(292,335)
All Funds Available for Exp	42,004,883	40,295,768	43,387,869
All Expenditures			
General Fund	12,579,327	13,461,113	14,337,039
Other Funds	10,561,558	13,957,578	14,693,398
Federal Funds	1,421,260	1,297,545	1,341,375
Total Expenditures	24,562,145	28,716,236	30,371,812
Reversions	(329,167)	-	-
Ending Balance			
Other Funds	15,825,161	11,436,484	12,985,732
Federal Funds	1,288,410	143,048	30,325
Licensed Social Workers, Board of			
Beginning Balance			
Other Funds	366,282	375,486	534,214
Other Funds Revenues			
Business Lic and Fees	1,510,632	1,586,760	1,750,422

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Licensed Social Workers, Board of			
Other Funds Revenues			
Non-business Lic. and Fees	57,849	20,750	56,050
Fines and Forfeitures	-	25,000	25,000
Interest Income	8,601	4,630	5,000
Sales Income	2,180	2,000	2,000
Other Revenues	163	-	-
Transfers Out			
Other Funds	(3,774)	(22,000)	(22,000)
All Funds Available for Exp	1,941,933	1,992,626	2,350,686
All Expenditures			
Other Funds	1,403,573	1,717,671	1,810,716
Total Expenditures	1,403,573	1,717,671	1,810,716
Ending Balance			
Other Funds	538,360	274,955	539,970
Mental Health Regulatory Agency			
Beginning Balance			
Other Funds	525,914	803,055	1,301,658
Other Funds Revenues			
Business Lic and Fees	1,248,172	3,134,771	3,717,683
Non-business Lic. and Fees	303,989	212,224	422,719
Charges for Services	5,281	21,925	28,062
Fines and Forfeitures	30,896	37,563	69,716
Sales Income	-	136	322
Other Revenues	463	908	146
Transfers Out			
Other Funds	(3,654)	(22,290)	(26,884)
All Funds Available for Exp	2,111,061	4,188,292	5,513,422

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Mental Health Regulatory Agency			
All Expenditures			
Other Funds	1,295,574	3,509,699	3,996,362
Total Expenditures	1,295,574	3,509,699	3,996,362
Ending Balance			
Other Funds	815,487	678,593	1,517,060
Nursing, Board of			
Beginning Balance			
Other Funds	5,395,089	3,952,183	4,512,621
Other Funds Revenues			
Business Lic and Fees	14,777,472	14,369,592	15,542,004
Non-business Lic. and Fees	73,826	26,000	36,000
Charges for Services	1,057,457	1,557,323	1,647,000
Fines and Forfeitures	110,020	180,000	180,000
Other Revenues	3,983	-	-
Transfers In			
Other Funds	2,537,974	3,011,755	3,041,873
Transfers Out			
Other Funds	(1,531,277)	(1,922,706)	(1,976,569)
All Funds Available for Exp	22,424,544	21,174,147	22,982,929
All Expenditures			
Other Funds	15,351,050	16,847,478	19,301,776
Total Expenditures	15,351,050	16,847,478	19,301,776
Ending Balance			
Other Funds	7,073,494	4,326,669	3,681,153

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Oregon Board of Chiropractic Examiners			
Beginning Balance			
Other Funds	352,966	347,385	395,755
Other Funds Revenues			
Business Lic and Fees	50,800	43,863	57,126
Non-business Lic. and Fees	1,721,215	1,839,199	1,964,844
Charges for Services	1,468	1,200	3,838
Fines and Forfeitures	93,607	47,436	112,813
Sales Income	1,654	4,604	27
Other Revenues	1,480	4,170	-
Transfers Out			
Other Funds	(1,536)	(11,600)	(11,600)
All Funds Available for Exp	2,221,654	2,276,257	2,522,803
All Expenditures			
Other Funds	1,672,562	2,027,840	2,256,554
Total Expenditures	1,672,562	2,027,840	2,256,554
Ending Balance			
Other Funds	549,092	248,417	266,249
Oregon Board of Dentistry			
Beginning Balance			
Other Funds	508,012	719,701	950,000
Other Funds Revenues			
Business Lic and Fees	3,168,850	3,350,000	3,544,000
Non-business Lic. and Fees	7,050	10,000	10,000
Charges for Services	23,818	17,500	20,000
Fines and Forfeitures	201,200	100,000	200,000
Interest Income	16,842	7,500	20,000
Other Revenues	38,959	50,000	50,000
Transfers Out			
Other Funds	(179,189)	(226,800)	(226,800)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Oregon Board of Dentistry			
All Funds Available for Exp	3,785,542	4,027,901	4,567,200
All Expenditures			
Other Funds	2,821,996	3,328,763	3,609,564
Total Expenditures	2,821,996	3,328,763	3,609,564
Ending Balance			
Other Funds	963,546	699,138	957,636
Oregon Medical Board			
Beginning Balance			
Other Funds	5,796,728	6,059,826	7,908,204
Other Funds Revenues			
Business Lic and Fees	13,060,275	13,318,618	13,378,038
Charges for Services	81,328	92,554	81,243
Fines and Forfeitures	137,699	173,634	137,699
Sales Income	22,672	35,550	21,625
Other Revenues	66,939	-	40,800
Transfers Out			
Other Funds	(1,195,949)	(1,221,531)	(1,327,798)
All Funds Available for Exp	17,969,692	18,458,651	20,239,811
All Expenditures			
Other Funds	10,238,728	12,840,109	13,649,432
Total Expenditures	10,238,728	12,840,109	13,649,432
Ending Balance			
Other Funds	7,730,964	5,618,542	6,590,379

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Pharmacy, Board of			
Beginning Balance			
Other Funds	5,094,726	3,970,352	2,848,229
Beginning Balance Adjustment			
Other Funds	-	302,500	-
Other Funds Revenues			
Business Lic and Fees	5,334,681	4,431,667	7,146,250
Non-business Lic. and Fees	303,918	505,552	139,296
Fines and Forfeitures	530,141	420,000	405,000
Interest Income	88,652	48,000	45,000
Other Revenues	64,935	39,700	57,090
Transfers Out			
Other Funds	(369,118)	(409,357)	(416,146)
All Funds Available for Exp	11,047,935	9,308,414	10,224,719
All Expenditures			
Other Funds	6,253,007	7,464,610	8,550,886
Total Expenditures	6,253,007	7,464,610	8,550,886
Ending Balance			
Other Funds	4,794,928	1,843,804	1,673,833
Public Utility Commission			
Beginning Balance			
Other Funds	35,907,431	23,565,534	20,598,356
Federal Funds	180,075	143,710	-
Other Funds Revenues			
Other Selective Taxes	7,769,858	10,096,618	12,658,743
Business Lic and Fees	713,276	699,248	714,625
Public Utilities Fees	94,138,129	86,852,796	89,170,383
Charges for Services	159,424	102,168	186,769
Fines and Forfeitures	157,121	97,494	103,750
Interest Income	230,506	68,484	101,143

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Public Utility Commission			
Other Funds Revenues			
Other Revenues	420,990	-	-
Federal Funds	1,015,035	960,008	1,224,226
Transfers In			
Other Funds	13,109,472	16,926,830	17,602,753
Transfers Out			
Other Funds	(12,763,092)	(16,785,618)	(17,398,715)
Federal Funds	(346,380)	(141,212)	(204,038)
All Funds Available for Exp	140,691,845	122,586,060	124,757,995
All Expenditures			
Other Funds	106,533,676	102,210,660	103,813,168
Federal Funds	658,975	742,231	975,382
Total Expenditures	107,192,651	102,952,891	104,788,550
Ending Balance			
Other Funds	33,309,439	19,412,894	19,924,639
Federal Funds	189,755	220,275	44,806
Real Estate Agency			
Beginning Balance			
Other Funds	1,065,741	363,637	1,306,593
Other Funds Revenues			
General Fund Revenues	59,865	90,000	90,000
Business Lic and Fees	6,455,811	8,150,232	8,435,535
Charges for Services	3,914	43,333	7,794
Fines and Forfeitures	41,910	254,850	119,760
Other Revenues	1,655	-	1,656
Transfers Out			
Other Funds	(59,865)	(90,000)	(90,000)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Real Estate Agency			
All Funds Available for Exp	7,569,031	8,812,052	9,871,338
All Expenditures			
Other Funds	6,735,567	7,781,918	8,536,762
Total Expenditures	6,735,567	7,781,918	8,536,762
Ending Balance			
Other Funds	833,464	1,030,134	1,334,576
Tax Practitioners, State Board of			
Beginning Balance			
Other Funds	434,626	242,350	347,616
Beginning Balance Adjustment			
Other Funds	-	64,435	-
Other Funds Revenues			
Business Lic and Fees	867,950	810,000	849,475
Fines and Forfeitures	75,916	55,000	55,000
Interest Income	75	3,050	3,000
Other Revenues	66,854	75,000	-
All Funds Available for Exp	1,445,421	1,249,835	1,255,091
All Expenditures			
Other Funds	1,106,894	1,042,020	1,030,058
Total Expenditures	1,106,894	1,042,020	1,030,058
Ending Balance			
Other Funds	338,527	207,815	225,033

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
Beginning Balance			
Lottery Funds	266,177,562	474,530,709	707,658,196
Other Funds	489,197,003	162,758,707	146,353,002
Beginning Balance Adjustment			
Lottery Funds	(3,749,711)	36,974,649	69,923,330
Other Funds	(234,109,524)	122,333,032	(2,012,066)
General Fund Appropriation	18,721,095	28,068,696	31,201,331
Lottery Funds			
Interest Income	6,688,591	23,575,846	51,748,045
Other Funds Revenues			
General Fund Revenues	10,276,857	10,875,381	11,977,420
Non-business Lic. and Fees	6,241,421	-	-
Central Service Charges	4,000,000	4,000,000	4,000,000
Charges for Services	409,591,554	325,236,795	244,198,930
Admin and Service Charges	152,473,660	165,524,621	359,767,329
Fines and Forfeitures	37,284	31,000	81,709
Rents and Royalties	81,504,308	85,976,894	91,741,650
General Fund Obligation Bonds	20,955,000	13,360,000	23,600,000
Dedicated Fund Oblig Bonds	-	-	470,000
Lottery Bonds	-	47,688,566	35,224,558
Revenue Bonds	9,615,819	-	-
Refunding Bonds	28,273,564	-	-
Interest Income	8,403,269	4,527,796	4,721,721
Sales Income	6,522,636	6,558,696	5,751,833
Cost of Goods Sold	1,314,328	-	-
Loan Repayments	142,103	-	-
Other Revenues	638,323,762	569,202,783	571,310,416
Federal Funds	61,651,551	119,028,155	108,794,185

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
Transfers In			
Lottery Funds	1,662,844,864	1,886,136,880	1,951,482,219
Other Funds	233,720,128	286,692,214	275,996,951
Transfers Out			
Lottery Funds	(1,408,407,490)	(1,674,464,551)	(1,761,110,989)
Other Funds	(415,003,943)	(555,987,554)	(455,529,869)
Federal Funds	(61,651,551)	(119,028,155)	(108,794,185)
All Funds Available for Exp	1,993,754,140	2,023,601,160	2,368,555,716
All Expenditures			
General Fund	18,720,795	28,068,696	31,201,331
Lottery Funds	16,641,072	19,701,695	25,410,690
Other Funds	1,103,604,594	1,139,348,848	1,191,004,747
Total Expenditures	1,138,966,461	1,187,119,239	1,247,616,768
Reversions	(300)	-	-
Ending Balance			
Lottery Funds	506,912,744	727,051,838	994,290,111
Other Funds	347,874,635	109,430,083	126,648,837
Employment Relations Board			
Beginning Balance			
Other Funds	646,167	603,607	528,544
Beginning Balance Adjustment			
Other Funds	-	127,226	-
General Fund Appropriation	2,463,085	2,556,694	3,011,424
Other Funds Revenues			
Business Lic and Fees	55,605	169,374	60,309

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Employment Relations Board			
Other Funds Revenues			
Charges for Services	184,370	200,596	228,590
Admin and Service Charges	1,701,701	1,903,440	2,216,308
Sales Income	10,558	49,693	1,064
Other Revenues	800	-	-
Transfers In			
Other Funds	2,851	-	-
Transfers Out			
Other Funds	(2,851)	-	-
All Funds Available for Exp	5,062,286	5,610,630	6,046,239
All Expenditures			
General Fund	2,368,937	2,556,694	3,011,424
Other Funds	1,842,428	2,556,456	2,379,035
Total Expenditures	4,211,365	5,113,150	5,390,459
Reversions	(94,148)	-	-
Ending Balance			
Other Funds	756,773	497,480	655,780
Governor, Office of the			
Beginning Balance			
Other Funds	1,176,423	926,965	1,641,521
Beginning Balance Adjustment			
Other Funds	-	774,957	-
General Fund Appropriation	12,784,089	13,660,135	16,729,710
Other Funds Revenues			
Non-business Lic. and Fees	86,121	75,000	75,000

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Governor, Office of the			
Other Funds Revenues			
Interest Income	2	-	-
Donations	61,717	40,001	180,001
Other Revenues	121,174	-	-
Federal Funds	-	3,585,152	-
Transfers In			
Lottery Funds	4,209,051	3,723,949	3,942,726
Other Funds	2,475,611	2,881,882	3,122,782
Transfers Out			
Lottery Funds	(774,081)	-	-
Other Funds	(6,625)	-	-
All Funds Available for Exp	20,133,482	25,668,041	25,691,740
All Expenditures			
General Fund	11,529,028	13,660,135	16,729,710
Lottery Funds	3,434,970	3,723,949	3,942,726
Other Funds	2,451,565	3,413,769	3,912,015
Federal Funds	-	3,585,152	-
Total Expenditures	17,415,563	24,383,005	24,584,451
Reversions	(1,255,061)	-	-
Ending Balance			
Other Funds	1,462,858	1,285,036	1,107,289
Oregon Advocacy Commissions Office			
Beginning Balance			
Other Funds	6,154	6,981	8,800

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Oregon Advocacy Commissions Office			
General Fund Appropriation	627,045	720,802	861,675
Other Funds Revenues			
Donations	10,048	2,500	5,000
All Funds Available for Exp	643,247	730,283	875,475
All Expenditures			
General Fund	623,646	720,802	861,675
Other Funds	2,640	9,481	9,841
Total Expenditures	626,286	730,283	871,516
Reversions	(3,399)	-	-
Ending Balance			
Other Funds	13,562	-	3,959
Oregon Government Ethics Commission			
Beginning Balance			
Other Funds	1,219,670	647,355	715,787
Beginning Balance Adjustment			
Other Funds	-	76,645	-
Other Funds Revenues			
General Fund Revenues	38,807	30,000	30,000
Admin and Service Charges	2,038,619	2,524,954	2,958,949
Other Revenues	11,439	2,000	-
Transfers In			
Other Funds	95,250	-	-
Transfers Out			
Other Funds	(134,057)	(30,000)	(30,000)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Oregon Government Ethics Commission			
All Funds Available for Exp	3,269,728	3,250,954	3,674,736
All Expenditures			
Other Funds	2,477,666	2,758,688	2,913,971
Total Expenditures	2,477,666	2,758,688	2,913,971
Ending Balance			
Other Funds	792,062	492,266	760,765
Oregon Liquor Control Comm			
Beginning Balance			
Other Funds	1,500,000	1,500,000	1,500,000
Beginning Balance Adjustment			
Other Funds	-	-	6,017,643
Other Funds Revenues			
General Fund Revenues	264,436,895	326,146,581	365,502,482
Privilege Taxes	26,540,406	27,586,400	32,203,952
Business Lic and Fees	15,899,430	23,131,680	51,773,020
Charges for Services	-	6,000	6,000
Fines and Forfeitures	-	1,292,000	831,786
Sales Income	907,718	784,000	784,000
Liquor Sales	943,095,379	1,018,425,087	1,188,889,356
Liquor Cost of Goods Sold	(586,662,279)	(599,768,759)	(731,021,927)
Cost of Goods Sold	(14,195,721)	(7,874,579)	(18,075,205)
Other Revenues	39	25,000	-
Transfers In			
Other Funds	179,872,150	204,749,933	227,285,639
Transfers Out			
Other Funds	(643,808,563)	(768,660,052)	(862,887,180)
All Funds Available for Exp	187,585,454	227,343,291	262,809,566

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Oregon Liquor Control Comm			
All Expenditures			
Other Funds	182,910,731	213,152,560	244,953,513
Total Expenditures	182,910,731	213,152,560	244,953,513
Ending Balance			
Other Funds	4,674,723	14,190,731	17,856,053
Public Employees Retirement System, Oregon			
Beginning Balance			
Other Funds	73,003,807,248	80,785,211,011	79,947,607,232
Beginning Balance Adjustment			
Other Funds	61,481,221	-	-
General Fund Appropriation	-	-	100,000,000
Other Funds Revenues			
Charges for Services	3,182,216	760,247,000	4,283,218
Interest Income	9,249,932,510	14,316,699,150	10,173,727,877
Retirement System Contribution	3,375,078,985	4,785,800,000	4,577,453,266
Insurance Premiums	314,129,481	-	532,320,468
Other Revenues	90,645,281	50,000	98,339,441
Transfers In			
Other Funds	95,016,049	107,693,223	222,893,444
Transfers Out			
Other Funds	(95,016,049)	(107,693,223)	(122,893,444)
All Funds Available for Exp	86,098,256,942	100,648,007,161	95,533,731,502
All Expenditures			
General Fund	-	-	100,000,000
Other Funds	9,955,086,773	11,095,629,179	12,603,940,567

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Public Employees Retirement System, Oregon			
Total Expenditures	9,955,086,773	11,095,629,179	12,703,940,567
Ending Balance			
Other Funds	76,143,170,169	89,552,377,982	82,829,790,935
Racing Commission, Oregon			
Beginning Balance			
Other Funds	1,185,591	1,249,775	1,163,683
Other Funds Revenues			
General Fund Revenues	1,089,758	1,170,611	1,199,493
Business Lic and Fees	1,513,841	1,318,800	3,471,100
Charges for Services	303,992	300,000	540,000
Fines and Forfeitures	11,446	10,000	25,000
Pari-Mutuel Receipts	4,014,091	4,142,433	3,598,481
Other Revenues	20,788	2,000	16,000
Transfers Out			
Other Funds	(1,089,758)	(1,170,611)	(1,199,493)
All Funds Available for Exp	7,049,749	7,023,008	8,814,264
All Expenditures			
Other Funds	5,871,560	6,422,599	3,924,842
Total Expenditures	5,871,560	6,422,599	3,924,842
Ending Balance			
Other Funds	1,178,189	600,409	4,889,422
Revenue, Dept of			
Beginning Balance			
Other Funds	45,541,682	90,539,461	37,827,306
Beginning Balance Adjustment			
Other Funds	(12,426,774)	(31,979,913)	27,101,757

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Revenue, Dept of			
General Fund Appropriation	192,458,207	194,469,572	200,411,318
Other Funds Revenues			
General Fund Revenues	17,726,103,927	18,706,959,175	20,596,401,341
Other Employer -Employee Taxes	-	900,689,300	1,172,432,687
Cigarette Taxes	361,746,557	342,566,000	436,831,000
Other Tobacco Products Taxes	54,247,689	57,058,000	61,775,000
Marijuana Taxes	21,134,240	218,248,584	236,513,273
Amusement Taxes	-	3,800,000	3,890,000
Eastern Oregon Severance Taxes	-	8,000	8,000
Western Oregon Severance Taxes	-	780,000	780,000
Other Severance Taxes	-	237,000	178,779
Privilege Taxes	-	39,200,000	81,550,000
Other Taxes	-	238,378,530	424,900,301
Business Lic and Fees	-	10,099,515	11,597,353
Admin and Service Charges	276,050,063	121,348,863	42,908,671
Fines and Forfeitures	31,203,896	14,723,600	17,688,874
General Fund Obligation Bonds	17,425,000	5,383,110	-
Interest Income	176,810	-	-
Donations	-	1,786,107	2,000,000
Sr Citizen Prop Tax Repayments	-	-	32,201,714
Other Revenues	1,429,566	61,454,301	88,765,387
Transfers In			
Other Funds	93,709,578	62,385,083	71,313,365
Transfers Out			
Other Funds	(18,367,485,476)	(20,657,215,794)	(23,238,489,159)
All Funds Available for Exp	441,314,965	380,918,494	308,586,967
All Expenditures			
General Fund	185,042,400	194,469,572	200,411,318
Other Funds	125,282,327	129,820,700	58,273,914

PROGRAM AREA: ADMINISTRATION	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Revenue, Dept of			
Total Expenditures	310,324,727	324,290,272	258,685,232
Reversions	(7,415,807)	-	-
Ending Balance			
Other Funds	123,574,431	56,628,222	49,901,735
Secretary of State			
Beginning Balance			
Other Funds	12,281,591	7,960,127	9,385,045
Federal Funds	7,674,866	5,516,216	5,500,000
Beginning Balance Adjustment			
Other Funds	-	1,018,739	-
General Fund Appropriation	10,286,479	12,649,135	11,147,866
Other Funds Revenues			
General Fund Revenues	67,388,691	63,201,287	71,739,951
Business Lic and Fees	15,835,994	16,899,839	17,714,505
Non-business Lic. and Fees	2,948,936	2,676,771	2,910,299
Charges for Services	32,900,791	37,956,857	43,345,957
Sales Income	145,738	219,532	145,000
Donations	(980)	-	-
Grants (Non-Fed)	500	-	-
Other Revenues	1,027,850	1,013,990	1,013,990
Federal Funds	100,774	187,092	43,222
Transfers In			
Other Funds	16,919,023	18,220,294	20,162,388
Transfers Out			
Other Funds	(84,130,128)	(81,421,581)	(91,902,339)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Secretary of State			
All Funds Available for Exp	83,497,649	86,098,298	91,205,884
All Expenditures			
General Fund	10,285,700	12,649,135	11,147,866
Other Funds	51,509,990	58,170,519	67,507,899
Federal Funds	1,845,372	4,882,166	5,411,679
Total Expenditures	63,641,062	75,701,820	84,067,444
Reversions	(779)	-	-
Ending Balance			
Other Funds	13,808,016	9,575,336	7,006,897
Federal Funds	6,047,792	821,142	131,543
State Library			
Beginning Balance			
Other Funds	2,219,010	920,656	784,228
General Fund Appropriation	3,628,773	4,060,172	4,122,825
Other Funds Revenues			
Charges for Services	2,125	160,000	160,000
Rents and Royalties	14,679	-	-
Interest Income	5,013	4,300	4,300
Sales Income	448	50	50
Donations	241,455	450,000	450,000
Grants (Non-Fed)	5,981	-	-
Other Revenues	12,230	12,000	12,000
Federal Funds	4,171,184	5,311,416	5,225,997

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
State Library			
Transfers In			
Other Funds	5,213,598	6,079,411	7,138,296
All Funds Available for Exp	15,514,496	16,998,005	17,897,696
All Expenditures			
General Fund	3,410,982	4,060,172	4,122,825
Other Funds	5,839,536	6,842,189	6,898,487
Federal Funds	4,171,184	5,309,791	5,225,697
Total Expenditures	13,421,702	16,212,152	16,247,009
Reversions	(217,791)	-	-
Ending Balance			
Other Funds	1,875,003	784,228	1,650,387
Federal Funds	-	1,625	300
Treasury, Oregon State			
Beginning Balance			
Other Funds	15,526,499	16,136,554	11,294,603
Beginning Balance Adjustment			
Other Funds	-	(5,004,099)	-
General Fund Appropriation	1,940,360	5,361,270	-
Other Funds Revenues			
Charges for Services	50,005,498	75,613,801	92,931,272
Interest Income	28,736	-	-
Other Revenues	69,180	5,600,000	-
Transfers In			
Other Funds	36,559,613	24,425,216	27,470,251

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Treasury, Oregon State			
Transfers Out			
Other Funds	(36,559,613)	(24,425,216)	(27,470,251)
All Funds Available for Exp	67,570,273	97,707,526	104,225,875
All Expenditures			
General Fund	1,904,631	5,361,270	-
Other Funds	54,259,279	81,048,693	94,649,125
Total Expenditures	56,163,910	86,409,963	94,649,125
Reversions	(35,729)	-	-
Ending Balance			
Other Funds	11,370,634	11,297,563	9,576,750
PROGRAM AREA: LEGISLATIVE BRANCH			
Indian Svcs, Comm on			
Beginning Balance			
Other Funds	81	-	-
General Fund Appropriation	508,295	629,880	550,614
Other Funds Revenues			
Other Revenues	1,350	7,035	7,339
All Funds Available for Exp	509,726	636,915	557,953
All Expenditures			
General Fund	420,767	629,880	550,614
Other Funds	1,186	7,035	7,302

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Indian Svcs, Comm on			
Total Expenditures	421,953	636,915	557,916
Reversions	(87,528)	-	-
Ending Balance			
Other Funds	245	-	37
Legislative Administration Committee			
Beginning Balance			
Other Funds	1,562,230	905,141	115,000
General Fund Appropriation	41,066,927	49,657,276	44,615,471
Other Funds Revenues			
Charges for Services	242,498	14,000	51,200
Rents and Royalties	730,073	719,132	1,079,132
General Fund Obligation Bonds	23,330,000	-	-
Dedicated Fund Oblig Bonds	-	24,824,070	-
Refunding Bonds	4,387,200	-	-
Interest Income	372,842	-	-
Sales Income	640,328	799,643	1,092,250
Donations	555	1,000	-
Other Revenues	4,101,030	849,129	5,773,241
Transfers In			
Other Funds	-	-	161,000
Transfers Out			
Other Funds	-	-	(161,000)
All Funds Available for Exp	76,433,683	77,769,391	52,726,294
All Expenditures			
General Fund	33,025,945	49,657,276	44,615,471

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Administration Committee			
All Expenditures			
Other Funds	12,468,072	28,055,869	7,379,023
Total Expenditures	45,494,017	77,713,145	51,994,494
Reversions	(8,040,982)	-	-
Ending Balance			
Other Funds	22,898,684	56,246	731,800
Legislative Assembly			
Beginning Balance			
Other Funds	138,408	128,783	155,000
General Fund Appropriation	43,821,552	46,054,850	48,301,832
Other Funds Revenues			
Charges for Services	2,422	-	-
Sales Income	132,846	147,334	165,407
Other Revenues	1,659	-	-
All Funds Available for Exp	44,096,887	46,330,967	48,622,239
All Expenditures			
General Fund	38,726,243	46,054,850	48,301,832
Other Funds	109,200	142,090	162,580
Total Expenditures	38,835,443	46,196,940	48,464,412
Reversions	(5,095,309)	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Assembly			
Ending Balance			
Other Funds	166,135	134,027	157,827
Legislative Counsel Committee			
Beginning Balance			
Other Funds	1,327,868	1,228,123	1,503,559
Beginning Balance Adjustment			
Other Funds	(102,417)	-	-
General Fund Appropriation	11,580,183	13,397,725	14,346,970
Other Funds Revenues			
Charges for Services	301,896	200,000	273,700
Sales Income	1,601,155	1,732,500	1,624,375
Transfers In			
Other Funds	1,841,538	2,372,064	2,333,634
Transfers Out			
Other Funds	(1,841,538)	(2,372,064)	(2,333,634)
All Funds Available for Exp	14,708,685	16,558,348	17,748,604
All Expenditures			
General Fund	10,511,999	13,397,725	14,346,970
Other Funds	1,555,334	2,401,129	2,484,956
Total Expenditures	12,067,333	15,798,854	16,831,926
Reversions	(1,068,184)	-	-
Ending Balance			
Other Funds	1,573,168	759,494	916,678

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Fiscal Officer			
Beginning Balance			
Other Funds	333,023	469,105	612,241
General Fund Appropriation	4,576,706	4,976,414	6,092,019
Transfers In			
Other Funds	4,000,000	4,000,000	4,000,000
All Funds Available for Exp	8,909,729	9,445,519	10,704,260
All Expenditures			
General Fund	3,765,890	4,976,414	6,092,019
Other Funds	3,489,242	3,692,282	4,046,295
Total Expenditures	7,255,132	8,668,696	10,138,314
Reversions	(810,816)	-	-
Ending Balance			
Other Funds	843,781	776,823	565,946
Legislative Policy and Research Committee			
General Fund Appropriation	-	9,903,112	10,676,185
All Funds Available for Exp	-	9,903,112	10,676,185
All Expenditures			
General Fund	-	9,903,112	10,676,185
Total Expenditures	-	9,903,112	10,676,185

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Revenue Officer			
General Fund Appropriation	2,738,657	3,069,127	2,850,943
All Funds Available for Exp	2,738,657	3,069,127	2,850,943
All Expenditures			
General Fund	2,715,111	3,069,127	2,850,943
Total Expenditures	2,715,111	3,069,127	2,850,943
Reversions	(23,546)	-	-
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Dept			
Beginning Balance			
Other Funds	28,032,713	3,705,000	4,215,000
Federal Funds	77,281	-	-
General Fund Appropriation	435,813,157	454,524,551	504,296,798
Other Funds Revenues			
General Fund Revenues	114,692,329	119,051,837	117,673,678
Business Lic and Fees	88,260	85,000	96,000
State Court Fees	21,132,314	24,274,853	25,708,502
Federal Revenues	674,992	-	-
Charges for Services	4,906,746	5,499,529	7,334,740
Fines and Forfeitures	119,363,423	141,642,857	151,253,935
General Fund Obligation Bonds	31,200,000	113,735,000	175,470,000
Interest Income	439,307	-	-

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Dept			
Other Funds Revenues			
Sales Income	871,779	715,000	715,000
Donations	616,889	550,000	675,000
Grants (Non-Fed)	3,377,059	5,249,592	5,010,287
Other Revenues	38,038,127	97,995,116	146,007,578
Federal Funds	1,164,442	1,344,289	1,357,254
Transfers In			
Other Funds	37,857,064	33,396,340	42,183,624
Transfers Out			
Other Funds	(258,445,394)	(280,462,108)	(293,823,494)
All Funds Available for Exp	579,900,488	721,306,856	888,173,902
All Expenditures			
General Fund	431,879,018	454,524,551	504,296,798
Other Funds	131,468,646	262,993,590	378,314,865
Federal Funds	1,176,014	1,344,289	1,357,254
Total Expenditures	564,523,678	718,862,430	883,968,917
Reversions	(3,934,139)	-	-
Ending Balance			
Other Funds	11,376,962	2,444,426	4,204,985
Federal Funds	65,709	-	-
Judicial Fitness and Disability, Comm on			
General Fund Appropriation	440,898	252,709	255,569

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Fitness and Disability, Comm on			
All Funds Available for Exp	440,898	252,709	255,569
All Expenditures			
General Fund	434,708	252,709	255,569
Total Expenditures	434,708	252,709	255,569
Reversions	(6,190)	-	-
Public Defense Svcs Comm			
Beginning Balance			
Other Funds	593,722	593,722	-
Beginning Balance Adjustment			
Other Funds	-	1,050,000	5,795
General Fund Appropriation	288,528,939	305,425,556	344,141,434
Transfers In			
Other Funds	6,509,669	8,155,593	7,955,881
Transfers Out			
Other Funds	(2,684,455)	(4,244,845)	(3,200,000)
All Funds Available for Exp	292,947,875	310,980,026	348,903,110
All Expenditures			
General Fund	285,082,822	305,425,556	344,141,434
Other Funds	3,234,718	4,967,943	4,742,251
Total Expenditures	288,317,540	310,393,499	348,883,685

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: JUDICIAL BRANCH			
Public Defense Svcs Comm			
Reversions	(3,446,117)	-	-
Ending Balance			
Other Funds	1,184,218	586,527	19,425
PROGRAM AREA: MISCELLANEOUS PROGRAMS			
Emergency Board			
General Fund Appropriation	-	98,753,743	325,500,000
All Funds Available for Exp	-	98,753,743	325,500,000
All Expenditures			
General Fund	-	98,753,743	325,500,000
Total Expenditures	-	98,753,743	325,500,000

EXPENDITURES

Current Service Level

STATEWIDE SUMMARY OF 2019-21 BIENNIUM BUDGET

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund
2017-19 Leg Adopted Budget	41,533	39,464.09	74,329,814,427	19,834,970,310
2017-19 Emergency Boards	694	392.62	1,492,401,386	81,412,114
2017-19 Leg Approved Budget	**42,227**	**39,856.71**	**75,822,215,813**	**19,916,382,424**
2019-21 Base Budget Adjustments				
Net Cost of Position Actions				
Administrative Biennialized E-Board, Phase-Out	(885)	(105.71)	299,236,343	176,873,318
Estimated Cost of Merit Increase				
Base Debt Service Adjustment			74,029,024	181,822,727
Base Nonlimited Adjustment			1,761,394,311	-
Capital Construction			(823,039,491)	-
Subtotal 2019-21 Base Budget	**41,342**	**39,751.00**	**77,133,836,000**	**20,275,078,469**
Essential Packages				
010 - Non-PICS Pers Svc/Vacancy Factor				
Vacancy Factor (Increase)/Decrease	-	-	161,911,221	62,736,202
Non-PICS Personal Service (Increase)/Decrease	-	-	42,295,746	26,124,236
Subtotal	-	-	**204,206,967**	**88,860,438**
020 - Phase In / Out Pgm & One-time Cost				
021 - Phase - In	75	42.53	2,063,298,304	255,460,190
022 - Phase-out Pgm & One-time Costs	(85)	(71.06)	(2,268,552,817)	(166,443,380)
Subtotal	**(10)**	**(28.53)**	**(205,254,513)**	**89,016,810**
030 - Inflation & Price List Adjustments				
Cost of Goods & Services Increase/(Decrease)	-	-	2,915,488,995	1,271,320,520
State Gov"t & Services Charges Increase/(Decrease)			119,907,089	56,401,961

Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
1,070,626,818	16,914,525,619	18,845,906,772	14,717,543,387	2,946,241,521
80,850,639	635,779,279	408,129,136	286,230,218	-
1,151,477,457	**17,550,304,898**	**19,254,035,908**	**15,003,773,605**	**2,946,241,521**
3,651,830	82,544,956	36,166,239	-	-
26,842,085	9,159,506	-	(143,122,501)	(672,793)
-	-	-	1,699,499,257	61,895,054
-	(812,121,991)	(10,917,500)	-	-
1,181,971,372	**16,829,887,369**	**19,279,284,647**	**16,560,150,361**	**3,007,463,782**
2,196,223	65,556,129	31,422,667	-	-
342,472	12,367,624	3,461,414	-	-
2,538,695	**77,923,753**	**34,884,081**	-	-
29,298,822	1,333,351,432	445,187,860	-	-
(81,263,431)	(1,518,011,615)	(471,358,414)	(31,475,977)	-
(51,964,609)	**(184,660,183)**	**(26,170,554)**	**(31,475,977)**	-
6,928,937	605,734,140	1,031,505,398	-	-
1,940,150	47,248,485	14,316,493	-	-

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund
Subtotal	-	-	3,035,396,084	**1,327,722,481**
040 - Mandated Caseload				
040 - Mandated Caseload	248	243.77	375,395,987	160,687,657
050 - Fundshifts and Revenue Reductions				
050 - Fundshifts	-	-	(345,180,190)	652,112,253
060 - Technical Adjustments				
060 - Technical Adjustments	3	3.83	75,549,038	135,059
Subtotal: 2019-21 Current Service Level	**41,583**	**39,970.07**	**80,273,949,373**	**22,593,613,167**
070 - Revenue Reductions/Shortfall				
070 - Revenue Shortfalls	(2,531)	(2,494.73)	(140,601,985)	(2,977)
Modified 2019-21 Current Service Level	**39,052**	**37,475.34**	**80,133,347,388**	**22,593,610,190**
080 - E-Boards				
080 - May 2018 E-Board	2	2.00	456,550	-
Subtotal Emergency Board Packages	**2**	**2.00**	**456,550**	-
Subtotal Policy Packages	**3,984**	**3,622.43**	**3,341,489,956**	**(250,037,512)**
Total 2019-21 Governor's Budget	**43,038**	**41,099.77**	**83,475,293,894**	**22,343,572,678**
Percentage Change From 2017-19 Leg Approved Budget	1.92%	3.12%	10.09%	12.19%
Percentage Change From 2019-21 Current Service Level	3.50%	2.83%	3.99%	-1.11%

Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
8,869,087	652,982,625	1,045,821,891	-	-
-	(16,783,562)	231,491,892	-	-
-	(348,913,396)	(648,379,047)	-	-
75,089,524	(316,203)	640,658	-	-
1,216,504,069	**17,010,120,403**	**19,917,573,568**	**16,528,674,384**	**3,007,463,782**
-	(53,924,419)	(86,439,372)	(235,217)	-
1,216,504,069	**16,956,195,984**	**19,831,134,196**	**16,528,439,167**	**3,007,463,782**
-	-	456,550	-	-
-	-	**456,550**	-	-
14,216,402	**2,661,795,407**	**538,696,401**	**376,819,258**	-
1,230,720,471	**19,617,991,391**	**20,370,287,147**	**16,905,258,425**	**3,007,463,782**
6.88%	11.78%	5.80%	12.67%	2.08%
1.17%	15.33%	2.27%	2.28%	-

Schedule V. Schedule of the Total Expenditures by Program Area, Agency and Fund

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: EDUCATION			
Chief Education Office			
General Fund	10,485,209	8,207,271	-
All Funds	**10,485,209**	**8,207,271**	**-**
Education, Dept of			
General Fund	7,476,714,764	8,407,900,600	9,239,863,481
Lottery Funds	449,138,830	536,371,132	551,238,272
Other Funds	269,861,682	686,171,831	978,884,054
Federal Funds	1,255,242,352	1,442,266,238	1,520,925,100
All Funds	**9,450,957,628**	**11,072,709,801**	**12,290,910,907**
Higher Education Coordinating Commission			
General Fund	1,784,086,935	1,948,979,192	1,945,718,581
Lottery Funds	55,540,827	96,567,082	100,727,363
Other Funds	1,136,072,417	813,426,443	524,478,177
Federal Funds	84,757,242	141,747,277	151,460,851
All Funds	**3,060,457,421**	**3,000,719,994**	**2,722,384,972**
Teacher Standards & Practices Comm			
General Fund	200,000	1,700,000	-
Other Funds	6,576,291	9,106,410	8,941,685
All Funds	**6,776,291**	**10,806,410**	**8,941,685**
Education Total			
General Fund	9,271,486,908	10,366,787,063	11,185,582,062
Lottery Funds	504,679,657	632,938,214	651,965,635
Other Funds	1,412,510,390	1,508,704,684	1,512,303,916
Federal Funds	1,339,999,594	1,584,013,515	1,672,385,951
All Funds	**$12,528,676,549**	**$14,092,443,476**	**$15,022,237,564**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Commission for the Blind			
General Fund	3,690,478	3,535,937	6,598,039
Other Funds	1,035,705	1,482,049	1,557,852
Federal Funds	14,088,099	16,645,593	15,994,599
All Funds	**18,814,282**	**21,663,579**	**24,150,490**
Human Services, Dept. of			
General Fund	2,713,968,780	3,197,087,399	3,797,162,519
Other Funds	484,567,909	654,392,908	623,272,839
Federal Funds	6,731,051,621	7,788,498,339	8,130,328,111
All Funds	**9,929,588,310**	**11,639,978,646**	**12,550,763,469**
Long Term Care Ombudsman			
General Fund	4,929,019	6,401,552	7,553,107
Other Funds	679,823	908,057	853,177
All Funds	**5,608,842**	**7,309,609**	**8,406,284**
Oregon Health Authority			
General Fund	2,152,357,931	2,163,688,359	2,441,537,660
Lottery Funds	11,113,255	12,498,909	12,925,769
Other Funds	5,895,726,725	6,771,665,968	7,766,255,646
Federal Funds	11,275,082,546	11,263,618,054	11,827,522,448
All Funds	**19,334,280,457**	**20,211,471,290**	**22,048,241,523**
Psychiatric Security Review Board			
General Fund	2,658,376	3,047,827	3,202,718
Other Funds	6,090	2,248	-
All Funds	**2,664,466**	**3,050,075**	**3,202,718**
Human Services Total			
General Fund	4,877,604,584	5,373,761,074	6,256,054,043
Lottery Funds	11,113,255	12,498,909	12,925,769

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Human Services Total			
Other Funds	6,382,016,252	7,428,451,230	8,391,939,514
Federal Funds	18,020,222,266	19,068,761,986	19,973,845,158
All Funds	**$29,290,956,357**	**$31,883,473,199**	**$34,634,764,484**
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
General Fund	1,604,985,118	1,706,635,363	1,824,439,471
Other Funds	78,079,293	82,099,322	96,713,703
Federal Funds	5,258,440	5,391,499	5,473,702
All Funds	**1,688,322,851**	**1,794,126,184**	**1,926,626,876**
Criminal Justice Comm, Oregon			
General Fund	54,221,723	65,021,569	72,371,040
Other Funds	695,077	2,461,392	4,052,011
Federal Funds	4,209,944	8,224,498	1,211,441
All Funds	**59,126,744**	**75,707,459**	**77,634,492**
District Attorneys and their Deputies			
General Fund	11,995,440	12,592,454	12,884,488
All Funds	**11,995,440**	**12,592,454**	**12,884,488**
Justice, Dept of			
General Fund	77,042,764	85,709,883	102,050,752
Other Funds	299,036,535	330,308,027	342,613,896
Federal Funds	170,128,826	186,688,612	214,728,819
All Funds	**546,208,125**	**602,706,522**	**659,393,467**
Military Dept, Oregon			
General Fund	25,478,056	27,578,231	34,178,284
Other Funds	123,602,554	126,246,339	131,931,413

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Military Dept, Oregon			
Federal Funds	156,967,173	296,098,794	297,219,587
All Funds	**306,047,783**	**449,923,364**	**463,329,284**
Oregon Youth Authority			
General Fund	290,295,711	312,595,798	327,214,716
Other Funds	55,497,491	60,852,433	15,053,678
Federal Funds	26,348,882	37,328,320	40,652,558
All Funds	**372,142,084**	**410,776,551**	**382,920,952**
Parole & Post Prison Supervision, State Board of			
General Fund	6,728,521	9,048,876	9,083,612
Other Funds	523	11,254	11,682
All Funds	**6,729,044**	**9,060,130**	**9,095,294**
Police, Dept of State			
General Fund	280,102,391	280,677,031	302,945,886
Lottery Funds	7,740,839	8,145,961	9,035,781
Other Funds	101,465,180	151,266,325	168,980,557
Federal Funds	6,420,284	12,274,226	12,638,622
All Funds	**395,728,694**	**452,363,543**	**493,600,846**
Public Safety Standards & Training, Dept of			
General Fund	10,052,511	9,795,963	9,665,010
Other Funds	39,321,468	49,116,738	48,933,641
Federal Funds	6,394,657	8,012,359	7,364,566
All Funds	**55,768,636**	**66,925,060**	**65,963,217**
Public Safety Total			
General Fund	2,360,902,235	2,509,655,168	2,694,833,259
Lottery Funds	7,740,839	8,145,961	9,035,781
Other Funds	697,698,121	802,361,830	808,290,581

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Public Safety Total			
Federal Funds	375,728,206	554,018,308	579,289,295
All Funds	**$3,442,069,401**	**$3,874,181,267**	**$4,091,448,916**
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept			
General Fund	5,868,497	-	-
Other Funds	1,138,716,165	1,576,904,308	1,774,540,284
Federal Funds	194,811,831	229,644,349	254,194,760
All Funds	**1,339,396,493**	**1,806,548,657**	**2,028,735,044**
Housing & Community Svcs Dept			
General Fund	27,328,954	59,963,031	126,459,961
Lottery Funds	11,676,461	17,507,282	21,868,790
Other Funds	920,857,341	1,056,346,814	1,560,566,965
Federal Funds	237,394,489	243,982,635	267,409,653
All Funds	**1,197,257,245**	**1,377,799,762**	**1,976,305,369**
Oregon Business Development Department			
General Fund	14,811,095	55,013,540	70,567,441
Lottery Funds	100,496,117	117,789,412	129,457,797
Other Funds	187,712,876	617,460,295	861,646,913
Federal Funds	25,924,065	41,457,527	43,131,975
All Funds	**328,944,153**	**831,720,774**	**1,104,804,126**
Veterans' Affairs, Oregon Dept of			
General Fund	12,954,681	8,568,114	10,127,148
Lottery Funds	-	15,198,799	23,095,751
Other Funds	315,664,880	504,439,766	513,267,285
Federal Funds	3,403,376	7,347,138	1,525,000
All Funds	**332,022,937**	**535,553,817**	**548,015,184**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Economic & Community Development Total			
General Fund	60,963,227	123,544,685	207,154,550
Lottery Funds	112,172,578	150,495,493	174,422,338
Other Funds	2,562,951,262	3,755,151,183	4,710,021,447
Federal Funds	461,533,761	522,431,649	566,261,388
All Funds	**$3,197,620,828**	**$4,551,623,010**	**$5,657,859,723**
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
General Fund	24,497,951	22,698,953	25,970,304
Lottery Funds	7,077,309	9,001,307	7,570,661
Other Funds	52,663,810	68,154,857	73,488,500
Federal Funds	12,712,955	17,615,623	17,371,337
All Funds	**96,952,025**	**117,470,740**	**124,400,802**
Columbia River Gorge Comm			
General Fund	920,288	992,000	1,366,856
All Funds	**920,288**	**992,000**	**1,366,856**
Energy, Dept of			
Lottery Funds	2,980,489	3,023,630	-
Other Funds	151,498,133	154,892,140	-
Federal Funds	2,337,024	2,559,398	-
All Funds	**156,815,646**	**160,475,168**	**-**
Environmental Quality, Dept of			
General Fund	38,163,023	48,377,650	51,169,413
Lottery Funds	4,084,180	4,732,711	5,322,214
Other Funds	237,333,437	326,549,719	399,684,948
Federal Funds	22,268,911	29,266,525	29,461,797
All Funds	**301,849,551**	**408,926,605**	**485,638,372**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Fish & Wildlife, Oregon Dept of			
General Fund	31,162,078	29,458,285	33,208,714
Lottery Funds	4,852,625	5,326,259	5,640,031
Other Funds	159,519,582	193,825,411	197,595,177
Federal Funds	112,180,191	135,372,685	144,994,699
All Funds	**307,714,476**	**363,982,640**	**381,438,621**
Forestry, Dept of			
General Fund	102,048,469	96,605,737	88,317,235
Lottery Funds	6,987,642	2,601,001	2,605,450
Other Funds	273,333,801	366,655,973	262,398,892
Federal Funds	16,914,057	33,907,251	35,363,903
All Funds	**399,283,969**	**499,769,962**	**388,685,480**
Geology & Mineral Industries, Dept of			
General Fund	4,806,968	4,709,949	5,374,205
Other Funds	4,917,107	6,881,528	7,164,219
Federal Funds	5,410,687	6,040,857	5,500,972
All Funds	**15,134,762**	**17,632,334**	**18,039,396**
Land Conservation & Development, Dept of			
General Fund	13,211,189	15,160,953	15,069,903
Other Funds	546,079	1,785,545	1,460,719
Federal Funds	4,260,687	6,487,739	6,964,297
All Funds	**18,017,955**	**23,434,237**	**23,494,919**
Land Use Board of Appeals			
General Fund	1,817,892	1,952,556	2,071,330
Other Funds	24,228	33,700	34,981
All Funds	**1,842,120**	**1,986,256**	**2,106,311**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Lands, Dept of State			
General Fund	242,904	5,000,000	-
Lottery Funds	-	-	589,920
Other Funds	45,463,329	66,670,386	73,166,934
Federal Funds	1,541,286	2,466,188	2,475,477
All Funds	**47,247,519**	**74,136,574**	**76,232,331**
Marine Board, Oregon State			
Other Funds	25,175,987	27,142,592	28,268,239
Federal Funds	5,420,164	6,633,313	6,260,265
All Funds	**30,596,151**	**33,775,905**	**34,528,504**
Oregon Climate Authority			
General Fund	-	-	17,702,183
Lottery Funds	-	-	3,023,370
Other Funds	-	-	72,903,321
Federal Funds	-	-	2,539,545
All Funds	-	-	**96,168,419**
Parks & Recreation Dept			
General Fund	-	228,729	273,580
Lottery Funds	78,504,001	102,148,107	116,823,167
Other Funds	102,346,202	101,176,692	126,010,604
Federal Funds	7,266,847	16,422,002	16,690,443
All Funds	**188,117,050**	**219,975,530**	**259,797,794**
Water Resources Dept			
General Fund	31,151,280	32,150,986	38,894,484
Lottery Funds	2,511,474	3,953,969	8,493,320
Other Funds	12,105,217	66,864,861	59,718,058
Federal Funds	629,631	1,905,917	876,734

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Water Resources Dept			
All Funds	**46,397,602**	**104,875,733**	**107,982,596**
Watershed Enhancement Board, Oregon			
General Fund	-	190,000	-
Lottery Funds	62,490,494	79,589,460	84,173,659
Other Funds	2,709,180	3,009,486	5,570,646
Federal Funds	24,324,998	41,759,143	58,710,763
All Funds	**89,524,672**	**124,548,089**	**148,455,068**
Natural Resources Total			
General Fund	248,022,042	257,525,798	279,418,207
Lottery Funds	169,488,214	210,376,444	234,241,792
Other Funds	1,067,636,092	1,383,642,890	1,307,465,238
Federal Funds	215,267,438	300,436,641	327,210,232
All Funds	**$1,700,413,786**	**$2,151,981,773**	**$2,148,335,469**
PROGRAM AREA: TRANSPORTATION			
Aviation, Dept of			
Other Funds	7,471,010	13,745,866	27,284,299
Federal Funds	7,277,222	9,318,243	11,313,182
All Funds	**14,748,232**	**23,064,109**	**38,597,481**
Transportation, Oregon Dept of			
General Fund	22,052,311	23,456,104	35,172,907
Lottery Funds	107,484,130	113,596,792	118,775,740
Other Funds	3,579,841,239	3,967,759,965	4,303,014,331
Federal Funds	106,259,401	127,332,543	133,188,679
All Funds	**3,815,637,081**	**4,232,145,404**	**4,590,151,657**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Transportation Total			
General Fund	22,052,311	23,456,104	35,172,907
Lottery Funds	107,484,130	113,596,792	118,775,740
Other Funds	3,587,312,249	3,981,505,831	4,330,298,630
Federal Funds	113,536,623	136,650,786	144,501,861
All Funds	**$3,830,385,313**	**$4,255,209,513**	**$4,628,749,138**
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Accountancy, Board of			
Other Funds	2,261,508	2,617,527	2,805,291
All Funds	**2,261,508**	**2,617,527**	**2,805,291**
Construction Contractors Board			
Other Funds	13,236,738	16,174,047	16,665,921
All Funds	**13,236,738**	**16,174,047**	**16,665,921**
Consumer and Business Svcs, Dept of			
General Fund	1,823,000	-	1,906,627
Other Funds	391,039,076	455,102,401	577,593,398
Federal Funds	13,695,903	16,803,370	99,945,657
All Funds	**406,557,979**	**471,905,771**	**679,445,682**
Health Related Licensing Boards			
Medical Imaging - OF	839,959	898,304	1,070,884
Mortuary and Cemetery Board - OF	1,814,321	2,191,749	2,338,854
Naturopathic Medicine - OF	718,941	809,413	965,121
Occupational Therapy Licensing - OF	380,627	514,522	621,675
Speech-Language Path. and Audio. - OF	579,749	756,010	956,379
Veterinary Medical Examiners - OF	768,344	1,034,917	1,159,063
All Boards	**5,101,941**	**6,204,915**	**7,111,976**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Labor & Industries, Bureau of			
General Fund	12,579,327	13,461,113	14,337,039
Other Funds	10,561,558	13,957,578	14,693,398
Federal Funds	1,421,260	1,297,545	1,341,375
All Funds	**24,562,145**	**28,716,236**	**30,371,812**
Licensed Social Workers, Board of			
Other Funds	1,403,573	1,717,671	1,810,716
All Funds	**1,403,573**	**1,717,671**	**1,810,716**
Mental Health Regulatory Agency			
Other Funds	1,295,574	3,509,699	3,996,362
All Funds	**1,295,574**	**3,509,699**	**3,996,362**
Nursing, Board of			
Other Funds	15,351,050	16,847,478	19,301,776
All Funds	**15,351,050**	**16,847,478**	**19,301,776**
Oregon Board of Chiropractic Examiners			
Other Funds	1,672,562	2,027,840	2,256,554
All Funds	**1,672,562**	**2,027,840**	**2,256,554**
Oregon Board of Dentistry			
Other Funds	2,821,996	3,328,763	3,609,564
All Funds	**2,821,996**	**3,328,763**	**3,609,564**
Oregon Medical Board			
Other Funds	10,238,728	12,840,109	13,649,432
All Funds	**10,238,728**	**12,840,109**	**13,649,432**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Pharmacy, Board of			
Other Funds	6,253,007	7,464,610	8,550,886
All Funds	**6,253,007**	**7,464,610**	**8,550,886**
Public Utility Commission			
Other Funds	106,533,676	102,210,660	103,813,168
Federal Funds	658,975	742,231	975,382
All Funds	**107,192,651**	**102,952,891**	**104,788,550**
Real Estate Agency			
Other Funds	6,735,567	7,781,918	8,536,762
All Funds	**6,735,567**	**7,781,918**	**8,536,762**
Tax Practitioners, State Board of			
Other Funds	1,106,894	1,042,020	1,030,058
All Funds	**1,106,894**	**1,042,020**	**1,030,058**
Consumer & Business Services Total			
General Fund	14,402,327	13,461,113	16,243,666
Other Funds	575,613,448	652,827,236	785,425,262
Federal Funds	15,776,138	18,843,146	102,262,414
All Funds	**$605,791,913**	**$685,131,495**	**$903,931,342**
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
General Fund	18,720,795	28,068,696	31,201,331
Lottery Funds	16,641,072	19,701,695	25,410,690
Other Funds	1,103,604,594	1,139,348,848	1,191,004,747
All Funds	**1,138,966,461**	**1,187,119,239**	**1,247,616,768**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Employment Relations Board			
General Fund	2,368,937	2,556,694	3,011,424
Other Funds	1,842,428	2,556,456	2,379,035
All Funds	**4,211,365**	**5,113,150**	**5,390,459**
Governor, Office of the			
General Fund	11,529,028	13,660,135	16,729,710
Lottery Funds	3,434,970	3,723,949	3,942,726
Other Funds	2,451,565	3,413,769	3,912,015
Federal Funds	-	3,585,152	-
All Funds	**17,415,563**	**24,383,005**	**24,584,451**
Oregon Advocacy Commissions Office			
General Fund	623,646	720,802	861,675
Other Funds	2,640	9,481	9,841
All Funds	**626,286**	**730,283**	**871,516**
Oregon Government Ethics Commission			
Other Funds	2,477,666	2,758,688	2,913,971
All Funds	**2,477,666**	**2,758,688**	**2,913,971**
Oregon Liquor Control Comm			
Other Funds	182,910,731	213,152,560	244,953,513
All Funds	**182,910,731**	**213,152,560**	**244,953,513**
Public Employees Retirement System, Oregon			
General Fund	-	-	100,000,000
Other Funds	9,955,086,773	11,095,629,179	12,603,940,567
All Funds	**9,955,086,773**	**11,095,629,179**	**12,703,940,567**

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Racing Commission, Oregon			
Other Funds	5,871,560	6,422,599	3,924,842
All Funds	**5,871,560**	**6,422,599**	**3,924,842**
Revenue, Dept of			
General Fund	185,042,400	194,469,572	200,411,318
Other Funds	125,282,327	129,820,700	58,273,914
All Funds	**310,324,727**	**324,290,272**	**258,685,232**
Secretary of State			
General Fund	10,285,700	12,649,135	11,147,866
Other Funds	51,509,990	58,170,519	67,507,899
Federal Funds	1,845,372	4,882,166	5,411,679
All Funds	**63,641,062**	**75,701,820**	**84,067,444**
State Library			
General Fund	3,410,982	4,060,172	4,122,825
Other Funds	5,839,536	6,842,189	6,898,487
Federal Funds	4,171,184	5,309,791	5,225,697
All Funds	**13,421,702**	**16,212,152**	**16,247,009**
Treasury, Oregon State			
General Fund	1,904,631	5,361,270	-
Other Funds	54,259,279	81,048,693	94,649,125
All Funds	**56,163,910**	**86,409,963**	**94,649,125**
Administration Total			
General Fund	233,886,119	261,546,476	367,486,149
Lottery Funds	20,076,042	23,425,644	29,353,416
Other Funds	11,491,139,089	12,739,173,681	14,280,367,956
Federal Funds	6,016,556	13,777,109	10,637,376

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Administration Total			
All Funds	$11,751,117,806	$13,037,922,910	$14,687,844,897
PROGRAM AREA: LEGISLATIVE BRANCH			
Indian Svcs, Comm on			
General Fund	420,767	629,880	550,614
Other Funds	1,186	7,035	7,302
All Funds	421,953	636,915	557,916
Legislative Administration Committee			
General Fund	33,025,945	49,657,276	44,615,471
Other Funds	12,468,072	28,055,869	7,379,023
All Funds	45,494,017	77,713,145	51,994,494
Legislative Assembly			
General Fund	38,726,243	46,054,850	48,301,832
Other Funds	109,200	142,090	162,580
All Funds	38,835,443	46,196,940	48,464,412
Legislative Counsel Committee			
General Fund	10,511,999	13,397,725	14,346,970
Other Funds	1,555,334	2,401,129	2,484,956
All Funds	12,067,333	15,798,854	16,831,926
Legislative Fiscal Officer			
General Fund	3,765,890	4,976,414	6,092,019
Other Funds	3,489,242	3,692,282	4,046,295
All Funds	7,255,132	8,668,696	10,138,314
Legislative Policy and Research Committee			
General Fund	-	9,903,112	10,676,185

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Policy and Research Committee			
All Funds	-	**9,903,112**	**10,676,185**
Legislative Revenue Officer			
General Fund	2,715,111	3,069,127	2,850,943
All Funds	**2,715,111**	**3,069,127**	**2,850,943**
Legislative Branch Total			
General Fund	89,165,955	127,688,384	127,434,034
Other Funds	17,623,034	34,298,405	14,080,156
All Funds	**$106,788,989**	**$161,986,789**	**$141,514,190**
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Dept			
General Fund	431,879,018	454,524,551	504,296,798
Other Funds	131,468,646	262,993,590	378,314,865
Federal Funds	1,176,014	1,344,289	1,357,254
All Funds	**564,523,678**	**718,862,430**	**883,968,917**
Judicial Fitness and Disability, Comm on			
General Fund	434,708	252,709	255,569
All Funds	**434,708**	**252,709**	**255,569**
Public Defense Svcs Comm			
General Fund	285,082,822	305,425,556	344,141,434
Other Funds	3,234,718	4,967,943	4,742,251
All Funds	**288,317,540**	**310,393,499**	**348,883,685**
Judicial Branch Total			
General Fund	717,396,548	760,202,816	848,693,801
Other Funds	134,703,364	267,961,533	383,057,116

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Branch Total			
Federal Funds	1,176,014	1,344,289	1,357,254
All Funds	**$853,275,926**	**$1,029,508,638**	**$1,233,108,171**
PROGRAM AREA: MISCELLANEOUS PROGRAMS			
Emergency Board			
General Fund	-	98,753,743	325,500,000
All Funds	-	**98,753,743**	**325,500,000**
Miscellaneous Programs Total			
General Fund	-	98,753,743	325,500,000
All Funds	-	**$98,753,743**	**$325,500,000**
PROGRAM AREA: ALL PROGRAM AREAS			
All Agencies			
General Fund	17,895,882,256	19,916,382,424	22,343,572,678
Lottery Funds	932,754,715	1,151,477,457	1,230,720,471
Other Funds	27,929,203,301	32,554,078,503	36,523,249,816
Federal Funds	20,549,256,596	22,200,277,429	23,377,750,929
All Funds	**$67,307,096,868**	**$75,822,215,813**	**$83,475,293,894**
NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES			
Administrative Svcs, Dept of	$568,130,201	$594,751,613	$645,834,529
Employment Dept	$25,981,919	$27,423,763	$29,378,697
Justice, Dept of	$182,070,529	$196,171,567	$191,870,162
Secretary of State	$24,606,715	$29,120,620	$33,691,590
Treasury, Oregon State	$54,259,279	$81,048,693	$94,649,125

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES			
All Funds	**$855,048,643**	**$928,516,256**	**$995,424,103**

* See agency narrative section for complete Agency Request information.

** FOR INFORMATION ONLY - Total expenditures represent the expenditure limitation agencies require to execute their budget. Non-add expenditures, which are a part of Total Expenditures, are generally intra-agency transfers that fund administrative functions and are paid for by agency programs.

Schedule VI. Summary of Total Expenditures by Category by Fund

	Fund	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
Personal Services	General Fund	2,734,388,163	3,542,469,402	4,162,379,750
	Lottery Funds	79,286,174	103,235,762	111,589,778
	Other Funds	2,366,586,052	2,725,424,384	2,974,538,777
	Other Funds - NA	(358,746,567)	(427,275,183)	(471,152,296)
	Federal Funds	1,102,052,999	1,385,302,499	1,430,560,049
	Total	**$6,282,313,388**	**$7,756,432,047**	**$8,679,068,354**
Services & Supplies	General Fund	1,488,688,345	1,388,067,680	1,546,810,962
	Lottery Funds	37,931,442	50,323,286	62,403,224
	Other Funds	4,646,618,164	5,532,812,958	5,899,890,305
	Other Funds - NA	(458,227,904)	(461,207,311)	(480,859,436)
	Federal Funds	765,570,169	978,057,965	964,592,774
	Total	**$6,938,808,120**	**$7,949,261,889**	**$8,473,697,265**
Capital Outlay	General Fund	28,789,248	22,057,867	29,912,321
	Lottery Funds	11,945,886	2,941,087	3,305,049
	Other Funds	255,087,311	546,071,201	520,014,980
	Other Funds - NA	(34,278,573)	(33,058,489)	(38,488,077)
	Federal Funds	48,825,509	27,504,045	25,920,820
	Total	**$344,647,954**	**$598,574,200**	**$579,153,170**
Special Payments	General Fund	13,227,714,316	14,417,408,617	15,846,816,823
	Lottery Funds	575,961,288	743,775,072	766,823,257
	Other Funds - NA	(3,795,599)	(6,975,273)	(4,924,294)
	Other Funds	17,030,710,526	20,817,302,259	24,249,916,288
	Federal Funds	18,606,858,519	19,778,387,948	20,926,325,107
	Total	**$49,441,244,649**	**$55,756,873,896**	**$61,789,881,475**
Debt Service	General Fund	416,302,184	546,378,858	757,652,822
	Lottery Funds	227,629,925	251,202,250	286,599,163
	Other Funds - NA	-	-	-
	Other Funds	2,775,152,605	2,003,951,445	1,883,465,363
	Federal Funds	25,949,400	31,024,972	30,352,179
	Total	**$3,445,034,114**	**$2,832,557,525**	**$2,958,069,527**
Total - All Expenditures	General Fund	17,895,882,256	19,916,382,424	22,343,572,678
	Lottery Funds	932,754,715	1,151,477,457	1,230,720,471
	Other Funds	27,074,154,658	31,625,562,247	35,527,825,713
	Other Funds - NA	(855,048,643)	(928,516,256)	(995,424,103)
	Federal Funds	20,549,256,596	22,200,277,429	23,377,750,929
	Total	**$66,452,048,225**	**$74,893,699,557**	**$82,479,869,791**

( ) Non-add expenditures displayed for information only; not included in totals.

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
EDUCATION			
Chief Education Office	17.13	12.50	-
Education, Dept of	523.14	544.76	618.34
Higher Education Coordinating Commission	123.63	120.33	125.25
Teacher Standards & Practices Comm	24.42	25.71	22.50
EDUCATION TOTAL	**688.32**	**703.30**	**766.09**
HUMAN SERVICES			
Commission for the Blind	52.21	62.53	66.00
Human Services, Dept. of	7,877.90	8,640.17	9,122.81
Long Term Care Ombudsman	24.50	25.50	28.00
Oregon Health Authority	4,394.40	4,276.04	4,221.17
Psychiatric Security Review Board	11.00	11.00	11.00
HUMAN SERVICES TOTAL	**12,360.01**	**13,015.24**	**13,448.98**
PUBLIC SAFETY			
Corrections, Dept of	4,493.39	4,572.07	4,605.86
Criminal Justice Comm, Oregon	11.00	14.04	20.00
District Attorneys and their Deputies	36.00	36.00	36.00
Justice, Dept of	1,295.51	1,355.40	1,349.56
Military Dept, Oregon	418.60	426.82	465.63
Oregon Youth Authority	981.80	950.68	974.88
Parole & Post Prison Supervision, State Board of	26.04	28.00	30.50
Police, Dept of State	1,268.08	1,346.62	1,379.01
Public Safety Standards & Training, Dept of	146.58	157.59	154.04
PUBLIC SAFETY TOTAL	**8,677.00**	**8,887.22**	**9,015.48**
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	1,226.45	1,259.03	1,302.83
Housing & Community Svcs Dept	137.65	155.62	212.75
Oregon Business Development Department	135.34	134.50	141.25
Veterans' Affairs, Oregon Dept of	87.55	96.38	105.59
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	**1,586.99**	**1,645.53**	**1,762.42**

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
NATURAL RESOURCES			
Agriculture, Oregon Dept of	378.48	375.73	378.53
Energy, Dept of	104.16	93.87	-
Environmental Quality, Dept of	729.99	735.46	767.53
Fish & Wildlife, Oregon Dept of	1,197.51	1,154.05	1,151.31
Forestry, Dept of	867.47	867.89	845.83
Geology & Mineral Industries, Dept of	42.43	42.92	42.42
Land Conservation & Development, Dept of	56.46	56.90	57.79
Land Use Board of Appeals	6.00	6.00	6.00
Lands, Dept of State	107.00	110.67	114.33
Marine Board, Oregon State	39.37	39.00	38.75
Oregon Climate Authority	-	-	112.00
Parks & Recreation Dept	576.11	596.05	603.43
Water Resources Dept	163.43	167.59	177.59
Watershed Enhancement Board, Oregon	34.25	33.00	35.88
NATURAL RESOURCES TOTAL	**4,302.66**	**4,279.13**	**4,331.39**
TRANSPORTATION			
Aviation, Dept of	13.99	14.25	15.49
Transportation, Oregon Dept of	4,393.92	4,502.97	4,663.41
TRANSPORTATION TOTAL	**4,407.91**	**4,517.22**	**4,678.90**
CONSUMER & BUSINESS SERVICES			
Accountancy, Board of	8.00	7.50	7.50
Construction Contractors Board	62.00	61.00	61.00
Consumer and Business Svcs, Dept of	936.36	959.53	961.19
Health Related Licensing Boards			
Mortuary and Cemetery Board	7.00	7.00	7.00
Naturopathic Medicine	2.50	3.00	3.00
Occupational Therapy Licensing	1.50	1.50	1.75
Medical Imaging	3.00	3.00	3.00
Speech-Language Path. and Audio.	2.50	2.31	3.00
Veterinary Medical Examiners	3.50	3.75	3.75

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
CONSUMER & BUSINESS SERVICES			
Labor & Industries, Bureau of	103.02	105.38	108.88
Licensed Social Workers, Board of	6.00	6.00	6.00
Mental Health Regulatory Agency	4.50	11.00	12.00
Nursing, Board of	48.49	48.90	53.90
Oregon Board of Chiropractic Examiners	5.10	5.10	5.10
Oregon Board of Dentistry	8.00	8.00	8.00
Oregon Medical Board	38.79	40.00	41.00
Pharmacy, Board of	20.00	20.00	22.00
Public Utility Commission	125.13	125.76	128.58
Real Estate Agency	29.00	29.00	29.00
Tax Practitioners, State Board of	4.00	2.50	2.50
CONSUMER & BUSINESS SERVICES TOTAL	**1,418.39**	**1,450.23**	**1,468.15**
ADMINISTRATION			
Administrative Svcs, Dept of	855.27	906.96	957.22
Employment Relations Board	13.00	13.00	13.00
Governor, Office of the	60.75	59.13	62.75
Oregon Advocacy Commissions Office	2.50	2.50	3.00
Oregon Government Ethics Commission	8.88	9.00	9.00
Oregon Liquor Control Comm	254.91	312.62	352.00
Public Employees Retirement System, Oregon	379.26	374.30	379.00
Racing Commission, Oregon	12.27	12.27	6.14
Revenue, Dept of	1,023.35	963.28	974.04
Secretary of State	208.46	214.03	233.14
State Library	40.04	40.04	39.04
Treasury, Oregon State	117.85	150.09	170.07
ADMINISTRATION TOTAL	**2,976.54**	**3,057.22**	**3,198.40**
LEGISLATIVE BRANCH			
Indian Svcs, Comm on	2.00	2.00	2.00
Legislative Administration Committee	100.65	72.66	71.03
Legislative Assembly	251.52	251.52	251.77

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	2015-17 Actuals	2017-19 Leg Approved Budget	2019-21 Governor's Budget
LEGISLATIVE BRANCH			
Legislative Counsel Committee	47.60	50.84	51.08
Legislative Fiscal Officer	22.00	22.00	22.00
Legislative Policy and Research Committee	-	41.29	41.29
Legislative Revenue Officer	8.00	8.00	7.00
LEGISLATIVE BRANCH TOTAL	**431.77**	**448.31**	**446.17**
JUDICIAL BRANCH			
Judicial Dept	1,588.12	1,776.58	1,900.92
Judicial Fitness and Disability, Comm on	0.50	0.50	0.63
Public Defense Svcs Comm	76.23	76.23	82.24
JUDICIAL BRANCH TOTAL	**1,664.85**	**1,853.31**	**1,983.79**
STATE OF OREGON TOTAL FTE POSITIONS	**38,514.44**	**39,856.71**	**41,099.77**

Per ORS 291.216 (9)(b) and (c), 5,092 positions were vacant on July 1, 2018. The vacancy rate on the date was 12 percent. Oregon University System data is not included.

Statutory Limits

Revenues in Excess of Estimate (ORS 291.349)

The "kicker" law was first passed in 1979. It directed the state to give credits to taxpayers if certain conditions were met. In November 2000, voters passed Measure 86 which placed the "kicker" in the Oregon Constitution. Personal income taxpayers receive a credit if all other General Fund revenue is more than two percent above forecast. If revenues received from corporate income and excise taxes is two percent or more above the forecast, the total amount of that excess is retained in the General Fund and used to provide additional funding for public education, specifically kindergarten through grade 12.

The kicker calculation is based on the forecast issued at the end of each legislative session. Actual receipts collected for the two-year period are compared with the forecast and if revenue is two percent or more above the forecast, a credit is due to taxpayers. The Department of Administrative Services certifies the amount of any credit in September of odd-numbered years.

The Department of Revenue manages the kicker distribution process. Individual taxpayers receive their credits in the form of a refund against the prior tax year. The credit for individual taxpayers appears on tax forms for the year the biennium ends.

The Governor's Budget proposal for the next two years is based on the December 2018 revenue forecast. This forecast anticipates a kicker credit for individual taxpayers for 2019-21 as well as additional corporate and excise tax collections to be dedicated to public education to benefit kindergarten through grade twelve programs.

Appropriations Limit (ORS 291.357)

The 2001 Legislature passed House Bill 3997 which set a new limit on state appropriations. The law places limits on all "governmental activities" as defined by the Governmental Accounting Standards Board. The budget cannot exceed eight percent of the projected personal income in Oregon. The income data comes from the U.S. Department of Commerce and is printed by the Oregon Department of Administrative Services. The law states that the final comparison shall be based on the last forecast before the Legislature adjourns.

- *Personal Income* - The November 2018 revenue forecast projects Oregon's total personal income for the next biennium to be $464.7 billion. Based on that figure, the eight percent limit is $37.18 billion.
- *Subject appropriations* - By definition, certain activities are exempt from the statute. Fiduciary activities (retirement, unemployment, benefit funds, etc.) and business activities (loan programs, enterprise programs, etc.) are excluded.

For 2019-21, the Governor's Budget, when adjusted as described above, totals about 7.62 percent of personal income.

Full-Time Equivalent Positions (ORS 240.185)

This law limits the number of state positions. The limit equals one percent of the state's population in the previous year as calculated on a full-time equivalent basis.

The Office of the Governor, the Secretary of State, the Treasurer of State, and the Judicial and Legislative Branch agencies are not counted under the limit. Some positions in the Employment Department are also exempted.

The state's population is estimated at 4,203,200 as of July 1, 2018, and 4,320,100 as of July 1, 2020. Using these numbers, the cap is at 42,032 and 43,201 full-time equivalent positions at the beginning and end of the 2019-21 biennium.

The Governor's Budget includes 41,099 full-time equivalent positions. This number includes positions exempt from the limit and is still below the mandated position cap.

Deferred Maintenance (ORS 291.215)

The 2017 Legislature passed Senate Bill 1067, which requires the Governor's Budget to include an amount for deferred maintenance and capital improvements which is at least two percent of the current replacement value of state-owned buildings and infrastructure, with some exclusions. For the 2019-21 Governor's Budget, deferred maintenance is funded at 2.9 percent of the current replacement value of state-owned buildings and infrastructure.

APPENDICES

GLOSSARY

Adaptation, adapt (in facilities) Changes to the interior arrangements or other physical characteristics of a facility or permanent installation of equipment enabling a building to be better used for its current purpose or adapted to a new one. Adaptation can include code compliance.

Allocation An allocation is a cash transfer of either Lottery or Criminal Fine Account (CFA) funds to an agency by the Legislature. Allocated funds cannot be spent without expenditure limitation.

Allotment An allotment is an agency's plan of estimated expenditures, revenues, cash disbursements, and cash receipts for each month of the biennium. It is used to monitor quarterly spending of an agency. Agencies must submit their allotment to the Department of Administrative Services each quarter for review. Upon approval, the requested funds are made available to the agency.

Analyst The Department of Administrative Services Chief Financial Office (Budget and Management section) analyst assigned to an agency.

Appropriated Funds A coding structure that reflects revenues and expenditures by funding source and purpose.

Appropriation An amount of money from the General Fund approved by the Legislature for a certain purpose.

Authorization The substantive legislation that establishes the purpose and guidelines for a given activity and usually sets a limit on the amount that can be appropriated or spent. The authorization does not provide actual dollars for a program.

Base Budget The starting point for budgeting. To budget for the upcoming biennium, the base budget begins with the current biennium Legislatively Adopted Budget (LAB). The LAB is adjusted for Emergency Board, February even-year session, special session, and administrative actions through a designated date in the current biennium, and personal services changes from the Position Information Control System (PICS). The result is the base budget.

Biennium	A period of two fiscal years. Oregon state government's biennium runs from July 1 of an odd-numbered year through June 30 of the next odd-numbered year. Regular sessions convene twice per biennium: for 160 days in the odd-numbered year, and 35 days in the even-numbered year.
Bond	A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state year.
Budget Document	The detailed material prepared by agencies as directed by the Department of Administrative Services Chief Financial Office for all phases of budget development.
Budget Report	Official report of the Joint Committee on Ways and Means for a bill that appropriates money or limits expenditures. The Budget Report includes the Committee's recommendations to the Legislature on levels of revenues and expenditures.
Capital Assets	Tangible or intangible assets held and used in state operations which have a service life of more than one year and meet the state's capitalization policy. Capital assets of the state include land, infrastructure, and improvements to land, buildings, leasehold improvements, vehicles, furnishings, equipment, collections, and all other tangible and intangible assets used in state operations.
Capital Outlay	Expenditures for the acquisition or major repair of fixed assets intended to benefit future periods. As an expenditure category, capital outlay is limited to items that: (i) are not consumed in the usual course of agency operations; (ii) can normally be used more than once; (iii) have a useful life of more than two years; and, (iv) have an initial value of $5,000 or more.
Certificates of Participation (COP's)	Tax-exempt government securities used to raise funds to improve and construct buildings or purchase equipment.
Cross Reference Number	A computerized table in ORBITS that specifies the organizational structure under which an agency builds and presents its budget. A Summary Cross Reference (SCR) is a program unit, and is composed of two or more Detail Cross References (DCRs).
Construction	Building, installing, or assembling a new structure. Adding to, expanding, altering, converting, or replacing a structure. Moving a

structure to a new location. Includes site preparation and equipment installed and made part of the structure.

Construction Costs Direct costs, including labor, materials, and equipment rental. For total related costs, see *Project Costs*.

Current Service Level The calculated cost of continuing only current legislatively approved programs into future biennia. For the upcoming biennium, Current Service Level begins with the current biennium Legislatively Adopted Budget. Added to it are Emergency Board actions, through May of the even number year, programs phased in, mandatory caseload increases, and other cost increases such as inflation. Subtracted are one-time costs, programs phased out, and pilot programs.

Debt Service Expenditures for principal, interest, discounts, and premiums related to payment of state debt.

Deferred Maintenance Facilities Maintenance that was not performed when it should have been or a backlog of activities that agencies deem necessary to bring facilities into good repair. Deferred maintenance is generally work left undone due to the lack of resources or perceived lower priority than projects funded. Failure to perform deferred work may result in the progressive deterioration of the facility condition or performance, and if not addressed, will significantly increase restoration cost. It may also include maintenance needs resulting from unforeseen circumstances such as windstorms, premature failure of facilities components, etc.

Emergency Board The legislative committee with constitutional and statutory authority to make fiscal decisions for the Legislature when the Legislature is not in session.

Emergency Fund A fund from which the Emergency Board can provide General Fund appropriations to agencies for needs that arise after their budget is approved, or for programs approved but not funded during the legislative session.

Essential Package A package to adjust the base budget, not to request new programs or expansions. Essential Packages may adjust for one-time costs, programs phased in or out, vacancy factors, non-PICS Personal Services costs, inflation, price list cost changes, fund shifts, and mandated caseload changes. An agency's base budget, plus essential packages, is its current service level.

Executive Branch The branch of state government that carries out and enforces state laws. In common use, refers to all of state government outside the Legislative

Branch and the Judicial Branch. Sometimes refers only to the governor and agencies that answer directly to the governor. Rarely used in statute. The state constitution actually names four "departments": the Executive, Administrative, Judicial, and Legislative.

Executive Service Commonly used for certain unclassified or exempt employees. Most are department heads, administrators, and deputies; their executive assistants; and certain principal assistants.

Expenditures Decreases in net current financial resources. Expenditures include disbursements and accruals for the current period. Encumbrances are not included.

Expenditure Limitation A spending limit set by the Legislature identifying the maximum amount of Lottery Funds, Other Funds, or Federal Funds an agency may spend. Defined in an agency's budget. If an agency receives more Other Funds or Federal Funds than the Legislature approved them to spend, they must obtain an increase in their expenditure limitation from the Legislature or the Emergency Board in order to spend the revenue.

Facility A building or structure, including utility and other support systems. A real property improvement. A campus or group of structures. See *Real Property Improvements.*

Federal Funds Money a state agency receives directly from the Federal Government. It is spent under a Federal Funds expenditure limitation or as Nonlimited Federal Funds.

Fee A fee is a charge, fixed by law, for the benefit of a service or to cover the cost of a regulatory program or the costs of administering a program for which the fee payer benefits. For example, professional license fees which cover the cost of administering and regulating that category of professions are fees. Other charges that are categorized as fees include tolls and tuition. Fees must be authorized in statute. The Legislature may set the rates in statute or authorize a state agency to set rates using administrative procedures.

Financing Agreement Any agreement to finance real or personal property, which is or will be owned and operated by an agency. Includes lease-purchase, installment sale, or loan agreements and Certificates of Participation.

Fiscal Year The state government fiscal year runs from July 1 of one calendar year to June 30 of the next. See *Biennium*.

Full Time Equivalent (FTE)

The standard unit for budgeting positions. An FTE is the number of months in the biennium for which the position is budgeted, divided by 24. One FTE equals one full-time position budgeted for the entire biennium. A permanent, part-time position budgeted for 12 months is 0.50 FTE. A full- time, limited duration position phased in 6 months after the start of the biennium (or budgeted for 18 months) is 0.75 FTE.

General Fund

Money available for the state budget that is not dedicated to a specific agency or purpose and that can be used for general purposes of state government. Most General Fund money in Oregon derives from personal and corporate income taxes. Some revenue from liquor, cigarettes, and other sources also go into the General Fund. See *Appropriation.*

Governor's Budget

The constitutionally required budget recommended to the Legislature by the Governor. The Governor first reviews and decides on agencies' requests for funding. The Governor's Budget must be submitted by December 1 of even-numbered years. A newly elected Governor has until the following February 1 to publish a budget.

Interagency Transfer

A transfer of funds between agencies. Agencies must balance all interagency transfers before requesting an ORBITS audit.

Joint Committee on Ways and Means

A standing committee of senators and representatives appointed by their presiding officers. The Committee reviews the management and recommended budgets of entities that receive or administer state funds. It recommends the amounts of revenues and expenditures for the Legislatures approved budget.

Judicial Branch

The branch of state government that interprets all state laws. Includes state courts. The Chief Justice of the Supreme Court is the chief executive of the branch.

Legislative Branch

The Legislative Assembly and its staff. The branch of state government that enacts state laws, grants agencies statutory powers and duties, and adopts the state budget. The Legislative Branch in Oregon consists of a Senate with 30 elected members and a House of Representatives with 60 elected members.

Legislative Fiscal Office

Analyzes and presents a wide range of budget and related data on state programs to the Legislature. Staff to the Joint Ways and Means Committee and the state Emergency Board.

Legislative Concept Relating to an agency or statute. Major or minor policy and program changes and non-policy technical adjustments or corrections to the current Oregon Revised Statutes. Approved concepts are sent to Legislative Counsel for bill drafting.

Legislative Session The Legislative Assembly convenes annually in February. Sessions may not exceed 160 days in odd-numbered years and 35 days in even-numbered years. Five-day extensions are allowed by a two-thirds vote in each house. Special sessions can occur at other times.

Legislatively Adopted Budget The budget approved by the Legislature during the regular legislative session. It sets maximum spending and staffing levels. It can be modified by actions of the Emergency Board or special sessions.

Legislatively Approved Budget The legislatively adopted budget as modified by Emergency Board or other legislative action.

Lottery Funds Money received by a state agency from lottery proceeds. The Legislature decides how much to provide and for what purpose. The state constitution restricts use of these funds. Lottery Funds include any of the following: (1) funds allocated to an agency by the Legislature as Lottery Funds; (2) Lottery Funds revenue transfers between agencies, i.e., Lottery Funds transferred by an agency must be receipted by the receiving agency as Lottery Funds; (3) all interest earned on Lottery Funds while held by an agency. Lottery Funds lose their identity, for budget purposes, when expended. Ballot Measure 66 requires certain agencies to track and report Lottery Funds expenditures at a more detailed level.

Maintenance Keeping property in good operating condition. Does not add value to or extend the economic life of a property. Commonly includes inspecting, calibrating, lubricating, and cleaning. Maintenance costs are categorized as Services and Supplies expenditures.

Management Service Supervisory, confidential, or managerial employees excluded from collective bargaining.

Modified Current Service Level Current service level less adjustment for revenue reductions.

Nonlimited Expenditures Expenditures for which the Legislature defines purposes, but sets no dollar limits. They are subject to allotment control. The budget

document describes them. The appropriation bill defines their allowed purposes. Revenue may be continuously appropriated for them. Their nature may be that they cannot be avoided, stopped, or reduced by agency action. Other factors often limit their ultimate costs.

Other Payroll Expenses (OPE)

Expenses other than salaries paid for state employees. These include retirement payments, Social Security taxes, and health insurance costs.

ORBITS

Oregon's Budget Information Tracking System (ORBITS) is a system used to prepare budget requests. It compiles, maintains, and reports revenue, expenditure, and position data for budget preparation and execution.

Other Funds

Money received by state agencies that does not come from the General Fund or from the federal government. Other Funds come from sources such as gasoline taxes, driver licenses fees, and fishing license fees. Other Funds may be dedicated, requiring the revenue to be spent for specific purposes. Examples of dedicated funds are park user fees dedicated to park programs and gasoline taxes dedicated to highway programs. It is spent as Other Funds expenditure limitation or as Nonlimited Other Funds.

Package

A component of a program unit that presents proposed budget, policy, and program changes for an agency. The two types are essential and policy packages.

Personal Services

Employee gross compensation (salary, pay differentials, other payroll expenses). Includes state temporary personnel service.

Position Information Control System (PICS)

A computerized statewide database of authorized position details for budget preparation and execution.

Planning Study (in capital budgeting)

Provides enough data for full project development. Normally includes siting, feasibility, and preliminary design studies. Includes cost estimates and all else that is needed to do a capital project budget request.

Policy Package

A package that presents policy and program changes above or below the agency's current service level budget. An agency's total budget is the sum of its base budget, essential packages, and policy packages.

Price List of Goods and Services	Identifies projected state assessments and user fees. Compiled for budgeting by the Department of Administrative Services (DAS). Includes assessments and fees of DAS, Department of Justice, Correction Industries, Secretary of State, Treasurer of State, and Central Government Services (certain costs of the legislative assembly, Legislative Fiscal Office, Legislative Council, and Governor's Office). Also allocates other shared statewide costs for services of the PEBB Employee Assistance Program, State Library, Law Library, Government Ethics Commission, and Capitol Mall security functions.
Program Unit	A budget structure containing similar services or functions for deliberation of major policy issues and budget information. Agency activities may be grouped into one or more program units.
Project Costs (in capital budgeting)	The total of all necessary costs to construct the complete facility. Includes site acquisition, direct construction costs, furnishings, equipment, and contingencies allowance. Includes all indirect costs, such as design consultants, material testing services, special inspection services, project management, One Percent for Art, and others.
Real Property Improvements	Property that is fixed, immovable, and permanent. Real property includes land, structures affixed to the land, property affixed to the structures, and in some cases, trees etc., growing on the land. Includes sidewalks, landscaping, drives, tunnels, drains and sewers.
Reclassification	A change in position classification because duties, authority, and responsibilities are significantly changed, but the required knowledge and skills remain similar.
Revenues	Cash receipts and receivables of a governmental unit derived from taxes and other sources.
Repairs	Work done to restore worn or damaged property to normal operating condition. Repairs are usually Services and Supplies expenditures.
Replacement (in capital budgeting)	Putting one facility component in place of another to gain equal or greater performance or economy or to comply with codes. It performs the same function. Usually required by wear or by accidental damage.
Salary Adjustment Allocations	Money or limitation allocated by the Emergency Board to fund approved compensation plan increases.

Services and Supplies Expenditures for business operations. Examples include personal service contracts, consumable materials, publishing, office supplies, travel, utilities, rent, and maintenance and repair of equipment and buildings.

Space Planning Analyzing workflow, space, and equipment needs of work units to plan efficient equipment, furnishings, and support systems.

Special Payments Budgeted transfers and payments where goods and services are not received in return. Paying out contributions, loans, deposits, or collections. Also, paying federal or state funds to eligible people, cities, counties, quasi-public agencies, and others.

Special Session Meeting of the Legislature between regularly scheduled sessions. May be called by the Governor or the Legislature.

State Agency or Agency Variously defined in state statutes. Commonly, a department, office, board, or commission created by state law to carry out duties assigned by law. Agencies range in size from thousands of employees with billion dollar budgets to one employee with a tiny budget. They are funded by license and user fees, state and federal taxes, fines, and fees for service. Some agencies report to a board or commission.

Unfunded Mandate A requirement that a lower level of government provides a program or performs an activity within existing resources. Under a federal mandate, the federal government may require a state or local government to provide a service and not provide additional federal funding to pay for it. Under a state mandate, the state may require a local government to provide a service. However, under the Oregon Constitution, a local government is not required to comply with certain new state mandates unless the state pays the costs of the new services. The Constitution provides exceptions.

Vacancy Factor A calculation to project budget savings expected from staff turnover during the biennium.

LEGISLATIVE BILL TABLE

2019-21 Agency Appropriation Bills

ALPHABETICALLY BY AGENCY

Agency Name	House Bills	Senate Bills
Accountancy, Oregon Board of		SB 5501
Administrative Services, Department of		SB 5502
Advocacy Commissions Office, Oregon	HB 5001	
Agriculture, Department of	HB 5002	
Agriculture, Department of - Fee Bill	HB 5003	
Aviation, Department of	HB 5004	
Blind, Commission for the		SB 5503
Bond Limit	HB 5005	
Capital Construction	HB 5006	
Chiropractic Examiners, State Board of	HB 5007	
Columbia River Gorge Commission	HB 5009	
Construction Contractors Board	HB 5010	
Consumer and Business Services, Department of	HB 5011	
Corrections, Department of		SB 5504
Corrections, Department of		SB 5505
Criminal Justice Commission		SB 5506
Dentistry, Board of	HB 5013	
District Attorneys and their Deputies	HB 5014	
Education, Department of	HB 5015	
Education, Department of - State School Fund	HB 5016	
Emergency Fund		SB 5507
Employment Department		SB 5508
Employment Relations Board		SB 5509
Environmental Quality, Department of	HB 5017	
Environmental Quality, Department of Fee bill	HB 5018	
Fish and Wildlife, Department of		SB 5510
Forestry, Department of	HB 5019	
Geology and Mineral Industries, State Department of		SB 5511
Government Ethics Commission, Oregon	HB 5020	
Governor, Office of the	HB 5021	
Health Related Licensing Boards	HB 5022	
Medical Imaging - Fee bill	HB 5023	
Higher Education Coordinating Commission	HB 5024	
Higher Education Coordinating Commission - Fee Bill	HB 5025	
Housing and Community Services Department		SB 5512
Human Services, Department of	HB 5026	

Agency Name	House Bills	Senate Bills
Judicial Department		SB 5513
Judicial Fitness, Commission on		SB 5514
Justice, Department of		SB 5515
Labor and Industries, Bureau of		SB 5516
Land Conservation and Development, Department of	HB 5027	
Land Use Board of Appeals	HB 5028	
Legislative Agencies		SB 5517
Library, Oregon State		SB 5518
Licensed Social Workers, Board of	HB 5008	
Liquor Control Commission, Oregon		SB 5519
Long Term Care Ombudsman		SB 5520
Lottery Allocation	HB 5029	
Lottery Bond	HB 5030	
Marine Board, Oregon State		SB 5521
Medical Board, Oregon		SB 5522
Mental Health Regulatory	HB 5012	
Military Department	HB 5031	
Nursing, Oregon State Board of		SB 5523
Oregon Business Development Department		SB 5524
Oregon Climate Authority	HB 5044	
Oregon Health Authority		SB 5525
Oregon Health Authority - Fee Bill		SB 5526
Parks and Recreation Department		SB 5527
Parole & Post Prison Supervision, State Board of		SB 5528
Pharmacy, Board of		SB 5529
Police, Department of State		SB 5530
Psychiatric Security Review Board		SB 5531
Public Defense Services Commission		SB 5532
Public Employees' Retirement System	HB 5032	
Public Safety Standards and Training, Department of		SB 5533
Public Utility Commission		SB 5534
Racing Commission		SB 5535
Real Estate Agency		SB 5536
Revenue, Department of	HB 5033	
Secretary of State	HB 5034	
State Lands, Department of	HB 5035	

Agency Name	House Bills	Senate Bills
Tax Practitioners	HB 5036	
Tax Practitioners Fee Bill	HB 5037	
Teacher Standards and Practices Commission		SB 5537
Tobacco Settlement Funds Account Allocation	HB 5038	
Transportation, Department of	HB 5039	
Transportation, Department of - Fee Bill	HB 5040	
Transportation, Department of - Fee Bill	HB 5041	
Treasury, Oregon State	HB 5042	
Veterans' Affairs, Department of		SB 5538
Water Resources, Department of	HB 5043	
Watershed Enhancement Board		SB 5539
Watershed Enhancement Board - Local Grants		SB 5540
Youth Authority, Oregon		SB 5541

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