

2023 - 2025

GOVERNOR'S BUDGET

STATE OF OREGON



Governor Tina Kotek

Tina Kotek

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Tax Expenditure Report: <https://oregon.gov/dor/stats>

Economic and Revenue Forecast (Quarterly): <https://oregon.gov/das/oea/pages/forecastcorev.aspx>

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TOP PRIORITIES IN THE 2023-2025 GOVERNOR'S BUDGET

Housing and homelessness | Mental health and addiction care | Education and child care

Letter from the Governor:

Dear Fellow Oregonians,

On January 9, 2023, I was sworn in to serve as the 39th Governor of our great state. For me, this job means waking up every day with a mission: to take on our biggest challenges and deliver results for Oregonians. One of my first opportunities to live up to this mission is held within these pages: my recommended budget for 2023-2025.

My budget sets three clear priorities: build more housing and reduce homelessness, improve access to mental health and addiction services, and ensure that Oregon's children are better



served by our investments in early literacy, child care, and K-12 schools.

In preparing this budget, my team and I have been hearing from Oregonians from across the state, both as part of the One Oregon Listening Tour and in smaller regional meetings with local community members who are on the front lines of dealing with the major challenges confronting our state.

The message I heard was clear. Oregonians want action – real action – that makes a difference in their everyday lives.

My budget outlines a path to make significant progress on these top issues of shared, statewide concern, especially for Oregonians who have faced generations of inequitable systems and historic barriers to services.

The housing crisis is one of the largest emergencies we have ever faced in Oregon and the human suffering it causes to individuals, families and communities is unacceptable. We can and must rise to meet the moment. I have called on the legislature to support an urgent \$130 million homelessness package as quickly as possible in the legislative session.

My 2023-2025 recommended budget builds upon this investment to begin taking on our statewide homelessness crisis at the scale needed to solve it. My budget aims to dedicate the ongoing resources necessary to build and

maintain a homeless services system that can prevent new families from falling into homelessness, rapidly rehouse people who are currently experiencing unsheltered homelessness, and provide the ongoing support some people need to remain stably housed.

These are critical investments to address the homelessness crisis that exists today, but we know that the root cause of homelessness is the housing affordability crisis. We must build more housing to meet the needs of all Oregonians. On my first day in office, I signed an executive order establishing a statewide housing production target of 36,000 homes per year, and today, in my recommended budget, I am proposing a \$1.02 billion investment in affordable housing production and preservation.

We will not reach our housing production target overnight or even in a year. But every step closer is a step in the right direction, and I will continue building partnerships with local government and private sector developers to make real progress.

For the behavioral health system, my administration will focus on effectively distributing the \$1 billion in investments made in the 2021 legislature when I was Speaker of the House. Combined with funding from Measure 110 and services provided by Medicaid, along with a cross-agency focus on prevention and intervention, we can get closer to a holistic and culturally responsive behavioral health and recovery system so that no matter who you are or what you can pay, you are not alone. Help will be there when you need it.

Child care is too expensive and nearly impossible to find for families across Oregon. I am proposing a package of investments that will increase wages for early learning professionals, stabilize access to services for kids and families, and invest \$100 million in bonding to build needed early learning facilities.

For our public schools, children have the right to an education that will set them up for a lifetime of opportunity, but if they are not developing reading skills, it can have far-reaching impacts for the rest of their lives. I am proposing \$100 million for evidence-based, targeted literacy strategies and \$50 million

for summer programming, including \$20 million specifically for K-5 summer literacy. Culturally responsive and engaging enrichment activities will help Oregon's children, families, and communities thrive.

Central to this budget is the value that everyone in Oregon, no matter their race or zip code, deserves to have the same chances in life that have been denied to too many people for too long. The pandemic highlighted and exacerbated our systemic inequities, and in some cases, inadequacies. The expertise and work of the state's Racial Justice Council has helped embed equity in this budget. I will keep working in partnership with the Council to reduce racial disparities and transform how the state provides services to support all Oregonians.

We are not going to solve all the state's problems within a single budget cycle. And with one-time federal resources expiring, future budget cycles may present difficult choices. That should not dissuade us, however, from demanding more and working hard to deliver results for Oregonians. By getting back to basics, working in collaboration with communities, making smart investments where necessary and staying the course where prudent – and always keeping the needs of Oregonians at the center of what we do – our state will be a better place to live, work and thrive.

Sincerely,

Governor Tina Kotek



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ECONOMIC AND REVENUE OUTLOOK FOR 2023-25

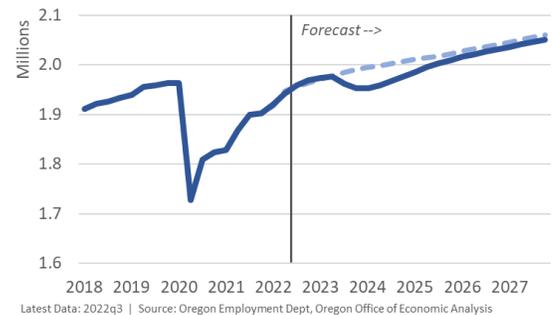
Oregon’s economic recovery from the pandemic has been strong compared to recent recessions. The state is at an all-time high for employment and the unemployment rate is near a record low. Encouragingly, there is little permanent damage from the pandemic when it comes to business activity, employment, and income. Better yet, the recovery has been inclusive. To be sure, historical disparities remain when looking at employment and income by educational attainment, gender, race and ethnicity, or across the urban-rural divide. However, these disparities are no wider today than prior to the pandemic, and many have declined in recent years. The one exception is wealth inequality, which has widened during the pandemic and recovery.

This relatively strong economic vantage point is at risk heading into the 2023-25 biennium. The combination of high inflation, expected slowing growth, and rising interest rates is potent. The majority of U.S. forecasters and members of the Governor’s Council of Economic Advisors believe a recession this year is the most likely outcome for the economy. While there has been no fundamental deterioration in the economy or economic data yet, there has been a relative shift in assessing the risks, which now favor a recession being more likely than not.

The baseline outlook for Oregon’s economy does include a mild recession starting this summer, right as the 2023-25 biennium begins. Job losses total 24,000 for a 1.2 percent decline. Job losses are expected to be larger in goods-producing industries like construction and manufacturing, and industries tied to them like finance and transportation and warehousing. The unemployment rate increases to a peak of 5.4 percent in early 2024. Income and spending will slow, but do not turn negative. Such a cycle would be one of the shallowest, and shortest recessions on record, similar to the 1990 recession. The nature of the expected recession is more technical than fundamental, more of a fender-bender than a head-on collision.

Oregon Employment

Baseline: Boom/Bust | Alternative Scenario: Soft Landing



There are three reasons why a milder recession is to be expected today. First, businesses, financial markets, and households all indicate they expect today’s high inflation to slow in the years ahead. If high inflation is not fully embedded in long-term decision making, it will likely only take a milder recession to bring inflation down.

Second, it has been difficult to find workers for the past handful of years. The labor market is cyclically tight due to a strong economy, and structurally tight for demographic reasons as the large Baby Boomer generation continues to retire. Firms do not want to let go of workers and will likely work to hold onto workers even as sales slow in the years ahead. Economists call this labor hoarding. With record corporate profits, many businesses have the financial room to do just that.

Third, is the strong financial position households are in. Consumer spending is expected to hold up well in the pending recession largely due to the higher level of savings, which is for households across the

distribution. Should spending remain strong, firms will have less incentive to cut jobs. Today's strong household balance sheets can help short-circuit the typical negative feedback loop of a recession.

2023-25 Economic Outlook and Risks

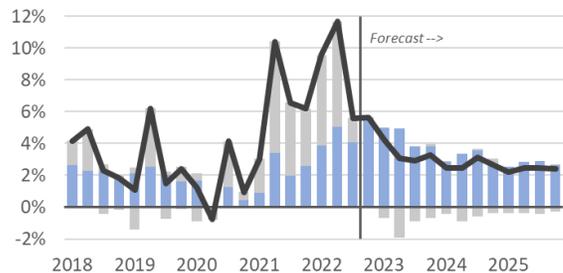
Today the primary economic issue is inflation. Inflation is not costless. It raises the cost of living for Oregonians and cost of production for Oregon businesses. If income, wages, and sales are not keeping pace, inflation erodes our standard of living.

The key to the economy will be actual, realized inflation and how the Federal Reserve responds. Fine tuning the economy by adjusting short-term interest rates is challenging even in the best of times. Historically, inflationary economic booms do not end well, which is why forecasters are more pessimistic about the likely path of the economy. With inflation much higher than the Federal Reserve's two percent target, the Fed is communicating they are willing to risk a recession to ensure inflation comes down.

One key issue the Fed is watching is the labor market and wage growth. Strong wage growth is of course a good economic outcome and a result of an economy at or near full employment. However, wage growth that is considerably faster than underlying productivity gains in the economy can be inflationary. Fears of a wage-price spiral for inflation are misplaced. However, if wage growth of 3-4 percent per year prior to the pandemic was consistent with the Fed's inflation target, today's wage growth of around five percent could mean higher underlying inflation as a result. At a base level, faster wage growth translates into increased consumer spending power.

West Region Consumer Price Index

Decomposing Total quarter-over-quarter inflation at annualized rates and contributions from Food, Energy, and Goods, and Services



Goods and services are excluding food and energy | Latest: 2022q3 | Source: BLS, IHS Markit, OR Office of Econ Analysis

Encouragingly, inflation has slowed to end 2022. Supply chains are no longer overloaded, and the oil shock from Russia's invasion of Ukraine has faded. These factors are slowing headline inflation sooner, and by more than expected. Even so, the real risks lie with the underlying trend in inflation, which remains elevated relative to the Fed's target. These are the key issues to watch as Oregon heads into the 2023-25 biennium.

Even so, no forecast is certain. Risks abound. In particular, the emerging signs in the economic data related to actual inflation and wage growth in recent months point toward the real possibility of the soft landing for the economy, at least should the Federal Reserve take that opportunity. However, it is also possible that inflation is more entrenched in the economy than believed, and after the temporary slowdown in inflation in recent months, inflation revives throughout 2023 forcing the Federal Reserve to raise interest rates even higher and hold them there longer, creating a deeper recession than in the baseline outlook.

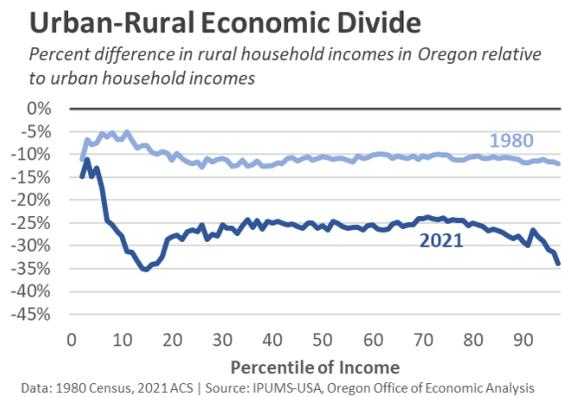
Oregon's Urban-Rural Divide

The impact of the pandemic and economic recovery to date on regional economies within Oregon is the

polar opposite of the fallout from the Great Recession and expansion last decade. Back then, it was the nation's largest metro areas, with their more diversified economies that lead growth. The Portland region in particular, was a standout, being among the fastest growing large metros when it came to high-wage job growth, median household income gains, and increases in educational attainment. The state, and nation's smaller metro areas and rural economies lagged the recovery until mid-decade when they began to regain lost ground.

Today, it is those smaller metro areas and rural economies that are leading growth. Large metro areas nationwide are lagging. The impact of working from home and loss of business travel during the pandemic is disproportionately impacting big cities, and their urban cores in particular. Population loss has followed as workers are now able to live farther afield.

Even as the recent relative patterns of growth point toward the urban-rural economic divide not widening during the pandemic, there are clear, longer-running trends that point toward these differences when it comes to demographics, educational attainment, incomes, industrial structure, and poverty, among others. In recent decades, income growth in Oregon's urban areas has outpaced rural areas considerably. Back in 1980, the typical rural household in Oregon's income was about 10 percent lower than the typical urban household in the state. Today, that difference is 25 percent.



There are a myriad of factors impacting economic growth, including both the number of local workers and how productive each worker is. The use of capital – be it financial, human, natural, physical, or social – is a key consideration when identifying a region's strengths and future opportunities.

Looking forward, the mild recession in the baseline is likely to weigh on the state's metro areas to a greater degree based on the local industry structure. Urban areas do tend to have a larger share of local jobs in sectors like construction, manufacturing, finance, and transportation and warehousing which are expected to fare worse during a period of high interest rates. Many of the state's rural economies have smaller concentrations in these industries, and higher concentrations in sectors like health care and leisure and hospitality which are expected to hold up better.

Housing and Homelessness

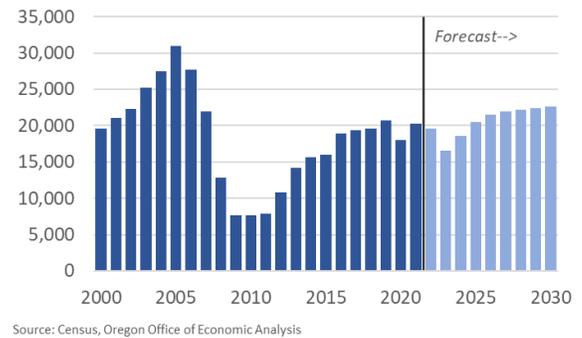
According to the Oregon Housing Needs Analysis, the state has underbuilt housing by nearly 140,000 units in recent decades. An additional 440,000 units will be needed in the next 20 years to keep pace with demand based on the demographic and population forecasts.

The baseline outlook for housing starts in Oregon accounts for the projected need in the years to come, however does not make up for the existing shortfall. A concerted effort to increase investment and address the supply side constraints on housing in the state is likely needed to achieve that.

In the short-term, the high interest rates are impacting new construction activity as affordability is curtailing demand and slowing household formation.

Improvements in housing starts will come with increasing housing demand driven by gains in affordability due to lower prices, and lower interest rates in 2023.

Oregon Housing Starts



Taking the larger view, some of the major supply side issues facing housing include the lack of financing, particularly for land acquisition, development, and construction loans, which contributes to the low supply of available land and buildable lots. Layered on top of those are local land use, zoning and parking requirements, permitting processes and design reviews, and the like, which are generally well-intentioned, but can reduce the timeliness and number of units being built. Furthermore, labor is tight, particularly for an industry that has seen zero productivity increase in recent generations. It will take more construction workers to build more units. It will also take more local government employees to approve plans, issue permits, and inspect projects if Oregon's housing supply is to increase.

High demand and low supply are a classic recipe for rising prices. When the market becomes a bidding war, it is our lowest income neighbors, family and friends that lose out. The majority of the underproduction of housing in Oregon is needed for those with below average incomes. Affordability problems force families to make difficult and at times impossible trade-offs. This includes other basic needs like food, clothing, transportation, and health care. Affordability problems are also the root cause of homelessness. New market rate construction is necessary and provides a lot of benefits, but it does not solve the low-income affordability problems in the near-term. Continued investment in Affordable housing is needed from all levels of government. New Affordable projects are expensive and require substantial public funds, but it is clear that every single unit counts.

Investments and improvements in low-income affordability cannot be achieved in a vacuum. New market rate construction is required. New construction meets the demand for mostly high-income households. What this means is they are not competing with middle-income households for the same units, of which they will most likely remodel, bringing older, less expensive units back up to the luxury tier. New market rate construction also contributes to longer-run affordability through filtering, which is a decades-long process.

If you build more units, you get more filtering. Unfortunately, last decade Oregon built the fewest number of housing units since the 1960s. Without a sizable increase in new supply in the years coming, this underproduction in the 2010s will have a lasting impact on availability and affordability for decades to come.

Ultimately, housing affordability is a longer-term macroeconomic risk for Oregon. The baseline outlook assumes households will continue to move to Oregon in search of the plentiful job opportunities and high quality of life. The largest gains from migration come from 20- and 30-somethings, which provide faster growth to Oregon’s labor force, allowing local businesses to hire and expand at a faster rate than in most states. However, to the extent fewer households can afford to live in and move to Oregon or choose to live in a relatively more affordable state like those in the Intermountain West, then the baseline outlook will need to be revised lower. This translates into relatively fewer customers and sales for local firms than expected, and therefore relatively less taxes paid to state and local governments.

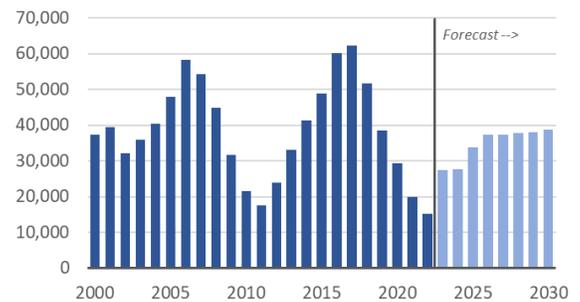
Population Growth

Population growth has been the primary reason Oregon’s economy outpaces the typical state over time. The large influx of mostly younger workers who tend to have higher level of educational attainment provides Oregon businesses with an ample supply of labor to hire and expand.

Typically, migration is a demographic and economic tailwind for Oregon. However, during the pandemic population growth slowed, like it always does in recessions, but so far in expansion it has not picked up like it used to. Some of this lack of a rebound could still be pandemic-related, or due to increased working from home where households can now live farther afield. However, some of this further slowing in population estimates, like those from Portland State University’s Population Research Center, or even population loss estimate, like those from the Census Bureau, could be due to other factors related to quality of life, family reasons or the like.

Oregon Population Growth

Annual change in total state population



Source: Portland State Population Research Center, Oregon Office of Economic Analysis

Looking forward, the only way Oregon’s population will grow is through net migration. For the first time in recorded history, the number of deaths in Oregon now outnumber births, meaning the population is experiencing a natural decline. While the unfortunate increase in pandemic-related deaths is the immediate cause of this shift, it is the state’s low birthrate that is the real driver of these trends.

The outlook still calls for a rebound in migration in the upcoming 2023-25 biennium. The local economy is strong and job opportunities are plentiful. The number of surrendered driver licenses at Oregon DMVs is higher in the past year than pre-pandemic. However, to the extent migration does not pick up, or does not pick up as much as expected, it represents downside risks to the economic and revenue outlook.

2023-25 Revenue Outlook and Risks

Revenue growth is expected to be weak during the 2023-25 budget period, even if Oregon’s economy manages to avoid recession. Many of the factors that have generated the revenue boom seen in recent years are not sustainable. A hangover is expected going forward, leading to fewer available resources for budget writers. General Fund revenues in 2023-25 are expected to be around \$3 billion lower than in

the current biennium.

Oregon's General Fund revenues are currently expected to fall by 11 percent over the 2023-25 budget period. Labor market gains are expected to slow. Also, many forms of taxable business and investment income are expected to return to earth, and a record kicker credit will be issued.

Recent gains in reported taxable income have been driven by taxpayer behavior as well as by underlying economic growth. Investment and business income are not always realized for tax purposes at the same time as they are earned in the market. The current biennium was a great time to cash in assets, with equity prices and business valuations high, and potential federal tax increases on the horizon. Corporations and other businesses also had a strong incentive to recognize as much income and as few costs as they could. Oregon's traditional corporate taxes have grown by more than 160 percent over the past five years.

Given that a significant amount of revenue growth has been driven by nonwage sources of income, much of the recent surge in payments will likely prove to be temporary. After so much income was pulled into tax years 2020 and 2021, less will be realized in the 2023-25 budget cycle.

This taxpayer behavior puts Oregon's revenues at risk of the sharp declines experienced after asset market corrections in 2001 and 2007. With recession on the horizon, profits and gains could soon turn into losses, and a smaller share of filers could be subject to the top rate. Recent revenue growth has been more pronounced than during any other period on record. During tax year 2021, personal income tax liability grew at almost double the pace that was seen during the peaks of the housing and technology booms. The run-up in capital gains was as large as it was in both of those cycles put together. Hopefully, the upcoming downturn in revenue growth will not be as pronounced as it was following those booms.

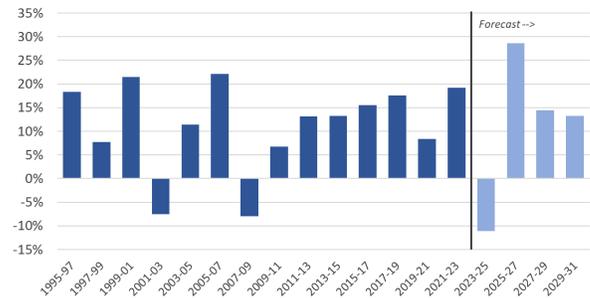
Outside of the General Fund, revenues are expected to slow along with economic growth, but not to contract as sharply as are income tax collections. Over time, Oregon has diversified its revenue base by adding consumption-based taxes, which should serve to reduce overall volatility.

Notably, the Corporate Activity Tax (CAT) was enacted by the 2019 Legislature to bolster education funding. For the 2023-25 biennium, CAT revenues are expected to equal \$2,577 million, a 4.9 percent increase from the prior biennium. This is a little less than half of the long-run anticipated rate of growth due to the weak near-term economic outlook.

Vice revenues in the state are expected to grow, but at a slower pace than in recent years as the recession impacts household incomes and consumer spending. Lottery sales are expected to fare the best as entertainment and leisure and hospitality more broadly hold up well in the mild recession scenario. Recreational marijuana continues to see strong demand, but an oversaturated market is depressing prices and impacting tax revenue which is levied as a percentage of the declining sales

Net General Fund Revenue Growth

Percent change over biennium



prices. Tobacco demand is continuing the long, slow decent as fewer Oregonians smoke or use the products. Tobacco revenues are relatively strong due tax increases in recent years including the tax on inhalant delivery devices (vaping).

Significant risk to the revenue outlook remains. The primary source of risk to the revenue outlook is the persistence of the nationwide economic expansion. Although a recession during the 2023-25 budget period is more likely than not to occur, it is far from a sure thing. It is possible that monetary policymakers are successful at engineering a soft landing. It is also possible than an upcoming recession is significantly deeper than the current consensus outlook that calls for a mild downturn.

The inflation outlook also injects uncertainty into the revenue outlook. Sales and income are not taxed on an inflation-adjusted basis. As a result, as prices and wages have surged, so too have Oregon's largest revenue sources. If inflation does not cool going forward, revenue growth could be stronger than expected in the upcoming budget cycle.

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. Automatic deposits into Oregon's Rainy Day Fund and Education Stability Fund over the past decade have added up. Oregon's budget writers have never had access to significant reserve funds during past recessions. Although today's reserves will not cover all the shortfall caused by a severe recession, they are large enough to ease much of the pain.

Demographic Change

Oregon's resident population count on April 1, 2020 was 4,237,256. This is from the most recent decennial census of 2020 administered by the U.S. Census Bureau. During the past decade, Oregon gained 406,182 residents or 10.6 percent. The gain was substantial enough that yielded one additional congressional seat for the state. Oregon's population growth between 2010 and 2020 censuses was 12th highest among all the states and D.C. Still, all of our neighboring states, except California, grew faster than Oregon. In Historical context, Oregon's population growth between the 2010 and 2020 censuses was the second lowest since the first census count in Oregon in 1860, after gaining statehood. The lowest growth rate was recorded between the 1980 and 1990 censuses, a decade characterized by a major recession.

Oregon's population was showing very strong to moderate growth during the last decade until the COVID-19 pandemic hit. Oregon's annual population growth rate has been slowing down since the high of 1.5 percent in 2017. The rate was down to below 1.0 percent in 2019 and was further down to 0.35 percent in 2022, due to the lingering effect of pandemic and slowdown in economic activities. Based on the current forecast, Oregon's population of 4.3 million in 2022, will reach 4.5 million in the year 2030 with an average annual rate of growth of 0.7 percent.

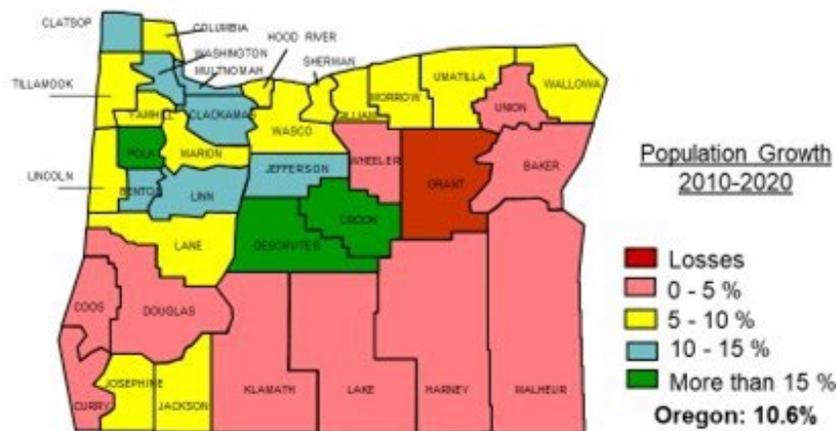
Oregon's population growth changes with its economic and employment outlook. After an economic and population boom in the 1990's, two severe recessions during the decade preceding the 2010 Census led to the slow to moderate population gains. Compare the growth of 10.6 percent in the last census decade, the population growth during the decade of 2000 to 2010 was 12.0 percent, down from 20.4 percent growth in the decade before. Census 2020 was very challenging for the Census Bureau.

Achieving a fair, complete, and accurate count was especially challenging in 2020 as one barrier after another arose in Oregon and across the nation – including the unusual politicization of the census by then presidential administration, an ever-changing census operations’ timeline, flooding, wildfires, and a global pandemic. Some of the details from the census are not made public yet.

GEOGRAPHIC VARIATIONS

The figure below shows a decade of population change by county between 2010 and 2020. Overall, Oregon’s population grew 10.6 percent during this period. However, there are large variations by region and county. Both Deschutes and Crook counties in the central Oregon and Polk county in the Willamette Valley experienced exceptionally high, exceeding 15 percent, growth rates relative to the rest of the state.

Population Growth By County, 2010-2020 Census Counts



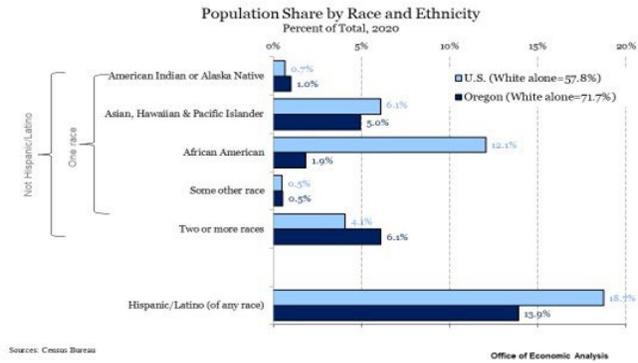
Source: U.S. Bureau of Census, 2010 and 2020 censuses

Office of Economic Analysis

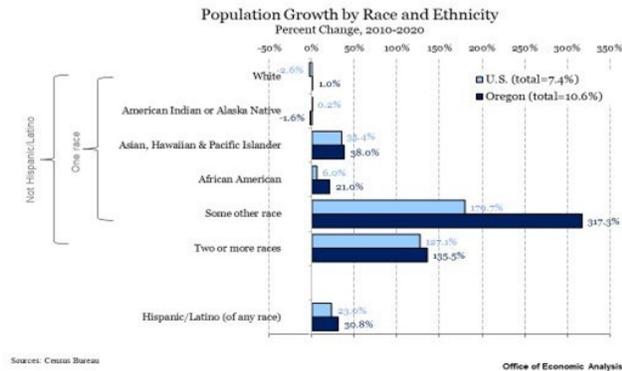
The moderately growing counties (between 10 and 15 percent increase) were Washington, Jefferson, Clackamas, Benton, Multnomah, Clatsop, and Linn. The slow growing counties (between five and 10 percent increase) were Jackson, Marion, Lincoln, Morrow, Lane, Yamhill, Tillamook, Hood River, Gilliam, Columbia, Josephine, Sherman, Wasco, Umatilla, and Wallowa. The counties with very slow growth (between zero and five percent) were Curry, Klamath, Lake, Baker, Douglas, Coos, Union, Harney, Malheur, and Wheeler. Grant county was the only one losing population (negative growth). Population growth by county reflects the local economic environment and demographic characteristics of the residents. In general, counties in the upper Willamette Valley and Central Oregon experienced the faster population growth and the counties in the south and the east experienced relatively slow growth.

RACIAL AND ETHNIC COMPOSITION

When surveyed by Census takers, an overwhelming majority of Oregon's population identify themselves as white; nevertheless, Oregon has become more racially and ethnically diverse. An estimated 71.7 percent of Oregon's population was in the Not-Hispanic white alone racial group in 2020. Nationally, this share was 57.8 percent. Each of the other racial groups individually accounted for five percent or less of the population in Oregon. Share of minority population is much larger nationally. Share of minority population (other than Not-Hispanic white) was 28.3 percent in Oregon compared to 42.2 percent nationally. In 2010, minority population in Oregon was 21.5 percent and 36.3 percent nationally.



Oregon remains less racially diverse than the nation as a whole, but we are making up ground. The population of white Oregonians grew at a significantly slower rate than did the population of every other racial group, except American Indian or Alaska Native over the past decade. Moreover, the growth rates for those minority racial and ethnic groups were faster in Oregon than for the United States. The unusual growth in some other race and two or more races groups show the tendency to embrace diverse heritage and not willing to bind by the tradition race categories.



Oregon's Hispanic population is growing rapidly as well. The Hispanic or Latino ethnic group, which can be of any race, reached 13.9 percent of Oregon's population in 2020. The Hispanic population increased from 112,707 in 1990 to 450,062 in the 2010 Census count. This ethnic group has grown to 588,757 in 2020.

CHANGE IN AGE STRUCTURE

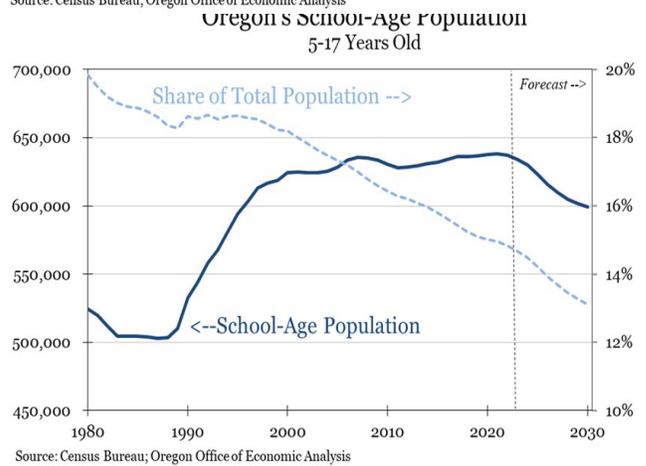
The figures on the following page show that population growth differs by age group with budgetary implications.

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 2023 and 2025, the number of children under age five will increase by 0.5 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.



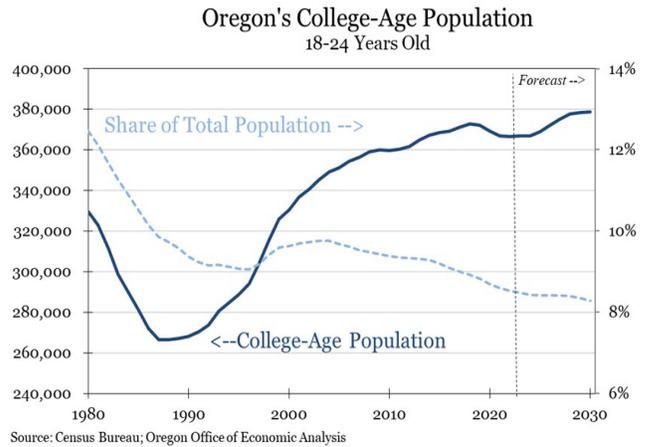
- School age. The children in the five to 17 year age group drive demand for K-12 public school enrollment. Nearly 87 percent of five to 17 year-olds are enrolled in public schools. After growing rapidly during the early 1990's, population growth in this age group has remained low or turned negative 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 turned slow but positive starting in 2012. However, this group of Oregon's population will have a steady declining trend starting in 2022. Between 2023 and 2025, the number of school-age children is expected to decline by 1.7 percent. As a reflective of growth in overall population, yet fewer couples having fewer number of children, the share of school-age children in the total population declined from 19.9 percent in 1980 to 15 percent in 2020.



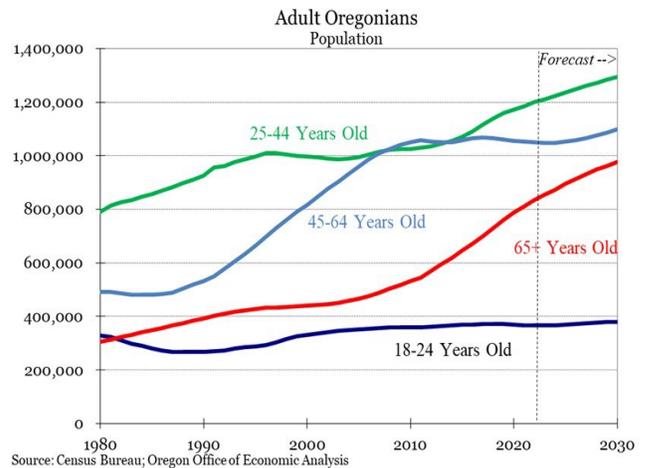
- Youth Authority Population. The youth close custody population is mostly comprised to youths aged 12-17 years of age. The population exhibited decline following the onset of the pandemic, falling from approximately 500 beds to just around 400. The admissions to close custody are expected to reach pre-pandemic levels within the year. However, the population is expected to remain flat over the 2023-25 timeframe. A 2.0 percent decline in the male close custody population is expected to be offset by a 20.0 percent increase in the female cohort.

ADULTS

- Ages 18 to 24. This age group drives demand for post-secondary education and entry-level jobs. Nearly 72 percent of all undergraduate students in Oregon public universities were 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 population at risk of criminality 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 turned positive and continue to be so after years of low or negative growth period. Between 2023 and 2025, this population will see a very small change.



- Ages 25 to 64. Working-age adults comprise 52 percent of the total population. The nature of this group is heavily influenced by baby-boomers and their children. 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 need affordable housing, and especially young adults at the beginning stage of their family formation, need childcare, and safe and quality schools for their young children. Overall, this population group will grow by 1.3 percent between 2023 and 2025, with older working age adults 45 to 64 virtually unchanged as the tail end of the baby-boomers continue to mature out of this age category.

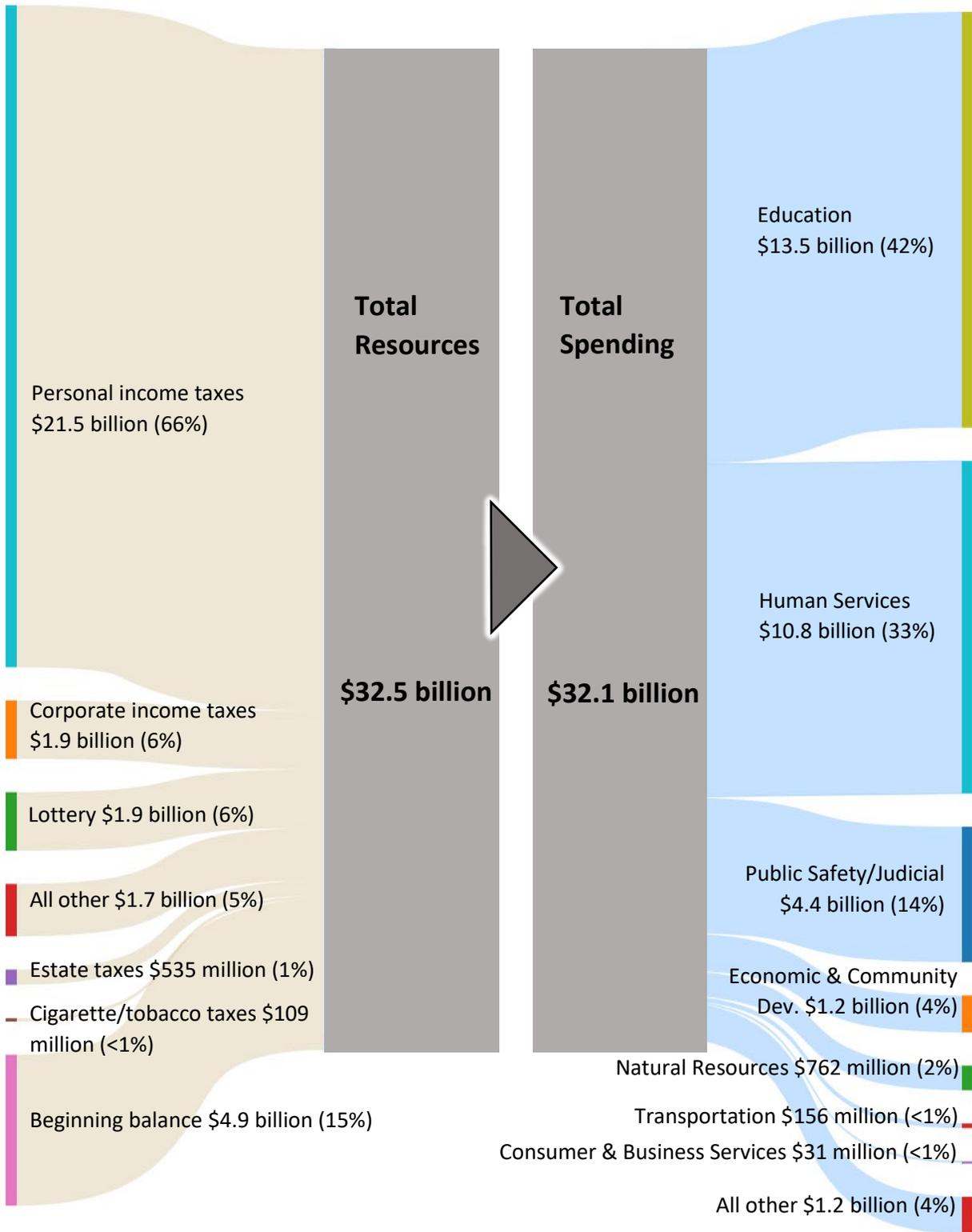


- Corrections Population. Although the adult male population aged 15-39, called criminally 'at risk' population, will continue to increase at a moderate rate, the Covid-19 pandemic had a significant impact on the adult prison population, resulting in a drop of 2,500 beds to just around 12,000 adults in custody (AIC). The primary driver behind the decline was fewer admissions to prison owing to numerous factors, including curtailed court operations. While admission rates have increased from their pandemic lows, they have yet to return to pre-pandemic levels. Current projections anticipate this to occur by the end of 2023. The overall AIC population is expected to rise to 13,092 by the end of the 2023-25 biennium, a 3.8 percent increase over the two-year span. The male AIC cohort is expected to increase 3.2 percent over the same period, while the female AIC population is projected to grow 11.0 percent.

OLDER ADULTS

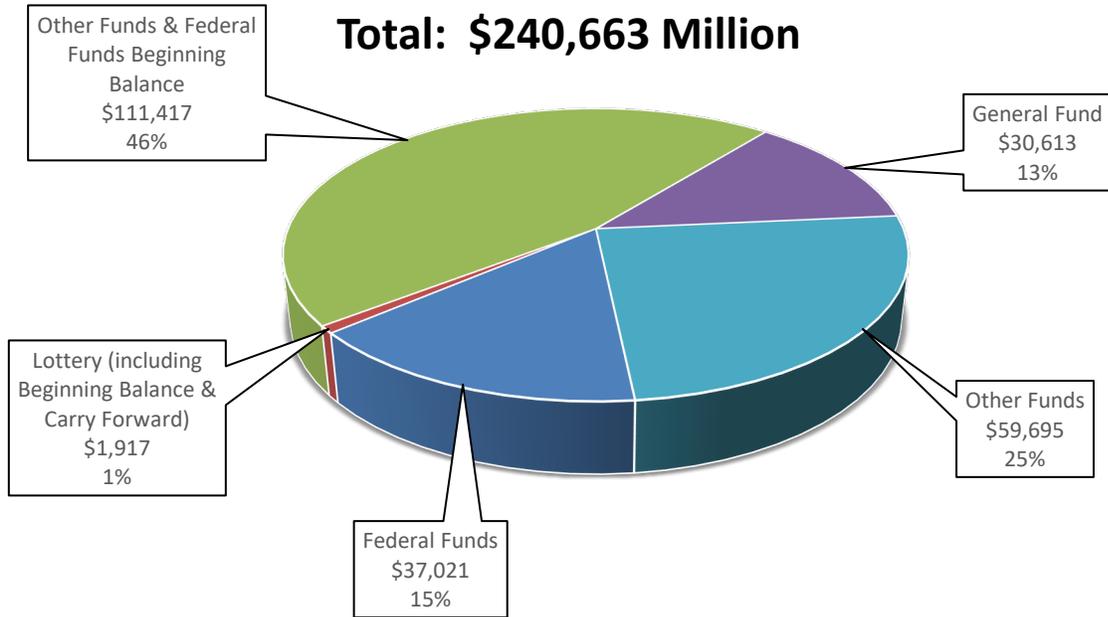
Ages 65 and over. Since 1950, Oregon's older adult population has more than tripled, while the total population has nearly doubled. Growth in this group was slow between 1995 and 2002, largely due to the depression era birth-cohort reaching retirement age. However, the pace of growing trend has picked up since then and will continue its faster pace of growth. Beginning in 2011, this population group has consistently exceeded a three percent annual growth rate for a decade. The older adult population accounts for over 19.4 percent of the total population. As a reversal of long-held demographic characteristic, starting in 2023, there will be more seniors than the number of children under the age of 18. Between 2023 and 2025, the combined older adult population will grow by 4.7 percent. However, the number of people aged 75 to 84 will increase by a larger 11.1 percent during this biennium as the early baby boomers enter and depression era cohort exit this age group, far exceeding the state's overall growth of 1.4 percent and will grow at the fastest pace of all age groups. During the same period, the number of people aged 85 plus will increase by 3.4 percent. The growth in seniors is the product of lifetime of favorable migration into Oregon and continued long-term improvement in life expectancy. The people aged 65-74 require relatively little public 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 senior population will manifest the effects of people born during the depression era and baby boom.

2023-25 GENERAL FUND/LOTTERY FUNDS BUDGET

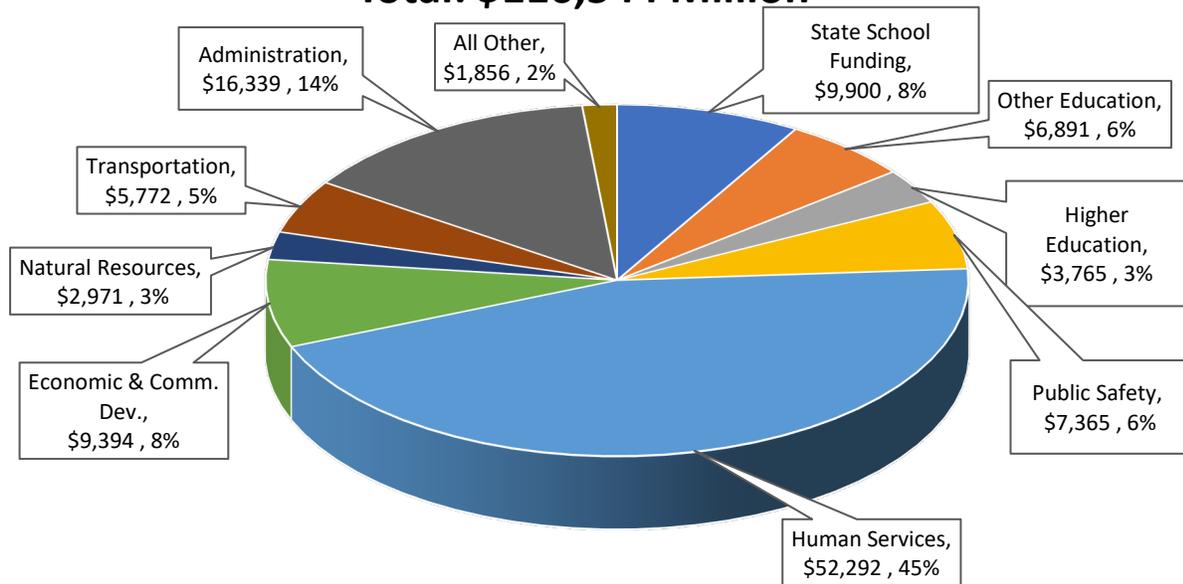


2023-25 ALL FUNDS BUDGET

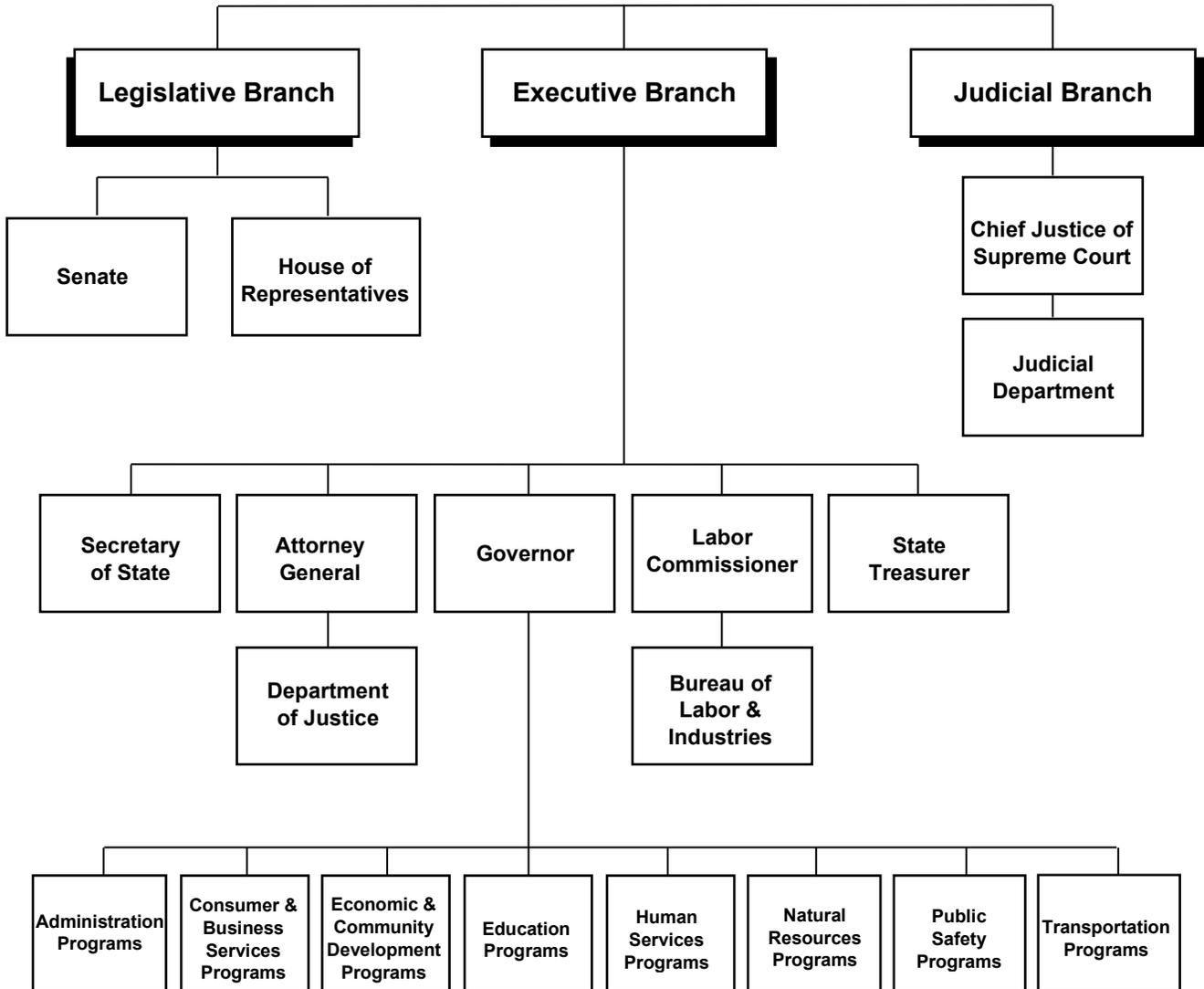
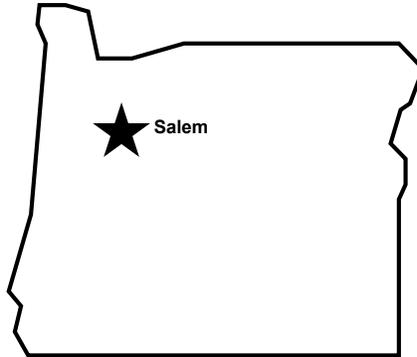
Resources Total: \$240,663 Million



Expenditures Total: \$116,544 Million



STATE OF OREGON ORGANIZATION CHART



EDUCATION AGENCIES

Education Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$10,693,327,602	\$11,814,736,262	\$12,631,073,921
Lottery Funds	872,993,398	790,382,471	885,332,798
Other Funds	2,025,945,931	4,176,733,684	4,063,464,839
Federal Funds	1,269,843,738	3,076,952,811	2,051,688,233
Other Funds (Nonlimited)	1,071,945,590	291,989,224	358,918,944
Federal Funds (Nonlimited)	396,619,423	471,217,286	565,007,874
Total Funds	\$16,330,675,682	\$20,622,011,738	\$20,555,486,609
Positions	867	1,109	1,191
Full-time Equivalent	809.96	1,003.16	1,147.27

OVERVIEW

Education – including early childhood services prenatally and beyond – is inextricably linked with economic mobility, health and wellness, and quality of life for every Oregonian and every family. The value we place on early childhood services and K-12 education continues to be a marker of who we are as Oregonians. Today, our state invests more to provide for the needs of children than at any other time in our state’s history. It is fundamental to providing all Oregonians an equal access to the opportunity to thrive in school and in life.

The education system alone cannot effect the changes necessary to improve student learning and outcomes. Partnerships with communities, culturally specific organizations, and entities spanning 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 postsecondary education.

Continuing to prioritize and expand investments targeted at improving educational access and outcomes for Oregon’s students of color, refugee and immigrant students, LGBTQ2SIA+, students with disabilities, and other students experiencing marginalization is a critical investment in our communities, our economic growth and our future as a state.

All of our education investments must be paired with specific strategies that ensure we know how dollars are spent by funding source (including the State School Fund) and connected to the education priorities that Oregonians care about. To do this, we must ensure that ODE has a well-conceived plan, process, and capacity to uniformly collect, manage, and report data that is reliable and valid. This means reviewing uniform reporting codes to ensure that how we collect and code data allows us to

answer the questions that we need to make policy and budget decisions and allows community members to understand how their schools spend their money. Financial reporting should reflect as closely as possible what is happening on the ground in schools each day and be presented by ODE to the public and policymakers in ways that are easy to understand for policymakers, parents, students and the public at large.

Brain science makes clear that the first 2,000 days of a child's life – the time between birth and kindergarten entry – represent the most consequential period in human development. During this time, children are establishing critical attachment to caregivers, as well as learning to communicate with others and regulate their emotions. The quality of their relationships, experiences, and interactions matters greatly. When we address the learning and development needs of young children, the economic returns not only benefit children and families, but society at large. Prior to the pandemic, nearly 50,000 young children in Oregon lived in poverty, with children of color disproportionately represented among them. These are the same communities, which have been disproportionately impacted by COVID-19 and it is more important than ever that we invest in the healthy development of young children and their families.

Oregon needs skilled workers to contribute to our state's economic vitality and to reduce poverty across our rural and urban communities. Research is clear that high school graduates – and especially those who go on to complete a postsecondary degree – are more likely to obtain a good job, 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 have the chance to reach these levels of educational attainment. Even as the economic outcomes of education are a means to quantify benefits to our communities as a whole, we know educational opportunity is something every student deserves.

Oregon's education system provides a foundation for responding to the individual needs of our children and students, and the collective needs of our communities in the years since the start of the pandemic. It is clear, since the pandemic began, long-standing gaps in opportunity have been further deepened and underlying systemic inequities exacerbated, placing a high school diploma, post-secondary education, career and technical training, and employment out of reach for too many Oregonians, especially Oregonians of color and Tribal communities. It is through partnerships with community-based, culturally specific organizations and entities spanning education, health, social services, housing, and workforce that our state can holistically and comprehensively support students in these uncertain times and reinforce them and their resilience in continuing to pursue pathways toward a high school degree, job training, completion of postsecondary degree, and a career.

In 2019, the Governor and Legislature made historic investments in our education system with the passage of the Student Success Act. The state's newly enacted Corporate Activity Tax (CAT) is projected to generate \$2,555.8 million in 2023-25, to help expand and strengthen current programs, including the State School Fund, High School Success Grants, Early Intervention/Early Childhood Education and early learning programs, as well as create possibilities for new initiatives to close the opportunity gap, diversify the education workforce and foster professional development opportunities for the early childhood education workforce.

Given the focus and impact of the Student Success Act (SSA) in addressing disparities in opportunity, the Governor's budget fully funds the SSA, and includes additional funding for Student Success Plans and the Student Investment Account, as the foundational commitment within the SSA to educational equity. The Student Investment Account serves as the primary mechanism to help meet student mental or behavioral health needs; improve academic achievement and reduce academic disparities for students who have been historically underserved in our public schools. Specifically, this includes children and youth of color, and those navigating poverty, homelessness and foster care; for children and youth from tribal communities, emerging bilingual students, students with disabilities, and other students who have historically experienced disparities in education. The Governor's budget proposal funds the Student Investment Account at \$977.4 million, an increase of 9.5 percent from 2021-23 Legislatively Approved Budget (LAB). In total the SSA budget across the Department of Education and Department of Early Learning and Care is \$2,693.3 million, an increase of \$237.1 million or 9.7 percent. These investments in the Governor's budget along with a critical set of investments to help improve early literacy outcomes and learning loss will build a foundation for post-pandemic recovery. Programs specific to the education area operate or support all public educational activities from birth to post-secondary and life-long learning.

- The Department of Education supports K-12 education, including support for school districts in the areas of school improvement, assessment, special education, professional/technical education, legal requirements, Grant in Aid distribution, 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 department'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, and educational programs for children of low-income families.
- The Youth Development Division (YDD), 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 supporting academic success and prevent/reduce youth involvement with the justice system. The Youth Development Council (YDC) oversees an aligned system of service for resilient yet vulnerable youth who are more likely to face barriers to access to educational and economic opportunities. YDD does this by coordinating a variety of programming designed to re-engage youth in educational and workforce programming.
- The Educator Advancement Council (EAC), which is within the Department of Education, oversees regional networks led by educators to provide high-quality, culturally responsive professional learning for teachers and administrators. EAC is building partnerships and pathways to grow the number of educators who are racially, ethnically and linguistically diverse to more closely mirror the demographics of the student population served in our public schools.
- The Teacher Standards and Practices Commission (TSPC), an independent state agency, oversees educator preparation programs and licenses. TSPC establishes rules and standards for issuing licenses, registrations, and certifications for educators, administrators, school counselors, school psychologists, school nurses, and charter schools. The Commission also maintains and enforces professional standards and proper assignment of licensed educators.

- The Department of Early Learning and Care (DELIC) will begin operating as a new, independent state agency at the start of the 2023-25 biennium. DELIC is responsible for supporting families and young children to access high-quality early care and education programs and services, including child care and preschool. The guiding vision for DELIC is that a robust, high-quality, and coordinated, mixed-delivery early learning system is essential for ensuring all children enter kindergarten ready to learn. DELIC is overseen by the Early Learning System Director and coordinated by the Early Learning Council. Both the System Director and the council are appointed by the Governor to create a unified system of early childhood services directed to children from birth to age six. The council provides policy direction to meet early learning goals statewide through its 2019 strategic plan, *Raise Up Oregon*, including recommendations to streamline state programs supporting children and families 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 programs, the Oregon Opportunity Grant program, the Oregon Promise program, and debt service on bonds issued to finance college and university capital projects.

GOVERNOR'S BUDGET

The 2023-25 Governor's budget for the Education Program Area is \$20,555.5 million total funds and 1,191 positions. This includes \$12,631.1 million General Fund, \$885.3 million Lottery Funds, and \$2,693.3 from the Corporate Activity Tax. General Fund and Lottery Funds have grown by a combined \$911.3 million or 7.2 percent from the 2021-23 Legislatively Approved Budget, and CAT expenditures have increased by \$226.8 million or 13.1 percent. Total funds decrease by \$66.5 million or 0.3 percent. The decrease is primarily due to the expiration of one-time Federal COVID-stimulus funds. In 2023-25, Federal Funds decline by 26.3 percent, \$931.5 million, compared to the 2021-23 LAB.

The Governor's budget prioritizes investments in early learning program stability, State School Fund support, implementation of ethnic studies and social emotional learning standards, new Student Success plans for historically marginalized students, need-based financial aid for higher education, the Oregon Tribal Student Grant program, regional university support, early literacy, summer learning and enrichment programming, broadband connectivity, and additional support to ease administrative burden for K-12 grantees and rural and small schools. Key elements of the Governor's budget include:

- Early Literacy. Literacy is the foundation for learning, but far too many students are not getting the intentional literacy support and experiences designed to reflect each students' needs and strengths. The Governor's budget proposes \$120 million to ensure all children are supported to learn to read, followed by reading to learn. This investment will ensure that preschool and elementary school educators have the training, time, materials, and ongoing coaching they need to integrate evidence-based literacy strategies with culturally responsive approaches. It includes

targeted, investment support for the students who need the most support and systems to ensure that programs are implemented as intended. The funding also includes funding for Oregon's nine federally recognized Tribes and community-based organizations who work with young children and their families ensuring parents are supported as full partners in their children's literacy development in real-world context, relevant to their languages, culture, and communities. Of this investment, up to \$20 million will be dedicated for literacy-focused summer programming for preschool through fifth grade students provided by districts and charters. This programming must be aligned with evidence-based strategies and integrated with culturally responsive approaches. It will require districts to provide a 50 percent local match. This summer programming component is for summer 2023, with a commitment from Governor Kotek to seek additional funding for 2024.

- *Summer Enrichment Programming (all grades)*. As part of pandemic recovery, this \$30 million investment will offer students opportunities to connect with each other, outdoors and in the community in ways that support whole-child wellbeing during summer 2023. This programming will be distinct from the literacy-focused summer programming described in the section above (which will be provided by districts and charters in preschool through 5th grade only). The enrichment programming described here will be provided by Tribes and community-based organizations, similar to components in the previous two summers. Funds are for the summer of 2023, with a commitment to seek additional funding for 2024.
- *Early Learning System Stability*. The Governor's budget proposes \$79.3 million General Fund to increase rates for early learning providers by 11.2-13.2 percent compared to the current biennium. The additional funding will allow rates to increase for Oregon Pre-kindergarten, Preschool Promise, Healthy Families Oregon, Relief Nurseries, and the Equity Fund. This funding also includes additional resources to increase rates for Employment Related Day Care providers. Those rates are set through a collective bargaining process. This funding will help provide stability for the early learning provider network and help early learning educators receive a living wage. The investments will ensure more children living in poverty between ages of 0-5 receive high-quality, culturally responsive, early learning experiences.
- *Expanded Early Learning Supports*. The budget includes \$18.9 million General Fund to expand services or increase supports for early learning programs. This includes an additional \$7 million for Inclusionary Supports to reduce class size ratios, \$2 million towards community transportation supports to reduce barriers for families with limited transportation options, \$3.8 million to expand Preschool Promise hours in the summer of 2024, \$1.2 million for Healthy Families Oregon in Lincoln County, and \$5 million for child care supply building and increasing family access for ERDC.
- *School Funding*. The Governor's budget proposes \$9,900.0 million for the State School Fund. State resources within this amount include General Fund, Lottery Funds, Corporate Activity Taxes, Marijuana and other miscellaneous funds. High School Graduation and College and Career Readiness Fund at \$329.7 million or an average of \$905 per student annually.
- *Culturally Responsive Support for Educators*. The budget utilizes \$4.5 million in one-time resources within the Educator Advancement Fund to continue building the Tribal Nations Educator Collaborative grant program, and \$5.4 million in one-time carryover resources for

staffing needs to develop a comprehensive professional learning system and develop an online professional development platform.

- Implementation of New Standards. The budget includes \$1.4 million to support implementation of Social Emotional Learning and Ethnic Studies standards.
- Student Success Plans. The Governor's budget includes \$18 million in CAT funding for Student Success Plans including \$5 million for African American Student Success plan, \$5 million for Latino/a/x and Indigenous Student Success plan, \$2 million LGBTQ2SIA+ Student Success plan, \$6 million new plans that address the unique needs of Native Hawaiian/Pacific Islander students and students who are refugee and immigrants. These funds are distributed as Grant in Aid to school districts, community-based organizations and other partners to implement strategies developed in the plans.
- School Capital Construction. The Governor's budget includes \$160 million in bond funding to continue the state's capital improvement matching program for school districts. The budget also includes \$4.6 million for deferred maintenance projects at the Oregon School for the Deaf and \$15 million for the Connecting Oregon Schools program to leverage federal funds to expand broadband connectivity for schools.
- School Safety. The budget proposes a new \$3 million carveout from the State School Fund to establish a School Emergency Management Program to continue the work started with the Federal Grants to States for Emergency Management program. The resources will fund two staff positions and a Grant in Aid for six Education Service Districts to provide regional support to districts in the area of emergency management.
- Oregon Opportunity Grant Investment. The Governor's budget includes an additional \$100 million investment into the Oregon Opportunity Grant, raising the total amount to \$308.4 million. This investment will allow the highest need students greater access to higher education.
- Oregon Tribal Student Grant. Over \$40 million are provided in the Governor's budget to fund the Oregon Tribal Student Grant. This grant provides for the full cost of attendance to all eligible members of Oregon's nine federally recognized tribes.
- Regional University Planning: The Governor's budget provides \$15 million in funding for the technical and regional public universities to fund operational support to buttress rural educational equity.
- Future Ready Oregon ARPA Funding Carryforward. The Governor's budget contains the \$111.8 million carryforward ARPA funding to support the work contained within Senate Bill 1545 (2022).
- Financial Aid Management Information System (FAMIS). The Governor's budget provides the agency with resources necessary to continue the replacement its aging Financial Aid Management Information System (FAMIS).

- Capital Construction. The Governor's budget includes \$208.2 million in project costs for the Public Universities Capital Improvement & Renewal fund, which is mostly deferred maintenance, and PSU Smith Memorial Student Union. The Public Universities Capital Improvement & Renewal Fund is to receive \$200.0 million.
- Improve Access to Education Workforce. The Teacher Standards and Practices Commission plays a significant role in Oregon's ability to recruit and retain highly qualified teachers and school-based professionals and it has a profound impact on access to high quality education for Oregon's children. The Board must focus on making significant progress with state and regional solutions that reduce the barriers, including the timeline to license, and retention. Additionally, the Governor has asked DAS to engage a third party to help access and develop solutions to address the barriers to licensure in Oregon.
- Educator Data System. The Governor's budget includes funding for modernization of the Educator Data System, an electronic licensing system.

Oregon Department of Education

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$8,538,385,764	\$9,155,162,920	\$9,578,295,881
Lottery Funds	731,160,397	650,508,965	399,110,719
Other Funds	1,635,462,033	3,350,283,079	3,159,263,731
Federal Funds	1,191,279,537	2,945,935,878	1,537,496,577
Other Funds (Nonlimited)	117,440,572	137,133,538	164,071,224
Federal Funds (Nonlimited)	387,658,453	446,672,830	540,463,419
Total Funds	\$12,601,386,756	\$16,685,697,210	\$15,378,701,551
Positions	697	896	632
Full-time Equivalent	650.35	811.54	607.46

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 are followed.
- 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 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. The Governor's budget acknowledges challenges remaining in the education system in the years since the start of the pandemic, particularly for students from communities that have been historically marginalized and have faced institutional barriers, including students of color, children from households with low-income, and English Language Learners. The Governor's budget provides additional funding for district's most flexible funding source, the State School Fund (SSF), as well as targeted investments to support early literacy, summer learning, and additional funding for Student Success Act programs.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Department of Education is \$15,378.7 million total funds. This is a 7.8 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The decrease is due to the expiration of one-time Federal Funds and the transfer of the Early Learning Divisions' budget from the Department of Education to the newly created Department of Early Learning and Care (DELIC). The budget includes 632 positions, an increase of 36 positions from the 2021-23 LAB, excluding the transfer of positions to DELIC.

The SSF budget is \$9,900.0 million total funds, including \$739.1 million funded by the Corporate Activity Tax.

The budget prioritizes current programs and invests in:

- The State School Fund and full funding of the High School Graduation and College and Career Readiness Fund (High School Success Fund);
- Early literacy investments to increase students' reading proficiency preschool through fifth grade, providing resources to ground instructional practices in what we know works. There are school-year and summer programming components of this;
- Summer Learning programming for the summer of 2023;
- Continued investments in the Tribal Nations Educator Collaborative grant program to support culturally responsive, anti-racist practices and policies in schools and to diversify the educator workforce;
- Expanding and enhancing various Student Success plans supporting students who have been currently and historically marginalized in the education system;
- Rural and small school technical assistance support and integrated guidance staffing to reduce administrative burden for districts;
- Implementation of standards for social-emotional learning and ethnic studies;
- A new Multilingual/Migrant Education Team;
- A new Health and Mental Health in education team;
- A new School Emergency Management technical assistance program;

- Grants management system modernization;
- Operations capacity in the School Finance Unit; and
- Capital funding to expand broadband connectivity for school districts.

REVENUE SUMMARY

In prior biennia, the department relied primarily on state General Fund and Lottery Funds. With the passage of the Student Success Act in 2019, the department now has an additional source of ongoing, dedicated revenue from the Corporate Activity Tax (CAT). In November 2022, the Office of Economic Analysis projected the department will receive \$2,555.8 million in 2023-25 from the CAT, which includes funding for both the Student Success Act and the SSF, representing an investment in education funding. A summary table of the change in Student Success Act funding in the Governor’s budget for 2023-25 is below.

	Student Investment Account	Statewide Education Initiatives Account	Early Learning Account*
Change in ODE Student Success Act Budget			
2021-23 Legislatively Approved Budget	\$892.3	\$378.5	\$83.8
2023-25 Governor's Recommended Budget	\$977.4	\$458.8	\$80.7
Difference	\$85.1	\$80.3	(\$3.1)

Dollars are in millions.

*The Early Learning Account figures shown here do not include funding within the Department of Early Learning and Care budget.

While the Student Success Act provides a sizeable boost to the state’s P-20 education budget, the General Fund still accounts for 60.7 percent of the department’s total budget, with the majority of the General Fund flowing to the State School Fund. The department also receives Lottery Funds to support the State School Fund and to pay the principal and interest on certain education 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 and Child Care Development Fund. The department also intends to spend \$529.7 million in remaining federal COVID-stimulus funds in 2023-25.

AGENCY PROGRAMS

School Funding

The State School Fund supports the education of more than 550,000 Oregon children in kindergarten through the 12th grade by distributing monthly payments to 197 school districts and 19 education service districts. State resources from General Fund, Lottery Funds, and Corporate Activity Tax provide about two-thirds of the revenue distributed through the 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 State School Fund revenue, public school districts also receive certain categorical grants and other revenues, which in total add nearly 25 percent more to schools' budgets.

The Governor's budget proposes \$9,900 million for the State School Fund account. State resources within this amount include General Fund, Lottery Funds, Corporate Activity Taxes, Marijuana and other miscellaneous funds. This includes \$8,723.9 million General Fund, \$739.1 million in Corporate Activity Taxes, \$395.6 million Lottery Funds, and \$40.8 million in Marijuana taxes and \$0.6 million in Timber taxes.

The proposed budget is 6.5 percent more than 2021-23 LAB. State School Fund local government revenues are projected to increase by \$435.9 million in 2023-25, an increase of 5.99 and 3.44 percent in 2022-23 and 2023-24, respectively. Under the Governor's budget, total resources for the SSF, including state and local funds, increase \$1,041.6 million, or 7.6 percent, in 2023-25 from the current budget.

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 \$160.0 million; this represents an increase of 20.2 percent from the 2021-23 LAB.

Educator Advancement Council

The Educator Advancement Council (EAC) was established in 2017 to integrate educator preparation and professional learning efforts, to ensure educators have a seamless system of support throughout their careers and ensure that students experience high quality and culturally responsive learning. The EAC 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. EAC also strives to align early learning professional development efforts with P-20 and address issues related to educator workforce supply and demand.

The Educator Advancement Fund is funded through a \$41.4 million transfer from the SSF. In order to balance the SSA according to the statutory formula, the Governor's budget utilizes \$11 million from remaining balances from prior biennia in the Educator Advancement Fund for Educator Professional Development in the department's Grant in Aid budget. A corresponding reduction in the Statewide Education Initiatives Account is also included in the Governor's budget plan. The EAC is already responsible for managing the Professional Development grant program and there is no change to the Other Funds limitation budget, which is \$32 million Other Funds. This is a one-time budgetary action to balance the SSA. The Educator Professional Development grant investments will enhance the Council's ability to strengthen the educator workforce and reduce systemic barriers that have limited educator diversification in the past, to achieve the goals of the Educator Equity Act. No reduction was made the EAC budget or the Grant in Aid budget through this adjustment.

The Governor's budget builds on this work through a proposal to utilize \$2 million in one-time carryover resources in the Educator Advancement Fund to procure an online professional learning platform. The proposal also includes funding for 12 positions to continue efforts to build a comprehensive professional learning system. Both of these investments are within the department's Operations budget. The Governor's investment also includes \$4.5 million in one-time carryover resources to continue building the Tribal Nations Educator Collaborative grant program and create an institute to directly impact Indigenous and non-Indigenous students, educators, leaders, and community members, while accelerating the broader efforts of the Educator Equity Act to diversify the educator workforce. The total budget for the EAC in 2023-25 is \$45.0 million, with additional new investments in the department Operations.

Grant In Aid

The department administers over 70 K-12 Grant In Aid programs, which are grouped into the following seven categories:

- *Student Achievement Grants* 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 and the Student Success Act's Student Investment Account. The Student Investment Account (SIA) is used for grants to all 197 school districts in Oregon to help meet student mental and behavioral needs; and increase academic achievement and reducing academic disparities for student populations historically underserved by the educational system. In the Governor's budget, the SIA is increased by \$85.1 million, or 9.5 percent compared to 2021-23. 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 expanded level of support for the High School Success Fund that began in 2019-21 with the Student Success Act, increasing total support to \$327.9 million. This is an increase of \$18.2 million or 5.8 percent from

the 2021-23 LAB. This will provide an average of \$905 per student annually, enhancing the level of support for local programs.

- *District Capacity and Technical Assistance* – Grants and programs increasing school district capacity through technical assistance and overall school system supports. This includes funding for Education Service Districts (ESDs). The new School Emergency Management program in the Governor’s budget would provide an additional \$2.5 million for up to six ESD’s to provide emergency management technical assistance funding.
- *STEM and CTE programs* – 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.
- *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 department’s Child Nutrition Programs provide funding for nutritious meals and snacks to eligible participants in schools and community-based programs, increase fresh fruit and vegetable consumption in areas where people with low income live, and encourage wellness activities related to nutrition and physical activity. The majority of funding for nutritional programs is federal, although the Student Success Act also includes \$54.7 million for the Hunger Free Schools Program Grants in 2023-25. Due to General Fund constraints, the Governor’s budget reduces the Farm to School program by \$2.4 million General Fund.
- *Closing the Achievement 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 households with low-income, and English Language Learners. The Governor’s budget includes an additional \$18 million for Student Success plans to help close the achievement gap, and \$4.7 million in Grant in Aid to support rural and small school technical assistance.
- *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 has a broad range of programs and services offered by districts and the state for students with disabilities. 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 ages 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 budget includes an additional \$6.0 million in CAT resources for EI/ECSE.

- *The Youth Correction Education Program* – This 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.

The largest federal grants administered by the department come from the U.S. Departments of Education and Agriculture and are distributed primarily to local education programs. Federal K-12 Grant in Aid totals \$1.994.6 million with over \$1,720.2 million attributable to just four areas: nutrition, Individuals with Disabilities Act (IDEA) grants and Low Income Title I, Part A support, which provides federal financial assistance to local educational agencies for children from families with low-income, and \$529.7 million in remaining one-time Federal COVID-stimulus support.

In addition to federal grant funds, the department will also distribute about \$650 million in state General Fund to local education programs – not including the State School Fund, as well as \$1,466 million from the two Student Success Act accounts targeting K-12. The largest K-12 Grant in Aid program funded through the SSA is the Student Investment Account, which is funded at \$977.4 million under the Governor’s budget. The Governor’s budget of \$4,427.5 million is a 12.6 percent decrease from the 2021-23 LAB. The decrease is mostly due to the expiration of one-time federal COVID-stimulus funds.

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 \$22.7 million total funds, which is a 4.4 percent increase from the 2021-23 LAB. The budget includes 82 positions, unchanged from 2021-23.

Youth Development Division

The Youth Development Division supports the Youth Development Council, which was established to develop and administer comprehensive youth support and reengagement programs improving educational outcomes for youth through age 24 who are at risk. The division administers grants and community investments to support drop-out prevention, graduation readiness, youth workforce development and successful transitions to postsecondary education and training. It also implements the Juvenile Crime Prevention and Youth Investment – Title XX programs for prevention and intervention services related to the reduction of gang violence and gang involvement. The Governor’s budget is \$38.9 million total funds, which is a 9.4 percent decrease from the 2021-23 LAB. The decrease is due to the phase-out of one-time funding, including funding for Future Ready Grant in Aid support. The Youth Development Division budget includes \$8.7 million for Youth Re-engagement Grant in Aid from the Corporate Activity Tax.

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 purchases, and maintenance and repair of facilities. It also allows for assessments and long-range planning of district facilities and for hardship grants. Sixty percent of the grants awarded under the program are based on a priority list and 40 percent are 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. 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. Over the last three biennia, the department has received a total of \$388 million in XI-P bonding authority to provide state matching grants through the program. Since the inception of the program, there have been 133 school districts who sought approval from voters for local bond financing using the incentive of an actual state match commitment. Of these 133 school districts, 85 passed their local bonds, representing a success rate of slightly under 64 percent.

Capital bond financing is also used for Oregon School for the Deaf (OSD) capital and deferred maintenance projects. The Governor's budget includes \$4.6 million General Obligation bond funds and \$100,000 General Fund for OSD Capital Improvements, including replacement of the running track, an HVAC system, kitchen replacements, solar panels, pollution remediation, and a long range facility plan

The Governor's budget for Capital Bonding is \$423.7 million total funds, an increase of 42.2 percent over the 2021-23 LAB. This includes \$225 million Other Funds limitation required to expend carryover XI-P bond proceeds from prior biennia bond sales for grants awarded to school districts, as well as \$160 million in new bonding authority for the OSCIM program. School districts claim awarded funds as their projects are completed and have up to six years to fully expend the funds that have already been committed. The Governor's budget also includes \$17.5 million in carryover limitation and \$15 million in new Lottery Bonding authority to leverage Federal Funds for the Connecting Oregon Schools broadband program.

Debt Service

This budget area accounts for debt service costs related to bonds issued by the state on behalf of the agency and school districts, as well as the Oregon School for the Deaf. Almost all the General Fund debt service funding in 2023-25 represents the amount required to pay the Article XI-P general obligation bonds issued for Oregon School Capital Improvement Matching Program.

Operations

Operations includes the State Board of Education, the Office of the Director, seven different Offices with specific functional and programmatic responsibility, one semi-independent division (YDD) and the Educator Advancement Council. The department's primary customers are Oregon's 197 school districts, 19 education service districts (ESDs), and over 1,200 schools, as well as their students, teachers, administrators, and other staff. In addition, ODE, through the Youth Development division, partners with a combination of non-profit and community based service organizations to deliver programs for youth at risk. 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 \$293.2 million total funds. The total funds budget is a 26.0 percent decrease from the 2021-23 LAB. The decrease is primarily due to the transfer of the Early Learning Division budget and 300 positions from ODE to the newly created Department of Early Learning and Care. The budget supports 550 positions. The Governor's budget includes staffing for a new Native Hawaiian/Pacific Islander student success plan, as well as two new plans for Refugee and Immigrant students. Staffing investments are also included to support health and mental health coordination across systems, the Tribal Nations Educator Collaborative, Ethnic Studies standards, Social Emotional Learning standard implementation, student data collection related to race and ethnicity initiatives, the School Finance Unit, rural and small school support, the Multilingual/Migrant Education Team, fiscal management, Connection Oregon Schools program support, the School Emergency Management program, and integrated guidance for streamlining grantee requirements.

Higher Education Coordinating Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$2,154,941,838	\$2,657,846,371	\$2,490,039,798
Lottery Funds	141,833,001	139,873,506	486,222,079
Other Funds	382,077,715	812,248,461	433,514,146
Federal Funds	78,564,201	131,016,933	135,748,840
Other Funds (Nonlimited)	954,505,018	154,855,686	194,847,720
Federal Funds (Nonlimited)	8,960,970	24,544,456	24,544,455
Total Funds	\$3,720,882,743	\$3,920,385,413	\$3,764,917,038
Positions	144	180	171
Full-time Equivalent	134.86	160.87	163.33

OVERVIEW

The Higher Education Coordinating Commission (HECC) sets state policy and funding strategies, administers numerous programs, and manages approximately three billion dollars of public funding for postsecondary education. Led by its 14-member voluntary commission, HECC determines state funding allocations to public institutions, approves new degree and certificate programs, licenses, and authorizes private post-secondary 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. However, its primary focus is strategic planning for the postsecondary education system in the state.

The HECC budget primarily consists of state funding for community colleges, public universities, Oregon Health and Science University (OHSU), the Oregon Opportunity Grant program, and the Oregon Promise program. While these funding streams 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 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 \$3,764.9 million total funds, a 4.0 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). General Fund and Lottery Funds total \$2,976.3 million, a 6.4 percent increase from LAB. The Governor's budget includes:

- \$100 million investment in the Oregon Opportunity Grant
- \$40.2 million in the Oregon Tribal Student grant to fund the cost of attendance for all eligible members of Oregon's nine federally recognized tribes

- \$208.2 million in bond proceeds for Public University Capital projects
- \$111.8 million in ARPA funding is carried forward to continue Future Ready Oregon efforts.
- \$15 million investment in funding for regional university planning and support to support innovative approaches to sustainability of the regional universities
- \$5.2 million for early educator grants

The budget includes resources necessary to replace its aging financial aid IT system, and General Fund and Lottery Funds debt service for previously approved projects for the public universities, community colleges, and OHSU. The amount is \$373.8 million in the Governor’s Budget.

REVENUE SUMMARY

Approximately 70 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 approximately nine percent of HECC’s budget, pays for debt service, the Outdoor Schools Program, and Opportunity Grants.

HECC also receives a variety of federal grant funds. The Workforce Innovation and Opportunity Act (formerly the Workforce Investment Act) provides the largest source of federal funding under a variety of programs: Title IB supporting youth, adult, and dislocated worker training programs through the state’s One Stop Centers; Title II funding adult basic education programs; and National Emergency Grants offering training and reemployment services to workers in areas facing large layoffs. 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 (OYC), and federal funding for Oregon Volunteers, which is the state based 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.

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.

Capital projects for the universities and community colleges are generally funded with proceeds from the sale of general obligation and Lottery-backed bonds. Most of the bonds proposed for sale in the Governor’s budget will be repaid with General Fund and Lottery Funds. Debt Service on Article XI-F (1) bonds and some Article XI-Q bonds and Certificates of Participation are paid with revenues received by the universities that benefited from the bond sales. The expenditures are recorded as Other Funds Nonlimited.

AGENCY PROGRAMS

Directors Office

The Director's Office carries out the central executive role of the agency, as well as communications, legislative affairs, human resources, diversity, equity and inclusion coordination and initiatives, policy initiatives, and other roles for the integrated agency. The budget provides Other Funds expenditure limitation to fund health insurance for part-time faculty teaching at multiple institutions of higher education, tuition equity for COFA students, and grants to non-profit organizations aimed at increasing diversity in Oregon's educational workforce and students in higher education.

The Governor's budget for this program is \$24.5 million General Fund, including 14 positions. This represents a 35.7 percent decrease to the 2021-23 budget, due to phase outs of one-time funding. The Governor's budget adds a position to work with organic farmers engaged with the Center for Small Farms and Community Food Systems.

Central Operations

Central Operations provides centralized business services and support to HECC. It includes the operations of Information Technology, Contracts and Procurement, Fiscal and Budget, Project Management, and Facilities Management Services. The Governor's budget for this program is \$25.5 million total funds, including 39 positions. This represents a 19.4 percent increase over the 2021-23 budget, due to an investment in the second phase of the financial aid IT modernization project.

Research and Data

The Office of Research and Data is responsible for providing education research and analytical services to support the commission's efforts to achieve goals related to equity in Oregon education, and to track progress in achieving all of the commission's strategic goals. The office includes both the Postsecondary Research and Data team and the Oregon Longitudinal Data Collaborative. The Governor's budget for this program is \$7.9 million total funds, including 17 positions. This represents a 10.2 percent increase from the 2021-23 LAB, primarily due to adding a staff position supporting Future Ready Oregon.

Academic Policy and Authorization

The Office of Academic Policy and Authorization manages two primary areas of work: 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 units of this program include:

- *Office of Degree Authorization (ODA)* – authorizes private degree-granting institution and distance education providers. When a school closes, ODA manages the transition of transcripts to a custodial institution or takes ownership. ODA is responsible for student and consumer protection from diploma mills and unauthorized schools.
- *Private Career Schools (PCS)* – licenses and provides technical assistance to private career and trade schools, the largest contingent are “personal care” training schools including barbering and cosmetology schools. PCS is also responsible for student and consumer protection from diploma mills and unlicensed career schools and investigates student complaints. When a school closes, PCS makes sure the transition is as orderly as possible, to assure student interests are protected, including appropriate refunds from the school or the state-administered Tuition Protection Fund.

- *Public University Academic Policy Coordination* – coordinates policy related to Oregon’s seven public universities. This program assists in fostering pathways to success for students at public universities, related to post-secondary pathways and transitions, academic program approvals, degree completion initiatives, and university evaluations.

The Governor’s budget for this program is \$5.6 million total funds, including 15 positions. This represents a 50 percent decrease from the 2021-23 LAB due to the phasing out of federal GEER and Educator Equity Plan grants.

Post-Secondary Finance and Capital

The Office of Post-Secondary Finance and Capital provides fiscal coordination to Oregon’s public post-secondary institutions, including the management of the Community College Support Fund, the Public University Support Fund, the funds for Public University State Programs, and the funds for Statewide Public Service Programs. The office also manages capital investments, fiscal reporting and analysis, capital bond funding administration and the allocation of state funding to public post-secondary institutions in Oregon. The Governor’s budget for this program is \$18.9 million total funds, including five positions. This represents an approximate doubling of the budget over the 2021-23 LAB, due to the Governor’s budget \$15 million investment in regional university planning and support.

Community Colleges

The Community Colleges program provides coordination and resources related to Oregon’s 17 community colleges and adult basic skills providers. The division also provides statewide administration related to Career and Technical Education (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, GED testing and high school equivalency, English Language Learners. The budget for this program is \$39.0 million total funds, including 16 positions. This represents a 29.2 percent decrease from the 2021-23 LAB, with phase-outs of transfer portal, GEER, and Oregon Youth Corps funding.

Workforce Investments

The Office of Workforce Investments (OWI) works in partnership with the Oregon Employment Department, the Oregon Department of Human Services, the Oregon Commission for the Blind, and others to deliver programs within Oregon’s workforce system. OWI is responsible for supporting and providing technical assistance to the Workforce and Talent Development Board and local workforce development boards. OWI administers WIOA Title I programs for youth, adult dislocated workers, and other training related federal grants, which fund programs such as apprenticeships, the National Career Readiness Certificate, and others. The division also administers and supports the Oregon Youth Corp, by providing grants, training, and resources to youth serving agencies. It also provides support to the Oregon Volunteers program to support statewide service and volunteer efforts, as well as providing funds for the state-based AmeriCorps program. Finally, the OWI supports the STEM Investment Council, an advisory body focused on expanding equitable access and improved student achievement in science, technology, engineering, and math in both K-12 and postsecondary education.

The Governor's budget for this program is \$291.1 million total funds, including 39 positions. This represents a 10.2 percent decrease from the 2021-23 LAB. This reduction is primarily driven by the phasing out of General Fund portions of Future Ready Oregon and Oregon Youth Corps funding. The Governor's budget carries forward the federal funded ARPA investments of Future Ready Oregon.

Office of Student Access and Completion

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 education. OSAC also administers student outreach programs, such as Oregon ASPIRE, which matches trained and supportive adult volunteer mentors in more than 150 middle schools, high schools, and community-based organizations to help students develop plans to meet educational goals beyond high school. The program contains the following scholarship programs:

- *Privately Funded Scholarship Programs* – This program administers more than 600 individual privately funded scholarship programs.
- *Oregon Opportunity Grant (OOG)* – A completely state-funded program, established in 1971, it is the largest and oldest state-funded, need-based grant program. Each year the program assists around 40,000 Oregon residents with low incomes who are enrolled in an undergraduate program, paying for a portion of their college expenses at an Oregon community college, Oregon public university, or Oregon-based private nonprofit 4-year institution.
- *Oregon Promise* – Another completely state funded grant program which helps cover most tuition costs at any Oregon community college for recent high school graduates and GED® test graduates. These funds are available to a student until the student has attempted a total of 90 college credits. To qualify, a student must be an Oregon resident and enroll at least half-time at an Oregon community college within six months of graduation.
- *Oregon National Guard State Tuition Assistance* –The program provides funding for tuition at Oregon community colleges and public universities for current members of the Oregon National Guard.
- *Oregon Student Child Care Grant* – This program assists student-parents who are enrolled in postsecondary education with child care to support their children's development while allowing the parents to progress academically. Priority is given to prior-year recipients who have not exhausted their maximum eligibility.

The Governor's budget for this program is \$426.6 million total funds, including 26 positions. This represents a 52.9 percent increase from the 2021-23 LAB. The Governor's budget makes a \$100 million investment in the OOG and ensures the Oregon Tribal Student Grant program continues with a \$40.2 million investment, which fund the cost of attendance for all eligible members of Oregon's nine federally recognized tribes. Finally, the Governor's budget includes \$5.2 million for the Early Learning Educator Grant program , providing grants to students pursuing early childhood education, mental health and behavior health degrees.

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. A small amount of timber tax revenue is received by the agency and transferred to the colleges.

The Governor's budget is \$753.1 million General Fund and \$11.0 Other Funds. The Community College Support Fund, which constitutes the majority of this program unit, is \$759.7 million and a 6.4 percent increase from the 2021-23 LAB. The remaining programs in this unit, which include support for the Sabin-Schellenberg and Margaret Carter skills centers, grant to colleges to support students who are first generation and historically underserved, and funding for Career Technical Education and Science, Technology, Engineering, Arts and Mathematics (STEAM) programs, are also funded at the 2021-23 LAB level.

Public University Operations and Student Support

This program unit, also known as the Public University Support Fund (PUSF), contains state funding provided to the universities for instruction, research, public services, and operation of the institutions. Funds in the PUSF are allocated among the universities using the Student Success and Completion Model through three main categories: Mission Differential Funding, Activity Based Funding and Completion Funding. Mission Differential Funding supports the regional, research, and public services missions of the universities through item funding for services, programs, or general operations based on historical funding. Activity Based Funding is distributed based on student credit hour completions of Oregon residents at undergraduate and graduate levels. Completion Funding is based on degrees and certification completions by Oregon residents for which additional resources may be allocated based on completions by students from historically underrepresented groups, and completions by students in high-demand and high-reward fields (i.e. STEM, Health, Bilingual Education). State support for the universities is entirely funded with General Fund. The Governor's budget is \$933.2 million total funds, a 1.4 percent increase from the 2021-23 LAB.

Public University State Programs

This program unit includes legislatively established programs with a research, public service, or economic development focus. The Governor's budget is \$52.5 million General Fund, which is a 59.4 percent decrease from the 2021-23 LAB, due to the phase out of \$80.5 million in one-time projects.

Statewide Public Services

This program unit includes the following programs:

- *Agricultural Experiment Station* - conducts research to solve problems and generate innovations in the agricultural, biological, social, and environmental sciences for the social, economic, and environmental benefit of Oregonians.
- *OSU 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 programs. The Oregon Outdoor School program is also funded in this program.
- *Forest Research Laboratory* – The Forest Research Laboratory, located at OSU, conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources.

The Governor's budget is \$225.2 total funds. This is a 6.7 percent increase from the 2021-23 LAB, primarily due to standard and above standard inflation increases.

Sports Lottery

The Sports Lottery program is funded with a statutorily dedicated one percent of net lottery proceeds; where 88 percent of Sports Lottery revenues are allocated to intercollegiate athletics, with at least 50 percent supporting women's athletics and no more than 30 percent supporting revenue-producing programs. The remaining 12 percent is used for graduate student scholarships, awarded based on need and academic merit equally. Of the athletic funds, 70 percent are used for non-revenue producing sports, and at least 50 percent must be used for women's athletics. The Governor's budget is \$17.8 million Lottery Funds. This is a 7.7 percent increase from the 2021-23 LAB and is equal to the amount in the December 2022 Economic Forecast.

Oregon Health and Science University

This program unit includes the General Fund appropriation supporting the university's 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; and the Oregon Poison Center. All state support provided for OHSU operations comes from the General Fund. The Governor's budget is \$129.0 million General Fund, unchanged from the 2021-23 LAB.

Public University Debt Service

This program includes the cost of debt service on public university capital construction and information systems 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 Nonlimited Other Funds. Debt service on federally supported Build American Bonds is paid with Nonlimited Federal Funds.

The Governor's budget is \$510.0 million total funds. Combined, General Fund and Lottery Fund debt service is increased by 23.7 percent from the 2021-23 Legislatively Approved Budget. Bonds to finance new public university capital projects will not be sold until late in the biennium, delaying debt service payments until the 2023-25 biennium.

Community College Debt Service

Debt service on Article XI-G general obligation bonds and lottery-backed bonds sold for community college projects is budgeted in this program unit. 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 \$39.9 million General Fund and \$11.8 million Lottery Funds. When combined, this is 11.5 percent greater than the 2021-23 LAB.

OHSU Debt Service

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 the 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 \$34.3 million total funds, which is a 40.5 percent decrease from the 2021-23 LAB.

Public University Capital Construction

This program unit includes state funding for capital projects for public universities. The Governor's budget includes \$208.2 million in project costs. The Governor's budget includes \$200 million for the Public Universities Capital Improvement & Renewal fund and the remainder for the PSU Smith Memorial Union.

Community College Capital Construction

This program unit includes state funding for capital projects for community colleges. The Governor's budget includes no new state funding for community college capital construction project.

Teacher Standards and Practices Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$1,726,971	\$2,510,468
Lottery Funds	0	0	0
Other Funds	8,406,183	14,202,144	14,596,836
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,406,183	\$15,929,115	\$17,107,304
Positions	26	33	34
Full-time Equivalent	24.75	30.75	32.50

OVERVIEW

The mission of the Teachers Standards and Practices Commission (TSPC) is to establish, uphold, and enforce professional standards of excellence for teachers and school administrators and communicate those standards to the public and educators for the benefit of Oregon’s students. The commission:

- Establishes rules and standards for issuing licenses, registrations, and certifications for educators, administrators, school counselors, school psychologists, school nurses, and charter schools;
- Maintains and enforces professional standards and proper assignment of licensed educators; and
- Approves standards for approval for educator preparation providers and programs.

GOVERNOR’S BUDGET

The department 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 Governor’s budget for TSPC is \$17.1 million total funds and supports 34 positions. The budget adjusts existing staffing and provides a General Fund investment to fund additional staff to reduce the licensing backlog. The budget also invests in a new licensing system to ensure future licensing processes are both easier for teachers and can be processed more quickly by the agency.

TSPC plays a significant role in Oregon’s ability to recruit and retain highly qualified teachers and school-based professionals and it has a profound impact on access to high quality education for Oregon’s children. The Commission must focus on making significant progress with state and regional solutions that reduce the barriers, including the timeline to license, and retention. Additionally, the Governor has asked DAS to engage a third party to help access and develop solutions to address the barriers to licensure in Oregon.

REVENUE SUMMARY

The commission is primarily funded by Other Funds received from application fees, initial licenses, renewal licenses, and delinquent fees. General Fund is provided to address the licensee backlog and for the initial costs of the staffing and IT modernization.

Department of Early Learning and Care

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$560,227,774
Lottery Funds	0	0	0
Other Funds	0	0	456,090,126
Federal Funds	0	0	378,442,816
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$0	\$0	\$1,394,760,716
Positions	0	0	354
Full-time Equivalent	0.00	0.00	343.98

OVERVIEW

In the 2021 Legislative Session, the Legislature abolished the Early Learning Division (ELD) within the Oregon Department of Education (ODE) and created the new Department of Early Learning and Care (DELIC). ELD will begin operating as a new, independent state agency at the start of the 2023-25 biennium. In addition to creating DELIC, the Legislature also moved the Employment Related Day Care (ERDC) program, the state's second largest early learning program, from the Oregon Department of Human Services (ODHS) to DELIC. The goal behind these two large-scale changes was to create a unified early learning and child care system, housed under one agency, to improve service delivery, center families within the policy development process, enhance community engagement and outreach, and streamline program administration. DELIC is charged with making sure multiple systems are more coordinated and aligned to effectively support families.

DELIC reports to the Early Learning Council, a nine member Governor-appointed public board. The Early Learning Council was created as part of the cradle to career education system with a focus on efforts to consolidate and coordinate state and federally funded early care and education programs and services. Together, the Early Learning Council and DELIC 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 department supports the 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 supports the Early Learning Council and the Early Learning System Director.

GOVERNOR'S BUDGET

After two biennia of significant early learning program expansions and operational changes, the focus of the Governor's budget is to stabilize the early learning system, while limiting expansions and new initiatives as the department is launched in the next biennium. The 2023-25 Governor's Budget includes investments to maintain fiscal stability for the existing child care provider network and early learning workforce.

The budget includes a proposal for targeted rate increases of 11 to 13 percent above the current LAB. Programs with additional funding per slot under the Governor's plan include Oregon Pre-Kindergarten (OPK) Prenatal to three and OPK 3-5, Preschool Promise, Healthy Families Oregon, Relief Nurseries and the Early Childhood Equity Fund. The budget also provides additional funds for inclusionary supports to reduce class size ratios for children experiencing disabilities or who have an individualized family service plan. The total General Fund investment for this proposal is \$62.5 million General Fund. This funding will help early learning educators receive a living wage, ensure more children living in poverty between ages 0-5 receive high-quality and early learning experiences, as well as support the capacity of culturally specific organizations meet the early learning needs of their communities. As part of this proposal, \$7 million General Fund is for Inclusionary Supports and \$2 million General Fund is dedicated towards community transportation supports to reduce barriers for families with limited transportation options.

The second primary investment included in the Governor's budget is to increase rates for ERDC providers, provide funding for a limited caseload expansion for ERDC, support the transfer of ERDC from ODHS, provide funding to make IT system changes to expand program eligibility, and support child care supply building and ERDC access. The proposal also includes funding for three positions to serve as child care navigators to help families access the ERDC program. The total investment for this proposal is \$41.3 million General Fund.

The budget also strengthens operations to ensure the new department has the necessary infrastructure and human capital to deliver high-quality programs expected by families and communities. Additionally, the department's Grant in Aid portfolio continues to expand with additional Federal Funds and Student Success Act (SSA) dollars. The budget includes funding for 22 additional positions to enhance operational capacity in human resources, accounting, compliance, payroll, the SPARK program, Baby Promise, and positions to support quality assurance in the early learning system.

The Governor's Budget is \$1,394.8 million total funds, which is a decrease of 4.1 percent from the 2021-23 LAB. The decrease is due to the expiration of one-time Federal COVID-stimulus funds. Federal Funds are projected to decrease \$389.5 million next biennium. Excluding Federal Funds and the transfer of the ERDC budget from ODHS, the department's General Fund budget increases \$117.4 million or 37.3 percent compared to 2021-23. The budget in the Early Learning Account increases \$84.9 million or 24.1 percent. The increase in the Early Learning Account is due to the full phase-in of investments made in the 2021-23 biennium.

The Governor's budget includes 354 positions, an increase of 50 positions, or 16.4 percent from the 2021-23 LAB. Four positions were limited duration and were reduced during budget build, 32 positions were moved to DELC from ODHS as part of the ERDC and Inclusive Partners program transfers, and 22

positions were included as part of the budget investment in the department’s positions.

REVENUE SUMMARY

With the full implementation of SSA in 2021-23, Corporate Activity Tax (CAT) revenue became the single largest source of state funds for early learning programs with the 2023-25 Current Service Level budget. General Fund investments in the Governor’s budget change that dynamic, with more costs being covered by General Fund than CAT revenues. The Legislature enacted significant budgetary increases with CAT revenues in 2021-23 and those commitments are expanded for a full biennium in the Governor’s budget. Spending from the Early Learning Account under the Governor’s budget will increase by \$84.9 million or 24.1 percent compared to 2021-23. Those additional resources will allow DELC to fund approximately 4,000 additional slots added for the second year of the 2021-23 biennium for a full biennium in 2023-25.

Early Learning and the Student Success Act

Early Learning Account*

Change in Early Learning Account Budget	
2021-23 Legislatively Approved Budget	\$352.5
2023-25 Governor's Recommended Budget	\$437.4
Difference	\$84.9

Dollars are in millions.

*The Early Learning Account figures shown here do not include funding for Early Intervention/Early Childhood Special Education as that program is managed by ODE.

The department also serves as the lead agency for the Federal Child Care Development Fund (CCDF), a unified Federal child care funding stream to states, comprised of discretionary and entitlement funds. CCDF is the primary federal funding source at over \$200 million per biennium for child care subsidies to help eligible low-income working families access child care, departmental operations, and to improve the quality of child care for all children through regulation and licensing support. The ongoing CCDF budget to cover the cost of ERDC subsidies in 2023-25 is approximately \$119 million, which helps cover the costs of care for the approximately 9,000 families utilizing the program on a monthly basis. The budget also supports \$96.6 million in one-time Federal American Rescue Act Plan (ARPA) dollars to support ERDC subsidy payments in 2023-25. One-time Federal Funds have been used to help cover the costs of recent changes to the co-pay structure, rate increases for providers and expanded eligibility. Those commitments will likely need to be covered by another revenue source beginning in 2025-27. Although some ARPA funds will remain in 2023-25, Federal Funds are projected to decline by \$389.5 million compared to 2021-23, due to the expiration of Federal COVID-stimulus support funds.

AGENCY PROGRAMS

Grant In Aid

DELC’s Grant in Aid programs are primarily funded with a combination of General Fund, Corporate Activity Tax revenues, and Federal Funds. Parenting Education, Program Supports, and the Early Childhood Equity Fund are solely funded with SSA dollars. The department’s largest program is Oregon Pre-Kindergarten (OPK), which accounts for roughly a third of the department’s Grant in Aid Budget.

Total Grant in Aid funds under the Governor's 2023-25 budget decline by \$60.3 million or 4.5 percent, due to the expiration of Federal COVID-stimulus funds. Excluding Federal Funds and the transfer of the ERDC Grant in Aid budget, the General Fund budget increases by \$97.5 million or 34.3 percent. The total Grant in Aid budget is \$1,268.6 million, including \$504.3 million General Fund and \$432.1 million from the Corporate Activity Tax.

- *Oregon Pre-Kindergarten and Early Head Start* - OPK is inclusive of Early Head Start and provides infant-toddler and preschool education, child health and nutrition, and family support services throughout the state to children and their families from prenatal to five years. The program serves children from 0-5 and their families who live at or below the federal poverty level, children in foster care, and children experiencing homelessness. OPK is modeled after and designed to work side by side with the federal Head Start program. Combined with federal Head Start funds, OPK will provide early learning services to an estimated 14,000 children in 2022-23. The Governor's budget of \$390.9 million, includes an additional \$25.6 million General Fund to increase rates for OPK providers.
- *Employment Related Day Care Program (ERDC)* is the second largest early learning program in the state in terms of dollars. Federal Childcare and Development Fund (CCDF) dollars help fund the program and are transferred from DELC to the Oregon Department of Human Services to pay providers. ERDC is structured as a voucher system, whereas most other programs within DELC involve a contracted slot model. DELC, as the lead agency for CCDF and now ERDC rulemaking, will be responsible for ensuring that ERDC complies with federal requirements. The state's ability to provide subsidized child care through ERDC is greatly influenced by the availability of federal funding and by the rules guiding the use of those funds.

The Legislature moved the ERDC program from ODHS to DELC, beginning in 2023-25. DELC will continue to rely on the Oregon Eligibility (ONE) System and ODHS staff for program eligibility and a variety of other program functions including ERDC subsidy payments and billing. Additional administrative funding for ODHS, including changes to the ONE system to expand eligibility, was included as part of the Governor's recommended budget, as well as additional General Fund to increase rates for ERDC providers.

- *Preschool Promise* is a publicly funded, high quality preschool program for children ages 3 to 4 from families whose incomes are at or below 200 percent of the Federal Poverty Level. This program started in the 2015-17 biennium and was expanded from 1,300 children served to approximately 9,300 children with the investments made in the Student Success Act. Despite this increase, Preschool Promise still only serves a portion of all eligible children and families across the state. The Governor's budget includes an additional \$16.9 million General Fund to increase provider rates, as well as \$3.8 million to provide summer hours funding for the program in the summer of 2024. The Governor's budget for the program is \$208.3 million.
- The *Early Childhood Equity Fund* was created as part of the Student Success Act (SSA). The fund provides grants for culturally responsive early childhood services to children and families who have been currently and historically underserved. Programming includes: parent-child interactions, parenting education, and early literacy and family literacy while also preserving native languages. This program is intended to provide parents with support they need to ensure their children arrive at kindergarten ready to succeed, and close opportunity gaps. The organizations participating in the program must be culturally specific or operate a culturally specific early learning program. The full

phase-in of SSA and a proposed General Fund increase of \$1.7 million results in an overall Equity Fund budget of \$26.6 million in the Governor's budget.

- *Healthy Families Oregon (HFO)* is a nationally accredited, evidence-based home visiting program available to eligible families in 31 counties. HFO program sites offer this voluntary program to families prenatally or immediately after a child's birth, supporting families for up to three years. The Governor's budget includes \$2.8 million General Fund to increase rates for HFO providers, \$1.2 million to begin reoffering the program in Lincoln County, which previously contracted with the ELD before discontinuing the program. The Governor's budget for HFO is \$43.7 million total funds.
- The 16 regional early learning hubs throughout the state are intended to meet the same goals shared by the Early Learning Council and DELC. Hubs strive to achieve these goals by aligning and coordinating early learning services to meet the needs of families within their community and by administering state-funded programs ensuring young children and their families are successful. This system of partnerships ensures early learning services, including enrollment across services, are coordinated regionally. The Hub network now includes a Tribal Learning Hub to meet the unique needs of children and families from the nine tribes federally recognized within Oregon's borders. The total budget for the Early Learning Hubs, including the Tribal Learning Hub, is funded is \$23.6 million.

Operations

ELD has operated under ODE since 2013 and has relied on ODE for many operational functions. The Legislature has already taken steps to create the new department and approved over 100 additional positions in the current biennium to help meet the new operational and programmatic requirements of DELC. The Governor's budget includes funding for 22 additional positions to enhance operational capacity in human resources, accounting, compliance, payroll, and positions to support quality assurance in the early learning system.

The Operations budget includes a \$0.8 million General Fund investment to build an updated database for Healthy Families Oregon, which is needed to maintain national accreditation of the program. The Operations total funds budget is unchanged from the 2021-23 LAB, due to a reduction in Federal Funds, although General Fund costs increase \$25.5 million, primarily due to the full phase-in of investments made in 2021-23 and the transfer of positions from ODHS to DELC. The Operations budget is \$55.9 million General Fund, \$126.2 million total funds and includes 354 positions (343.98 FTE).

HUMAN SERVICES AGENCIES

Human Services Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$6,066,852,114	\$8,633,145,451	\$10,782,888,396
Lottery Funds	17,296,110	19,670,002	26,543,282
Other Funds	8,678,995,062	11,594,688,720	10,980,626,801
Federal Funds	19,708,374,586	25,451,504,405	26,676,976,199
Other Funds (Nonlimited)	265,902,399	40,000,000	40,000,000
Federal Funds (Nonlimited)	2,858,773,752	3,784,597,178	3,784,597,178
Total Funds	\$37,596,194,023	\$49,523,605,756	\$52,291,631,856
Positions	14,088	15,796	17,055
Full-time Equivalent	13,746.73	15,454.74	16,433.97

OVERVIEW

The Governor’s budget for the Human Services Program Area includes programs that support physical health, mental health and addiction treatment, public health, 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 intellectual and development disabilities. Many of the programs are interconnected and the agencies share responsibility and accountability for program delivery that spans across agencies.

The budget seeks to protect and promote the health and safety of all Oregonians with a focus on addressing health disparities, improving service delivery and ensuring that the people who need the service are at the center of every decision. The Human Services agencies must continue to evolve their policies, practices, and operations and not only look at state investments with an eye on addressing historical inequities and disparities, but they must reimagine the way services are delivered to Oregonians. There should be continued focus on removing barriers, expanding opportunities, and creating better outcomes for all Oregonians and especially for people most impacted by historical and institutional racism and inequities.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s budget for the Human Services Program Area agencies is \$52,291.6 million total funds (including \$10,782.9 million General Fund). This is a 5.6 percent total funds increase from the 2021-23 Legislatively Approved Budget (LAB). It represents a 24.9 percent increase in General Fund from the 2021-23 LAB.

The Governor's budget maintains existing services for core programs while making significant investments in behavioral health, improving coverage and access to health care, protecting children at risk of harm, and supporting eligibility work for statewide programs. Additionally, the Governor's budget makes important investments in public health capacity aimed at reducing preventable deaths and disease, strengthening access to reproductive health care, and increasing capacity to respond to emerging issues. Most programming has statewide impact and some programs include funding across different state agencies. Key elements of the Governor's budget include:

Behavioral Health. The Governor's budget builds on the significant investments made in behavioral health in the 2021-23 biennium. Many of the 2021 funding supported new capacity and infrastructure, which is not yet operational. This budget holds steady on those investments. It also continues to strategically address gaps in services. The budget includes a substantial investment in the Oregon Health Authority (OHA) for behavioral health services, workforce, treatment and recovery facilities, and the Oregon State Hospital to prevent avoidable deaths related to behavioral health, to treat people in the community in order to avoid traumatic and costly interactions with law enforcement, acute care hospitals and the Oregon State Hospital, and to increase the capacity of the behavioral health workforce. In addition, funding provided to the Oregon Department of Human Services (ODHS) includes an investment to support capital infrastructure needs for Aging and People with Disabilities program providers serving individuals with behavioral health issues, as well as funding to support caregivers and parents with children in foster care.

Medicaid Waiver. The State of Oregon recently negotiated its 1115 Medicaid waiver, which leverages over one billion dollars in federal funding to prioritize and support attainable investments in health-related social needs like housing and nutrition supports, provide continuous eligibility for those under age 6, two-year continuous eligibility for those over age 6, make investments to improve tribal health, and provide targeted transition services for individuals returning to the community from carceral settings. The OHA, ODHS, and the Oregon Housing and Community Services agencies are jointly accountable for the successful implementation of the 1115 waiver and they must work with other agencies, local communities and organizations to develop a delivery system that centers the Oregonian who needs the services. The 1115 waiver implementation will require flexibility and a willingness to do things differently. Investments will support implementation costs, such as staffing and systems costs, to ensure benefits eligibility can be determined in a timely manner.

Healthier Oregon Program (HOP). Access to health care coverage is important for all Oregonians. This budget includes a Medicaid-like benefit to all Oregonians who would be eligible for Medicaid but for their federal immigration status. HOP benefits include health care, long-term services and supports for the aging population, and supports to people with physical or developmental disabilities. Investments include both program payments for services and funding for eligibility determinations. Payments for services are funded with General Fund only. Eligibility-related costs are funded with General Fund, along with a federal match. Most HOP services are funded through the OHA; however, the long-term services and supports for the aging population and physically or developmentally disabled people are paid by the ODHS. The eligibility work for HOP is performed within ODHS.

Continuity of Health Care Coverage: Continuity of health care coverage is a priority for the Governor and this budget recognizes ODHS's lead role in processing redeterminations once the federal public health emergency terminates. Approximately 1.4 million Oregonians will be served by ODHS within a very constrained timeframe. ODHS must focus on removing as many barriers as possible in the redetermination process so that Oregonians who qualify for continued coverage are able to maintain their coverage. The Governor's Recommended Budget prioritizes investments enabling the newly created Oregon Eligibility Partnership division to perform eligibility determinations and maintain the Oregon Eligibility (ONE) system. These investments include the establishment of over 440 positions to perform eligibility determinations (or redeterminations), implement the new 1115 Medicaid waiver, and support ongoing maintenance and operations work for the ONE system. The ONE system will provide eligibility processing for the Temporary Assistance for Needy Families (TANF), Employment Related Daycare (ERDC), long-term services and supports, Supplemental Nutrition Assistance Program (SNAP), and Medicaid programs.

Additionally, within OHA, the Governor's budget allows for the continued planning and program development for the Basic Health Plan, which would provide coverage for Oregonians with incomes between 138 and 200 percent of the federal poverty level. This program would create a more affordable coverage option for Oregonians who would otherwise lose Medicaid coverage during redeterminations and is an important component of coverage continuity. Further, the budget makes a \$25.0 million total funds investment in the Essential Worker Healthcare Trust to continue a program that provides affordable health insurance to lower-income health care workers in specific healthcare industries.

Protecting Oregon's Children. This budget provides enhanced resources to protect vulnerable children through targeted investments in ODHS, including a significant investment of General Fund to add additional staffing capacity to child protective services caseworkers, resources for legal representation of ODHS child protective service workers in legal proceedings statewide, and funding to increase foster care/resource parent rates to maintain provider stability.

Protecting Adults and People with Disability. The Governor's budget continues both the Adult and People with Disabilities (APD) and Intellectual and Developmental Disabilities (I/DD) programs' focus on prevention and community based care as an ongoing priority. ODHS plays a significant role in the safety and wellbeing of many vulnerable Oregonians and there must be a sustained focus and prioritization in adequately staffing safety related positions in ADP and I/DD. Within APD, the budget funds higher costs per case in areas impacted by rapid inflation, such as nursing facilities, and continues funding for rate increases that occurred in 2021-23. Within I/DD, cost per case increases were funded, along with additional resources to fully-fund the new rate model and payment categories for a full 24-month time period. Although not shown in the department's budget, the Governor's budget includes an investment to the Special Purpose Appropriation within the Emergency Fund for Personal Support Workers and Home Care Workers in APD and I/DD. This investment will provide funding for better wages for the workforce serving APD and I/DD clients. ODHS must focus on growing and supporting the Personal Support Workers and Home Care Workers and should take steps to actively remove barriers for the workforce and decrease reliance on contracts for this work.

Office of Resiliency and Emergency Management. ODHS has taken an increasingly prominent and important role in responding to disasters, such as wildfire response efforts. The budget includes funding to establish 48 positions in the Office of Resiliency and Emergency Management (OREM). OREM provides critical supports to disaster survivors, including emergency feeding, sheltering and case management services. In the past, OREM has primarily been funded with one-time investments; however, the Governor’s budget includes permanent positions to provide stability to the unit. OREM will work in collaboration with the Department of Emergency Management and other agencies as part of a strategic and coordinated approach to serving Oregonians.

Commission for the Blind

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$6,140,868	\$5,788,243	\$7,255,754
Lottery Funds	0	0	0
Other Funds	1,268,014	1,083,040	1,134,262
Federal Funds	16,379,029	17,994,237	18,809,642
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$23,787,911	\$24,865,520	\$27,199,658
Positions	66	69	66
Full-time Equivalent	65.96	66.42	66.00

OVERVIEW

The Commission for the Blind (OCB) was established in 1937, to provide services to Oregon’s citizens who experience vision loss and need specialized training and support to live full and productive lives. The commission includes seven members appointed by the Governor, four of which must be Oregonians who are legally blind. The other members represent employers, labor, optometrists, ophthalmologists, or educators of the blind. Programs provide vocational rehabilitation, independent living services, vendor management training, and assistance for licensed managers who are blind.

GOVERNOR’S BUDGET

The Governor’s budget for the Commission for the Blind is \$27.2 million total funds. This is a 9.4 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes 66 positions, which represents a decrease in three positions from the 2021-23 LAB. The Governor's budget continues funding for phase 2 of the IT Modernization project approved in the 2021-23 biennium and supports the transition of information technology services to the Department of Administrative Services (DAS) and the DAS State Data Center.

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 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, which 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. The Governor's budget for this program is \$5.8 million total funds and 19 positions.

Rehabilitative Services

The primary function of the Rehabilitation Services program is to develop and support Oregonians with vision loss to help achieve successful employment outcomes. The vocational rehabilitation activities support the development of a dynamic, resilient workforce by helping Oregonians who are blind gain and retain employment. The Rehabilitation Services program unit also operates a Summer Work Experience Program for pre-employment transition 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 \$13.8 million total funds and includes 23 positions.

Business Enterprises

The Business Enterprises (BE) 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 managers who are blind 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 budget for this program is \$1.9 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 facility is located in Portland, and individuals are referred by Vocational Rehabilitation Counselors. Assessment and training include adaptive technology, adjustment to blindness, Braille reading and writing, low vision aids and techniques, orientation, and mobility. The Governor's budget supports current operations and includes \$3.6 million total funds and 10 positions.

Independent Living Services

The Independent Living Services program 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 individuals with vision impairments needing less or no additional services/supports. The Governor's budget supports current operations and includes \$2.1 million total funds and nine positions.

Department of Human Services

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$3,637,247,990	\$4,807,184,398	\$5,343,817,382
Lottery Funds	0	0	0
Other Funds	751,048,822	942,725,953	1,022,662,167
Federal Funds	6,087,670,199	7,677,808,696	7,710,534,101
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	2,800,165,775	3,681,868,127	3,681,868,127
Total Funds	\$13,276,132,786	\$17,109,587,174	\$17,758,881,777
Positions	9,587	10,454	11,111
Full-time Equivalent	9,340.43	10,274.43	10,802.97

OVERVIEW

The mission of the Oregon Department of Human Services is to help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice, and preserve dignity. The department is responsible for the care of some of Oregon's children, families, people with intellectual and developmental disabilities, older adults, and individuals with physical disabilities. Additionally, the department 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, or after a disaster. Finally, the department makes eligibility determinations for a variety of programs, including the Oregon Health Plan, which impacts approximately one in three Oregonians.

GOVERNOR'S BUDGET

The Governor's budget for the department is \$17,758.9 million total funds, including \$5,343.8 million General Fund and 11,111 positions. This is a 3.8 percent total funds increase and an 11.2 percent General Fund increase from the 2021-23 Legislatively Approved Budget (LAB). This budget maintains existing programs providing services for Oregonians and families in need, while making targeted investments to support eligibility work, Child Welfare services and supports, an increase in foster care/resource parent rates, and emergency response staffing capacity.

The Governor's budget recognizes that the ODHS focus should be on effective, efficient and equitable implementation of current services, enhancing workplace support for their existing workforces and delivering on the core functions of the agency. The agency is instrumental in the implementation of a variety of benefits for Oregonians and there must be a continued focus on easing the burden for Oregonians accessing services and support for employees so that they can better deliver the services.

In Child Welfare, the Governor's budget maintains funding for core services and adds General Fund investments to establish over 200 positions, including Child Protective Services caseworkers and support staff, to address caseload and workload challenges. The budget also includes a General Fund investment to increase foster parent/resource family rates to recruit and retain providers to ensure children in the Child Welfare system receive appropriate placements in a timely manner. Finally, funding is provided to support services delivered by the Oregon Department of Justice for legal representation related to Child Welfare cases.

Continuity of health care coverage is a priority for the Governor and this budget recognizes the department's lead role in processing redeterminations once the federal public health emergency terminates. Approximately 1.4 million Oregonians will be served by ODHS within a very constrained timeframe.

The department must focus on removing as many barriers as possible in the redetermination process so Oregonians who qualify for continued coverage are able to maintain their coverage. The Governor's Recommended Budget prioritizes investments enabling the newly created Oregon Eligibility Partnership division to perform eligibility determinations and maintain the Oregon Eligibility (ONE) system. These investments include the establishment of over 440 positions to perform eligibility determinations (or redeterminations), implement the new 1115 Medicaid waiver, and support ongoing maintenance and operations work for the ONE system. The ONE system will provide eligibility processing for the Temporary Assistance for Needy Families (TANF), Employment Related Daycare (ERDC), long-term services and supports, Supplemental Nutrition Assistance Program (SNAP), and Medicaid programs.

The department has taken an increasingly prominent role in responding to disasters, such as wildfire response efforts. The budget includes funding to establish 48 positions in the Office of Resiliency and Emergency Management (OREM). OREM provides critical supports to disaster survivors, including emergency feeding, sheltering and case management services. In the past, OREM has primarily been funded with one-time investments; however, the Governor's budget includes permanent positions to provide stability to the unit.

The Governor's budget continues both the Adult and People with Disabilities (APD) and Intellectual and Developmental Disabilities (I/DD) programs' focus on prevention and community based care as an ongoing priority. The budget recognizes that ODHS plays a significant role in the safety and wellbeing of many vulnerable Oregonians and there must be a sustained focus and prioritization in adequately staffing APD and I/DD.

Within APD, the budget funds higher costs per case in areas impacted by rapid inflation, such as nursing facilities, and continues funding for rate increases that occurred in 2021-23. Within I/DD, cost per case increases were funded, along with additional resources to fully-fund the new rate model and payment categories for a full 24-month time period. Although not shown in the department's budget, the Governor's budget includes an investment to the Special Purpose Appropriation for Personal Support Workers and Home Care Workers in APD and I/DD. investment will provide funding for better wages for the workforce serving APD and I/DD clients. DHS should take meaningful steps to reduce its reliance on contracted workers in this area. The budget also funds the Healthier Oregon Program (HOP). HOP is a General Fund only program that expands the number of individuals eligible for

Oregon Health Plan benefits, long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

REVENUE SUMMARY

The federal government is a major partner in funding Human Services programs. Over 64 percent of the department's budget (including SNAP 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) rate, which changes annually and is not controlled by state policy. This greatly impacts the amount of General Fund needed to maintain programs. The standard FMAP rate will decrease from 60.3 percent in 2023-25 to 59.3 percent next biennium. However, for 2023-25, there are two other primary changes to the FMAP adjustment, including the expiration of the enhanced public health emergency FMAP rate and the expiration of the enhanced Home and Community Based Services FMAP rate approved for part of the 2021-23 biennium through the American Rescue Plan Act. The combined impact from these changes results in a need for an additional \$413.4 million General Fund in 2023-25. This assumes the wind down of the enhanced public health emergency FMAP rate in the first six months of 2023-25 as approved through the 2023 federal omnibus bill.

AGENCY PROGRAMS

Child Welfare Programs

Within Child Welfare, the department has the following 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. The department 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.
- *Child and Family 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 for 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 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 over 3,200 legislatively approved child welfare caseworkers across Oregon responding to reports of abuse and neglect and nearly 43,464 cases were referred for investigation in the 2021 federal fiscal year. The foster care system serves almost 8,387 children annually who have experienced abuse or neglect. The program also finalizes over 570 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, and analysis in Child Welfare.

The 2023-25 Governor’s Budget is \$1,592.8 million total funds (\$975.8 million General Fund). The budget maintains funding for core services and staffing and invests General Fund to fund permanent staffing positions, legal representation delivered through the Oregon Department of Justice and an increase in foster care/resource parent rates. The budget funds 3,609 positions.

Self-Sufficiency

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

- Supplemental Nutrition Assistance Program (SNAP);
- Temporary Assistance for Needy Families (TANF) and TANF related programs;
- Employment Related Day Care (provider payments only);
- Refugee Program; and
- Youth Services.

The department 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 people through more than 100 field and branch offices throughout the state. SNAP and TANF provide an economic lift and access to nutritious foods for households struggling due to low income. Also, the SNAP Employment and Training program assists people in gaining skills to 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 Early Learning and Care for the ERDC program. SNAP benefits are the single largest source and use of Federal Funds in the Self-Sufficiency programs. SNAP benefits are projected at \$3.7 billion for the 2023-25 biennium.

At \$4,697.0 million total funds (\$262.5 million General Fund), the Governor's budget maintains current eligibility, timelines, and benefit standards for Self-Sufficiency programs. If caseloads increase significantly, additional funding may be necessary to continue services at current eligibility and benefit levels. The budget includes a restructure of the eligibility unit previously included in the Self-Sufficiency Programs division. The Oregon Eligibility Partnership program has been created to separate eligibility workers, the ONE system, and supporting staff into its own operational division for operational efficiencies and transparency.

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.

General Fund supports 27 percent of this budget; Other Funds, seven percent; and Federal Funds, 66 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 state match, at a 21.3 percent state to 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 2023-25 Governor's Budget is \$148.1 million total funds (\$39.9 million General Fund) and funds 274 positions.

Oregon Eligibility Partnership

The new Oregon Eligibility Partnership (OEP) division performs eligibility determinations for multiple programs administered through the Oregon Health Authority and the department, including the Oregon Health Plan (OHP), TANF, SNAP, HOP, and ERDC programs. The purpose of the division is to streamline systems maintenance, workforce planning and training, communications with staff and providers, and to ensure greater transparency and fiscal control of eligibility work throughout the department. The division is primarily funded by transferring the eligibility-related positions and budget from the Self-Sufficiency Programs and the Aging and People with Disabilities divisions along with the Office of Integrated Eligibility budget and staffing from the Central Services division.

This budget is supported with 46 percent General Fund, one percent Other Funds, and 53 percent Federal Funds. The revenue supporting eligibility-related work is based on braided funding from a variety of sources, including federal grants. General Fund investments were made to support continued maintenance of the ONE system, implement the new 1115 Medicaid waiver, resolve a portion of the nonbudgeted positions for eligibility workers, and fund positions related to the HOP caseload. The 2023-25 Governor's Budget is \$803.9 million total funds (\$369.0 million General Fund) and funds 2,684 positions.

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.

Within APD, caseloads declined during the pandemic and remain below pre-pandemic growth patterns, in part due to consumer behavior as well as workforce challenges. The costs related to the complexity of patient acuity within the caseload continue to increase due to rate increases that occurred in the 2021-23 biennium and specific rate increases for nursing facilities are required to increase by a statutory formula based on provider costs. Although not shown in the department's budget, the Governor's budget also includes an investment to the Special Purpose Appropriation for Personal Support Workers and Home Care Workers in APD and I/DD. This investment will provide funding for better wages for the workforce serving APD and I/DD clients. The budget also includes \$4 million General Fund to support capital infrastructure needs for APD providers serving individuals with behavioral health issues. The budget funds the HOP caseload within APD and I/DD, which is projected to cost \$30.4 million General Fund between the two programs. HOP is a General Fund only program that expands the number of individuals eligible for Oregon Health Plan benefits, long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

The 2023-25 Governor's Budget for the Aging and People with Disabilities program is \$4,860.7 million total funds, a 1.0 percent decrease from the 2021-23 LAB. The budget funds 1,505 positions. The decrease is primarily due to the expiration of one-time Federal Funds and a technical adjustment to move the budget for 323 positions performing eligibility-related work from APD to OEP. This adjustment results in a total funds decrease of \$124.3 million to the APD budget.

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 focusing on individuals with I/DD living in the community and having the best quality of life at any age.

Oregon home and community-based services for people with I/DD are provided under several Medicaid authorities including Community First Choice Option, also known as the K-Plan; and five federal 1915c waiver programs. Supports provided under the K-Plan are services such as attendant services supporting 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 a six percent increased federal participation rate in those programs.

The Stabilization and Crisis Unit is also within I/DD and serves as a safety net resource for individuals with no other option for a residential bed, due to significant intellectual and developmental disability or mental health challenges. This includes people with developmental disabilities coming out of crisis situations, including hospitals, correctional systems, and private providers who cannot meet the needs of the individual to ensure their health and safety.

The budget fully funds the new rate model for the entire 24-month period of the biennium, using the new service groups based on the Oregon Needs Assessment and new rate model payment categories. The budget also includes funding for staffing and to secure a case management system, a universal provider portal, and a robust agency provider system to improve provider reporting capabilities and to replace the state's antiquated system. These projects obtain a 90 percent federal match rate. The I/DD budget includes funding for two positions for cross-systems coordination with Child Welfare and other systems to ensure optimal services to parents with I/DD whose children receive services from Child Welfare and children with I/DD involved in the Child Welfare system. Finally, the I/DD budget includes funding and positions authority for the Model Employer Program by funding a dedicated pool of positions within the Office of Developmental Disabilities Services to facilitate the hiring of people with I/DD throughout the department.

The 2023-25 Governor's Budget for the Intellectual and Developmental Disability program is \$4,632.2 million total funds, a 9.4 percent increase from the 2021-23 LAB. The budget funds 1,005 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 Services also includes the Office of Equity and Multicultural Services, the Office of Human Resources, the department's Budget, Planning, and Analysis Office, the Public Affairs Office, and the Office of Resiliency and Emergency Management, among others. These offices provide essential business supports to programs within the department.

The 2023-25 Governor's Budget for Central Services is \$113.7 million total funds, a 70.3 percent decrease from the 2021-23 LAB. The large decrease is due to transferring the budget for the ONE eligibility system and support staff to the newly created Oregon Eligibility Partnership division. The budget includes an investment in the Office of Resiliency and Emergency Management to provide permanent staffing capacity to support future disaster response and planning work. The budget funds 348 positions.

Shared Services

A number of support functions, including information technology, financial services, budget, facilities, and procurement are designated as shared services. Some of these functions are housed in the Oregon Health Authority (OHA) and some in the Oregon Department of Human Services, 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 the department and OHA for purchased services.

The department's Shared Services budget includes Shared Services Administration, which includes the following: Office of Forecasting, Research and Analysis; Office of Financial Services; the Background Check Unit; Office of Facilities Management; Office of Contracts and Procurement, and others. Funding for Shared Services is included in the Shared Services Special Payments portion of the Statewide and Enterprise-wide Costs budget. The 2023-25 Governor's Budget is \$180.1 million Other Funds and supports 729 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 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 2023-25 Governor's Budget for SAEC is \$730.5 million total funds, an 11.2 percent increase from the 2021-23 LAB.

Oregon Health Authority

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$2,412,898,628	\$3,804,926,153	\$5,415,491,546
Lottery Funds	17,296,110	19,670,002	26,543,282
Other Funds	7,925,747,798	10,649,713,259	9,955,926,721
Federal Funds	13,604,325,358	17,755,701,472	18,947,632,456
Other Funds (Nonlimited)	265,902,399	40,000,000	40,000,000
Federal Funds (Nonlimited)	58,607,977	102,729,051	102,729,051
Total Funds	\$24,284,778,270	\$32,372,739,937	\$34,488,323,056
Positions	4,394	5,225	5,829
Full-time Equivalent	4,300.20	5,066.39	5,516.50

OVERVIEW

The Oregon Health Authority (OHA) serves Oregonians through the following programs: Oregon Health Plan, Non-Medicaid Behavioral Health, Oregon State Hospital, Public Health, Health Policy and Analytics, Public Employees' Benefit Board (PEBB), and the Oregon Educators Benefit Board (OEBB). Through these programs, the OHA budget directly impacts a significant portion of Oregon's population:

- Approximately 1.7 million individuals receive health care coverage through the Oregon Health Plan, the Oregon Health Insurance Marketplace, PEBB and OEBB;
- Over 50,000 Oregonians receive behavioral health support and treatment services through local community mental health and substance use disorder programs;
- Approximately 600 individuals at a time 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.

GOVERNOR'S BUDGET

The 2023-25 Governor's Budget for OHA totals \$34,488.3 million, which represents a 6.5 percent increase from the 2021-23 Legislatively Approved Budget. The General Fund budget is \$5,415.5 million and represents a 42.3 percent increase from 2021-23. The budget supports 5,829 positions.

The Governor's Recommended Budget aims to improve the health and well-being of Oregonians, maintaining coverage gains achieved during the last two years, and making targeted investments to expand healthcare coverage statewide while increasing access to a full range of health care services. It prioritizes the need to immediately stabilize, strengthen and expand critical health care and public health capabilities while implementing new reforms that will serve Oregonians better, and help Oregon families thrive.

The OHA budget recognizes that OHA’s operations, policies and practices should be rooted in addressing racial and other health disparities and that health equity should continue to be a guiding framework underpinning all of the Agency work. Additionally, the budget recognizes the importance of community-level needs identification and community-level solutions to make progress in achieving health equity. The budget proposes a statewide expansion of Regional Health Equity Coalitions, maintains funding for community-based partnerships, allocates funds to center health equity throughout statewide public health infrastructure, and makes meaningful investments in state infrastructure to support ongoing accountability for this goal.

THE OREGON HEALTH PLAN:

Over 1.4 million Oregonians are enrolled in the Oregon Health Plan. The estimated uninsured rate has declined from 6 percent pre-pandemic to an all-time low of 4.6 percent and has reduced coverage disparities for Black Oregonians. This is in part due to the federal public health emergency’s pause on redeterminations, the process by which OHA determines if someone meets criteria for Medicaid coverage. With the end of the public health emergency, OHA will need to redetermine coverage for approximately 1.4 million Oregonians. This requires significant collaboration between OHA and DHS and there must be a concentrated focus on ensuring that the process is as smooth and simple as possible for Oregonians. . Once complete, the state estimates that approximately 300,000 Oregonians – seven percent of the state’s population – will lose Medicaid benefits due to exceeding income limits, administrative barriers, and other reasons that make them ineligible.

These challenges are real, but they pose an opportunity for the state. The Governor’s budget endeavors to adequately support OHA in meeting the urgency of the moment.

To support continuity of care and the gains made in coverage, the budget reduces administrative barriers by investing in continuous eligibility for adults and children, funds ongoing planning for the Basic Health Program, and expands health care coverage for Oregonians who would be eligible for Medicaid if not for their federal immigration status.

The budget also continues significant investments to support Oregonians experiencing mental health and substance use disorders and makes targeted service expansions, workforce, and infrastructure investments to address the state’s needs. The budget stabilizes the public health system amid federal funding withdrawal, proposing the largest investment in public health modernization to date. This investment will maintain most investments made over the pandemic and expand new partnerships with community-based organizations.

The budget recognizes the multiple crises facing communities and individuals by calling for renewed coordination across agencies to deliver on the vision of the 1115 Medicaid Waiver. These new investments will work to tackle the root causes of health disparities and the intersectionality of challenges Oregonians face, whether it’s maintaining a warm, safe place to call home, mitigating the effects of a changing climate, or supporting the success of formally incarcerated Oregonians through enhanced transition services.

Behavioral Health / Mental Health and Substance Use Disorders

The Governor’s Budget builds on the significant investments made in behavioral health in the 2021-23 biennium. Many of the 2021 investments supported new capacity and infrastructure which is not yet operational. This budget holds steady on those investments. It also continues to strategically invest by

addressing gaps in services. The budget includes a substantial investment in behavioral health services, workforce, treatment and recovery facilities, and the Oregon State Hospital to prevent avoidable deaths related to behavioral health, to treat people in the community in order to avoid traumatic and costly interactions with law enforcement, acute care hospitals and the Oregon State Hospital, and to increase the capacity of the behavioral health workforce.

- *Maintaining Existing Investments* – The Governor’s budget maintains \$1.2 billion invested by the Legislature in 2021 and 2022, to improve services in the behavioral health system.
- *Civil Commitment and Jail Diversion Services* - \$14.9 million General Fund for a team at OHA to improve civil commitment services, to expand jail diversion services to counties currently without it, and to fund enhanced services for patients in the civil commitment process before they are committed.
- *Oregon State Hospital Stabilization* - \$34.5 million General Fund to fund a sustainable 24/7 staffing model at the Oregon State Hospital, \$4.2 million General Fund for the care of patients with complex psychiatric needs, \$3.5 million General Fund for a dedicated health equity team for Oregon State Hospital staff, and \$10.0 million General Fund to provide Evidence-Based transition case management for patients who are leaving OSH houseless.
- *Harm Reduction Clearinghouse* - \$40.0 million request from recent opioid settlements to continue support of the harm reduction clearinghouse to reduce preventable deaths associated with opioid use.
- *Behavioral Health Crisis Line* - \$18.6 million in additional funding to support the 988 behavioral health crisis line, along with a legislative concept to require commercial payers to reimburse for mobile crisis services, and a \$0.40 per line per month charge on phone lines to support 988 crisis intervention.
- *Suicide Prevention / Intervention Services* - \$7.7 million General Fund to expand the child and adult suicide prevention, intervention and postvention program to reduce suicide in Oregon.
- *Behavioral Health Facility Investments* - \$100 million Lottery Bond proceeds to expand acute psychiatric facilities in the community, \$15 million General Fund for substance use disorder facilities and recovery centers, and \$2.3 million for additional children’s psychiatric residential treatment capacity.
- *Oregon Behavioral Health Coordination Center* - \$1.5 million General Fund to coordinate the availability of behavioral health residential beds statewide.
- *Children and Youth Services* - \$11.5 million General Fund to support the expansion of behavioral rehabilitation services to all Medicaid clients who need it, to support the expansion of service hubs for transition aged-youth, and for targeted investments in the workforce for additional child psychiatrists and developmental pediatricians.

- *Workforce Incentives* - \$20 million General Fund, nearly doubling the OHA's Health Care Provider Incentive Program, with a priority to increase Oregon's behavioral health workforce and to continue to recruit and retain diverse health care providers and attract providers in underserved areas.

Improved Coverage and Access to Care

The Governor's budget includes significant investments to improve health coverage and benefits for Oregonians and to reduce administrative barriers causing people to lose coverage.

- *Medicaid Waiver* - \$128.8 million General Fund and \$847.1 million Federal Funds for OHA's recently negotiated 1115 Medicaid waiver, which will prioritize and support attainable investments in health-related social needs like housing and nutrition supports, provide continuous eligibility for those under age 6, two-year continuous eligibility for those over age 6, assist Oregonians in their transition back from carceral setting to the community, and make investments to improve tribal health, and provide targeted transition services for individuals returning to the community from carceral settings.
- *Healthier Oregon Program* - \$500 million General Fund, which provides a Medicaid-like benefit to all Oregonians who would be eligible for Medicaid but for their federal immigration status.
- *Essential Worker Healthcare Trust* - \$25 million total funds to continue state and federal support for a program to provide health insurance to lower-income health care workers in specific healthcare industries. This program reduces out-of-pocket costs and increases the standard for total compensation in this sector.
- *Fee-For-Service Dental Rate Increase* - \$1.5 million General Fund to increase access to dental services by bringing fee-for-services rates closer to Coordinated Care Organization rates. The indirect impact of this change could be significant, by making Medicaid more attractive to provider networks and improving access to dental health care. .
- *Basic Health Plan* - \$3.0 million General Fund for OHA to continue planning and program development for the pursuit of the Basic Health Plan, which would provide coverage for Oregonians with incomes between 138 and 200 percent of the federal poverty level. This program would create a more affordable coverage option for Oregonians who would otherwise lose Medicaid coverage during redeterminations and is an important component of coverage continuity.

Public Health

The Governor's budget makes important investments in public health capacity aimed at reducing preventable deaths and disease, strengthening access to reproductive health care, and increasing capacity to respond to emerging issues.

- *Public Health Modernization* –\$50.0 million General Fund to sustain public health capacity to respond to emerging needs for local public health authorities, tribal governments, reproductive health providers, and community-based organizations, all to help modernize the state's public health system. This investment includes \$3.4 million to support enhanced access to reproductive health

care across the state by increasing opportunities to support the health care workforce, reducing administrative barriers to participation in public programs, and improving and standardizing reproductive health reimbursement rates across OHA programs. This investment also funds the development of a statewide public health system plan to maximize upstream investments to address disparities for BIPOC and rural Oregonians.

- *Universally Offered Home Visiting* –\$5.9 million General Fund to fund the full statewide expansion of the Universally Offered Home Visiting program for families with newborns so all parents have access to critical services, skills, and additional resources supporting healthy families.
- *Lower Umatilla Basin Groundwater Mitigation* –\$3.0 million General Fund to address drinking water contamination in the lower Umatilla basin, paying for outreach, coordination, domestic well testing, and water treatment systems for affected households, as well as providing funding for statewide infrastructure for the drinking water safety program at OHA.
- *Environmental Public Health* - \$1.0 million General Fund for a study to investigate the consumption of contaminated fish in Oregon, \$0.2 million General Fund for a position focused on mapping for the Environmental Justice Council, and \$0.1 million for an environmental public health inspector for Curry County.
- *Personal Protective Equipment (PPE) Stockpile* – \$1.0 million General Fund to continue support for OHA’s stockpile of personal protective equipment, vaccines and vaccine kits, tests and testing supplies, and other medical equipment for use in response to a major disaster or public health emergency.
- *Emergent Public Health Issues* - \$1.0 million General Fund for an investigation of contaminated fish consumption in the Lower Columbia basin, \$0.2 million General Fund for environmental justice data mapping work, and \$0.1 million General Fund to support a public health investigator position in Curry County.
- *Psilocybin Regulation* - \$6.6 million Other Funds from revenues to provide program development, regulatory oversight, and consumer protection related to the use of psilocybin.

Infrastructure and Capacity

In addition to programmatic investments to address priority issues statewide, the Governor’s budget makes investments in OHA’s core operating capacity needed to support the programs and services offered by the agency. These investments include foundational components needed to improve health equity capacity, accountability, and consumer protections.

- *Office of Equity and Inclusion* – The Governor’s budget invests \$5.0 million General Fund to expand OHA’s Office of Equity and Inclusion to create a Strategic Action Team within OHA to ensure health equity principles are upheld in major new initiatives and to provide additional staff in the diversity, inclusion, training, civil rights, and universal accessibility programs. Part of this work will include driving efficiencies in how the agency engages community partners.

- *Regional Health Equity Coalition Expansion* –\$2.1 million to add five additional Regional Health Equity Coalitions to areas of the state not currently covered by one to build on community-level strengths and capacity to identify solutions to increase health equity.
- *REALD and SOGI Implementation* - \$12.7 million General Fund to support a core IT investment needed to achieve OHA’s health equity goals. The REALD and SOGI project would collect demographic data on client’s race, ethnicity, language disability status, sexual orientation, and gender identity to ensure health systems are serving all Oregonians.
- *Health Care Market Oversight* - \$1.2 million General Fund to continue oversight of healthcare mergers and acquisitions to ensure Oregon’s goals for affordability, access, equity, and better care are supported.
- *State-Based Marketplace Platform* - \$2.1 million Other Funds to begin planning for an IT project to replace the existing federal technology platform used to operate the state’s Health Insurance Marketplace with a state-based platform. Operating a state-based platform may improve the consumer experience and offer the state additional policy options to address coverage and affordability issues and accountability for efforts to reduce health disparities on the commercial market.
- *Payment System Replacement* - \$2.0 million General Fund to replace the end-of-life payment system used by OHA and the Oregon Department of Human Services, ensuring vendors continue to be paid in a timely fashion for services provided to Oregonians.

REVENUE SUMMARY

The General Fund supports 15.7 percent of OHA’s budget. Approximately 55.0 percent of the budget is supported with Federal Funds, of which a significant portion represents federal Medicaid dollars matched with state funds. 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.

The remainder of the budget is primarily supported by Other Funds revenues, including taxes on health care providers, coordinated care organizations, and insurers to support the Oregon Health Plan, tobacco taxes, the beer and wine tax, the marijuana tax, the national Tobacco Master Settlement Agreement, and fees related to health care regulatory functions. Lottery Funds support gambling addiction treatment programs and behavioral health and dental services for veterans.

The OHSU intergovernmental transfer (IGT) program established in 2017-19 also provides revenue to support the state’s Medicaid budget. This relationship with the state acknowledges OHSU’s role as the state’s only public academic health center and as a critical corner to Oregon’s safety net network. The Governor’s Request Budget proposes to hold harmless the Intergovernmental Transfer Agreement rate to support the state’s Medicaid program and OHSU’s academic and public mission. OHSU has a unique opportunity to contribute to the stabilization of Oregon’s behavioral health care system. OHSU should prioritize stabilizing and growing the state’s training of advanced practice behavioral health workforce with a special focus on adolescent needs within IGT funding, including:

- Investing in evidence-based education and workforce pathway programs statewide to support the growth and diversification of Oregon's provider workforce.
- Increasing opportunities for learning through technology to reach rural and frontier communities.
- Increasing academic capacity to support training and specialization of child developmental pediatricians, psychiatric nurse practitioners, and other providers with emphasis on child behavioral health needs.
- Expanding child development and rehabilitation services.
- Increasing opportunities for clinical training.
- Increasing nurse faculty and clinical academic teaching capacity.

The Governor's Budget also proposes that OHSU enter into a funding agreement with the Oregon Health Authority to support access to hospital services for Oregonians across the state through the Oregon Medical Coordination Center.

AGENCY PROGRAMS

Health Systems Division

The Health Systems Division supports better health and better care through administration of the Medicaid program and non-Medicaid behavioral health services to improve the long-term health outcomes for Oregonians. The division's budget includes the Medicaid, Non-Medicaid, and Program Support and Administration 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 adults with low income and children. In 2023-25, an average of approximately 1.3 million individuals are projected to gain or retain Medicaid coverage in Oregon.

Most of Oregon's Medicaid population is served through managed care organizations called 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. Non-Medicaid behavioral health services include community mental health programs, alcohol, drug and gambling addiction treatment, social support services not included in the Medicaid benefit package, such as outreach and peer-based recovery,

and the Behavioral Health Resource Networks created by Measure 110.

The Health Systems Division budget, including Medicaid, Non-Medicaid Behavioral Health, and related administration, totals \$26,882.3 million, which represents an 11.4 percent increase from the 2021-23 LAB. The recommended General Fund budget is \$3,990.5 million, which represents a 42.1 percent increase from 2021-23. The increased level of funding is a result of increased caseload, as well as investments for the expansion of the Healthier Oregon Program, investments in behavioral health discussed in greater detail above, investments in implementing OHA's 1115 Medicaid waiver to address health-related social needs and provide continuous eligibility for Medicaid members. The budget includes savings to recognize cost reduction in the Medicaid program from downward trends in utilization in 2023, and savings related to reducing Medicaid inflation from 3.4 percent per year in 2023-25 to 2.4 percent in 2024 and 3.0 percent in 2025, and the truing up of the ongoing cost for operating the residential bed investment in 2021-23 on an ongoing basis. The proposed reduction in Medicaid inflation in 2023-2025 is based on continued projected underutilization throughout redeterminations. The proposed inflation reduction should not result in provider rate reductions and OHA should continue to focus on ensuring access for Oregonians to needed care. Additionally, based on anticipated underutilization trends, the budget anticipates the Healthier Oregon Program limiting costs to an estimated \$500 million. Savings also come from using Other Funds and Federal Funds revenues, including from the temporarily enhanced federal match, an adjustment to OHA's base federal match rate due to federal revenues coming in higher than trend, transfers from the Health Systems Fund and Tobacco Master Settlement Fund, and from the proposed establishment of a charge on phone lines to fund 988 at \$0.40 per line per month.

Health Policy and Analytics

Health Policy and Analytics (HPA) Division 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 OEBC, which are operationally situated in HPA but have separate budget structures.

The Governor's budget for HPA totals \$230.2 million, which represents a 30.2 percent increase from the 2021-23 LAB. The General Fund budget is \$87.8 million, which represents an 11.1 percent increase from 2021-23. Investments in the Governor's budget include incentives to increase the diversity of the behavioral health workforce, funding to administer OHA's new Medicaid waiver, funding to continue planning for the Basic Health Plan, funding to continue the Healthcare Market Oversight program, funding for a replacement benefit management system for PEBB and OEBC, and funding for project planning to implement a state-based health insurance marketplace technology platform.

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 approximately 140,000 Oregonians. In 2006, PEBB moved toward self-insurance, which gives the board more flexibility in plan design to meet specific goals and 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.

The Governor’s budget for PEBB is \$2,488.2 million, which represents a 6.9 percent increase from the 2021-23 LAB and includes a fund sweep of \$90 million from the Public Employee Reserve Fund to the General Fund and the cost to PEBB of implementing a legislative concept requiring commercial insurers to pay for mobile crisis behavioral health services.

Oregon Educators Benefit Board (OEBB)

OEBB designs and administers medical, dental, vision, and other benefits for approximately 150,000 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 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.

The OEBB budget is funded entirely by Other Funds revenue from members’ premium payments. The Governor’s budget for OEBB is \$1,994.5 million, which represents a 5.7 percent increase from the 2021-23 LAB. The budget includes the cost of implementing a legislative concept requiring commercial insurers to pay for mobile crisis behavioral health services.

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 determinants of health, and by working to ensure 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, community based organizations, and other partners. Public Health operates some programs directly and funds and coordinates other programs through local health departments and community-based organizations 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 General Fund in the Governor’s budget for Public Health is \$232.7 million, which represents a 15.7 percent increase from 2021-23. The total funds budget is \$1,342.6 million which represents a 44.4 percent decrease from the 2021-23 LAB, largely the result of one-time funds to support vaccination and pandemic response efforts in 2021-23. The budget supports the Governor’s investments in Public Health Modernization, in continuing the statewide expansion in Universally Offered Home Visiting, in

personal protective equipment and medical supply management, in addressing drinking water contamination and well testing, in investigating contaminated fish consumption, in environmental justice mapping, in a public health inspector position for Curry County, and in suicide prevention work to be performed in coordination with the Health Systems Division.

Oregon State Hospital

The Oregon State Hospital (OSH) serves as an integral part of the statewide behavioral health system by providing inpatient 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 communities. State Hospital patients are predominantly referred from the criminal justice system, with the aid and assist population more than doubling over the past eight years. OSH's campuses have the capacity to serve up to 743 individuals, with 592 beds in Salem, 151 beds in Junction City, and 16 beds at a secure residential treatment facility in Pendleton. OSH services include 24-hour on-site nursing, psychiatric treatment, pharmacy, laboratory, food and nutritional services, and vocational and educational services.

The 2023-25 Governor's Budget for OSH totals \$814.0 million, which represents a 6.6 percent increase from the 2021-23 LAB. The Governor's budget makes new investments to sustainably staff the Oregon State Hospital as a 24/7 facility. To do this, the budget increases total worker capacity within the State Hospital, establishes a complex case management unit, and supports Oregon State Hospital employees through a worker-focused equity unit.

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, member support teams, Ombudsperson, 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 with diverse communities to eliminate health inequities and promote optimal health in Oregon.

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 \$126.2 million, which represents a 25.1 percent increase from the 2021-23 Legislatively Approved Budget. The General Fund budget is \$95.2 million, which represents a 24.2 percent increase from the 2021-23 LAB. Investments in the Governor's budget include increased staffing for the Office of Equity and Inclusion, funding for an IT system to capture demographic data in order to further OHA's health equity goals,

and expansion of the Regional Health Equity Coalition program.

Shared Services

Shared Services supports certain business functions for both the Oregon Department of Human Services and OHA under a joint governance agreement. Shared Services contains the Office of Information Services and the Information Security and Privacy Office. The Office of Information Services provides information technology systems and services for staff at numerous locations across the state. The Information Security and Privacy Office 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.

Shared Services is funded entirely by Other Funds transferred from different OHA and Oregon Department of Human Services programs through a federally approved cost allocation plan. The 2023-25 Governor's Budget for Shared Services totals \$233.3 million, which represents a 4.7 percent increase from the 2021-23 LAB and includes an investment to replace the OHA's mainframe payment system and to support project planning to create a state-based health insurance marketplace technology platform.

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 \$369.2 million, which represents an 8.7 percent increase from the 2021-23 LAB. The General Fund budget is \$264.7 million, which represents a 6.3 percent increase from the 2021-23 Legislatively Approved Budget. Increased investments for the division include debt service and cost of issuance for new bond projects at the Oregon State Hospital.

Capital Construction

The Capital Construction Division accounts for capital construction projects at the Oregon State Hospital. The Capital Construction Division is funded with the sales of bond proceeds during the 2023-25 biennium at \$8.0 million Other Funds, a 0.1 percent increase from the 2021-23 LAB. The Governor's budget funds projects at the Oregon State Hospital to renovate space to house patients with complex treatment needs and to replace the programmable logic controller system which controls security at OSH.

Long Term Care Ombudsman

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$7,496,334	\$11,164,278	\$11,934,035
Lottery Funds	0	0	0
Other Funds	930,428	1,166,468	903,651
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,426,762	\$12,330,746	\$12,837,686
Positions	30	36	36
Full-time Equivalent	29.14	35.50	35.50

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. LTCO professional staff provides technical support and training for the volunteers. The staff also monitors facilities and responds to complex resident problems.

In addition to long-term care facilities, LTCO established the Residential Facilities Ombudsman Program (RFO) in 2014. 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.

LTCO also provides public guardian and conservator services for persons lacking the financial resources to obtain a private guardian or conservator and who do not have relatives or friends willing or able to serve as guardians and conservators. The Oregon Public Guardian program (OPG) 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 maintains stable funding for core services and personnel by meeting the Current Service Level (CSL) needs of the agency. Due to positions being added in 2019-21 and 2021-

23, the agency has 10.00 FTE more than it did just a few years ago, helping to provide more services to more Oregonians. The budget is \$12.8 million total funds and includes resources to support 36 positions.

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 Oregon 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 approximately 150 volunteers who work in communities in which they live. The RFO program works to address the needs of residents of care facilities who have mental illness, intellectual or developmental disabilities. The budget for this program is \$8.4 million total funds and supports 24 positions.

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. The capacity of the OPG program was roughly doubled in the 2021-23 biennium with the addition of six positions, allowing the agency to serve more vulnerable Oregonians in need of assistance. The budget for this program is \$4.5 million General Fund and supports 12 positions.

Psychiatric Security Review Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$3,068,294	\$4,082,379	\$4,389,679
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	\$3,068,294	\$4,082,379	\$4,389,679
Positions	11	12	13
Full-time Equivalent	11.00	12.00	13.00

OVERVIEW

The Psychiatric Security Review Board (PSRB) works to protect the public by supervising people who are found guilty except for insanity in criminal defense proceedings or who are civilly committed and under the jurisdiction of PSRB. The board monitors individuals under its jurisdiction, ensures protection for the public, holds hearings, helps clients safely reintegrate into communities, and communicates with crime victims. The board administers a process to review and possibly restore ownership rights for individuals who had their right to own a firearm removed due to a mental health determination and also conducts risk-based evaluations of sex offenders.

PSRB partners with other agencies to ensure people under its jurisdiction receive the necessary services and support to reduce the risk of future dangerous behavior. Treatment decisions for adults and juveniles under PSRB's supervision are made by separate five-member boards with expertise related to each age group.

GOVERNOR'S BUDGET

The Governor's Budget for the Psychiatric Security Review Board is \$4.4 million total funds, which represents a 7.5 percent increase from the 2021-23 Legislatively Approved Budget. Funding was added to transition the agency's information technology support to DAS IT and to add a position to manage the board's databases, provide technical support, and ensure PSRB maintains compliance with statewide security and data standards. The budget supports 13 positions.

REVENUE SUMMARY

The Board's sole source of revenue is General Fund.

PUBLIC SAFETY AGENCIES

Public Safety Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$2,786,721,584	\$2,327,189,797	\$3,298,848,619
Lottery Funds	7,962,547	11,896,660	11,165,142
Other Funds	885,267,671	2,295,545,630	1,186,972,027
Federal Funds	949,914,952	1,434,276,916	1,480,772,725
Other Funds (Nonlimited)	250,419,402	0	0
Federal Funds (Nonlimited)	242,755	0	0
Total Funds	\$4,880,528,911	\$6,068,909,003	\$5,977,758,513
Positions	9,372	9,629	9,813
Full-time Equivalent	9,179.21	9,378.21	9,626.09

OVERVIEW

The agencies within the Public Safety program area are responsible for ensuring the public safety of Oregon’s people, property, and natural resources. Oregon’s public safety agencies serve the people of Oregon through the work of: training public safety professionals, investigating and prosecuting crimes; preparing for and responding to emergencies, natural disasters, and wildfires; house and providing services for juveniles and adults convicted of crimes; providing re-entry and re-integration services for individuals released from custody; setting and enforcing the conditions of probation, parole, and post-prison supervision for individuals; and collecting, analyzing and disseminating data to inform public policy decision making on criminal justice.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The 2023-25 Governor’s budget for the Public Safety agencies is \$5.977.8 million total funds, a 2.0 percent decrease from the 2021-23 Legislatively Approved Budget.

The Governor’s budget ensures sufficient funding for ongoing operations while making investments in programs that reduce recidivism, divert people from the prison system, and reintegrate people into their communities. In addition, the Governor’s public safety budget addresses the need for the state to prepare for natural disasters through additional funding for emergency management and wildfire risk reduction.

LAW ENFORCEMENT

During the 2023-25 biennium, the Governor's budget provides for the following:

- Recognizing the increased demand for basic police courses, in the Department of Public Safety Standards and Training, the budget supports 20 basic police courses, which is the maximum number the academy can currently accommodate. Additionally, the budget includes funding to develop and deliver an online training on the implementation of Ballot Measure 110.
- Enabling the Board of Parole and Post-Prison Supervision to provide hearings for adults incarcerated for crimes committed when they were juveniles and to add staff positions to strengthen victims' services.
- Provides additional funding for the Department of Justice's efforts to investigate and prosecute internet crimes against children, to prosecute gun violence, to defend state agencies against litigation, and staff its civil rights division.
- Continues bond funding for the construction of the Oregon State Police's new forensic laboratory, medical examiner's office, and command center at Springfield, and provides funding to replace outdated safety equipment for sworn officers. The budget also recognizes the reality of the challenges to recruitment and retention of State Police and increases vacancy savings and reduces funding for vehicle replacement accordingly, and the expectation is that State Police should continue a sustained focus on recruitment and retention.

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

The safety of Oregonians is enhanced by the reduction of crime through incarceration and rehabilitation of individuals interacting with public safety system. The Governor's budget continues to invest in evidence-based programs to reduce recidivism and divert adults who are in custody from prison, while also providing resources to address needed repairs and upgrades to facilities.

- The Governor's budget supports the continuation of the Justice Reinvestment Initiative, administered by the Criminal Justice Commission. This grant program provides funding for community-based initiatives designed to decrease prison admissions and population and also reduce recidivism. In addition, the budget allocates funding for the Restorative Justice Grant program. Previously given one-time funding, this program is intended to create programs that focus on the rehabilitation of individuals through reconciliation with victims and with their communities.
- The Governor's budget provides funding for the Oregon Youth Authority (OYA) to have lower staff-to-youth ratio in their youth correctional facilities in order to promote safer environments and better outcomes for the youth in custody. The budget also strengthens OYA's Diversity, Equity and Inclusion efforts by funding new staff positions for DEI-focused contracting, procurement, and human resources. Finally, bond funding is provided for the continuation of renovation and renewal projects at facilities throughout the state, a new school and vocational center at Oak Creek Youth Correctional Facility, and the next stage of implementing the modernization of the Juvenile Justice Information System.

- The Department of Corrections budget includes funding for an expected increase in adults in custody in the next biennium. The Governor’s budget also invests in the establishment of new substance use disorder programs at two correctional institutions and provides bond funding for much-needed capital improvement projects throughout the system. The budget also recognizes the ongoing difficulties with recruiting, hiring, and retaining correctional staff and while there are vacancy savings reductions included in the budget reflecting this reality, the expectation is that the department should maintain a sustained ongoing focus on recruiting and retaining front-line staff.

EMERGENCY PREPAREDNESS

The Oregon Military Department assists with natural disasters, emergencies, and overseas deployments. The Governor’s Budget provides necessary state funding to continue the Oregon Youth Challenge Program, a National Guard high school program for at-risk youth.

The Governor’s budget supports two newly independent agencies, the Oregon Department of Emergency Management (ODEM) and the Department of the State Fire Marshal (DSFM), with investments in expanded staff capacity at each agency. The budget also provides funding for an upgraded Emergency Coordination Center for ODEM and makes an investment of \$40 million in DSFM for Community Wildfire Risk Reduction programs.

Department of Corrections

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$1,917,054,868	\$1,108,497,939	\$2,046,404,280
Lottery Funds	0	0	0
Other Funds	96,222,527	1,100,946,425	183,800,887
Federal Funds	2,629,078	4,734,976	300,000
Other Funds (Nonlimited)	214,566,936	0	0
Federal Funds (Nonlimited)	242,755	0	0
Total Funds	\$2,230,716,164	\$2,214,179,340	\$2,230,505,167
Positions	4,718	4,791	4,806
Full-time Equivalent	4,690.24	4,691.44	4,748.36

OVERVIEW

The Department of Corrections (DOC) manages adults in custody for felony offenses who are sentenced to more than 12 months of incarceration by the courts. The department is responsible for the security, housing, care, and treatment of Oregon's adults in custody and for utilizing all available resources to reduce recidivism and transition adults in custody back to our communities as good neighbors. The agency is comprised of nine program areas collectively designed to provide operations of Oregon's correctional facilities, health care services for those in custody, administration of the agency, facilities maintenance, and support and partnership for community corrections, among other functions.

GOVERNOR'S BUDGET

The Governor's budget for DOC is \$2,230.5 million total funds and 4,806 positions. This represents an increase of less than one percent from the 2021-23 Legislatively Approved Budget. This essentially flat budget reflects investments in new substance use disorder programs and a projected increase in the prison population in the next biennium. The budget recognizes the ongoing difficulties with recruiting, hiring, and retaining correctional staff and while there are vacancy savings reductions that reflect this reality, the expectation is that the Department should maintain a sustained ongoing focus on recruiting and retaining front-line staff.

The Governor's budget proposes:

- New substance use disorder programs at Snake River Correctional Institution and the Oregon State Penitentiary;
- Bond-supported projects including the installation of new camera systems at close custody facilities across the state, new wireless communications systems, the construction of a transport center for the movement of adults in custody between facilities, and a significant number of deferred maintenance and capital improvement projects;

- Continued implementation of and operational funding for an Electronic Health Records system; and
- Increased pharmacy staffing.

REVENUE SUMMARY

General Fund makes up 93.8 percent of the department’s revenue. Other Funds comprise approximately 6.2 percent of the budget and come primarily from adult in custody work crews and sales programs, commissary purchases, and bond proceeds for capital projects. DOC no longer participates in the State Criminal Alien Assistance Program, which provided a subsidy for the cost of managing non-citizen adults in custody. This had been the department’s primary source of federal funding.

AGENCY PROGRAMS

Operations

The Operations Division is responsible for the overall security, housing, and population management of Oregon’s adults in custody for felony offenses, sentenced to more than 12 months of incarceration. It provides a safe, secure environment for adults in custody and staff to perform their duties and hold adults in custody 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 work 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 they transition back into the community. The primary cost driver for the division is staffing.

The Governor’s budget provides \$973.6 million total funds and 3,366 positions for the Operations Division. This represents an approximately one percent decrease from the 2021-23 Legislatively Approved Budget, primarily driven by vacancy savings included in the Governor’s budget.

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, Communications, and Department overhead, which includes agency-wide assessments and state government service charges. 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 adults in custody, investigates suspected wrongdoing and conducts disciplinary hearings. A focus for Central Administration continues to be enhancing administrative effectiveness and accountability and strengthening internal and external communication. The Governor’s budget provides \$139.9 million total funds and 175 positions for the Central Administration Division.

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, adults in custody, 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 \$121.1 million total funds and 269 positions for the Administrative Services Division.

Community Corrections

In the 2023-25 biennium, the Community Corrections Division will be responsible for providing supervision, services, and sanctions to about 28,000 individuals in Oregon's communities. This includes adults sentenced to probation for felony offenses, those who have been released to parole or post-prison supervision, and adults 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, mitigating the chances of an adult in custody 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.

The Governor's budget supports continuing current services with \$287.3 million total funds and 76 positions for the Community Corrections Division. This reflects an 8.6 percent decrease from the 2021-23 Legislatively Approved Budget, reflecting the continued impact of the COVID-19 pandemic on the justice system and the consequent reduction in prison population and adults under supervision.

Health Services

The Health Services Division provides legally mandated medical, dental, mental health, and pharmacy services to the approximately 12,000 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, a 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, and other licensed staff.

The Governor's budget provides \$416.4 million total funds and 683 positions for the Health Services Division. This division is an increase of approximately 4.1 percent over the 2021-23 Legislatively Approved Budget. This is due to funding provided for exceptional inflation in some health care costs, as well as ongoing funding for the new Electronic Health Records system and staff to maintain it.

Correctional Services

The Correctional Services Division is responsible for carrying out the department's mission to reduce the risk of future criminal conduct. The program includes the operation of intake processing, offender records, sentence computation, custody level classification, coordination of transfers between institutions, alcohol and drug treatment, cognitive behavioral treatment, parenting, education, apprenticeship and work skills, religious services, victim services, volunteer services, transition programs and release planning. The division targets resources to adults in custody 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 \$84.4 million total funds and 237 positions for the Correctional Services Division.

Debt Service

The Debt Service program contains no positions, only 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. The Governor's budget provides \$106.2 million total funds for the Debt Service Division. Of this, \$4.6 million is new debt service for bonds that will be sold in the 2023-25 biennium to support projects intended to construct or improve the department's facilities and systems.

Capital Improvements

The Capital Improvements program includes funding for those projects that change, adapt, or replace the use or function of a facility or reconfiguration of a program workspace. The department is responsible for maintaining 353 owned buildings and over 5.5 million square feet of building space. The estimated current replacement value is estimated at \$3.5 billion. Funding for capital improvements will allow the department to perform only the most critical and immediate protection activities on its real property assets. The Governor's budget provides \$3.2 million General Fund, as the only fund source supporting the Capital Improvements Division.

Capital Construction

The Capital Construction program 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 \$98.6 million Other Funds, supported by bond proceeds, for the Capital Construction program.

Criminal Justice Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$76,462,411	\$126,488,341	\$88,141,274
Lottery Funds	515,065	578,865	603,177
Other Funds	9,572,951	47,413,825	13,357,681
Federal Funds	9,233,567	5,680,710	9,308,883
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$95,783,994	\$180,161,741	\$111,411,015
Positions	23	26	25
Full-time Equivalent	21.51	24.52	25.00

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.

CJC analyzes data to determine the optimal balance of incarceration, treatment and program provision, and post-release supervision to maximize the value of Oregon's 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, CJC evaluates sentencing policy and prospective sentencing practices.

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. Additionally, the commission has several other responsibilities:

- *Sentencing Guidelines* – CJC 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 provides the state with objective criminal justice research and data analysis; with a mission to provide, promote, and maintain reliable and valid criminal justice system data. The Statistical Analysis Center has access to arrest, charge, and

conviction data used to develop policy recommendations and make informed decisions.

- *Specialty Court Grant Program* – CJC administers grants for 50 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.
- *Asset Forfeiture* – Established in 1989, the Asset Forfeiture Oversight Advisory Committee collects data on asset forfeiture in Oregon and makes recommendations to the Legislature on modifications of statutory authority. Since 1997, CJC has provided staff support for the committee. Funds from asset forfeiture are available for CJC to distribute to drug courts.

GOVERNOR'S BUDGET

The Governor's budget for CJC provides \$111.4 million total funds, including \$88.1 million General Fund and supports 25 positions. This reflects a 38.2 percent decrease of total funds and reduction of one position from the 2021-23 Legislatively Approved Budget. The decrease in funding reflects the phasing-out of one-time funding provided in 2021-23 by the Legislature for several of CJC's programs. The Governor's budget continues the JRI grant program, which is due to sunset in 2024, by providing \$35 million in grant funding. The budget also continues the Restorative Justice Grant Program into the 2023-25 biennium with \$4 million in grant funding to provide public and private entities financial support to create programs using a lens of restorative justice. Additionally, the Special Court Programs funding is reduced by approximately six percent for the 2023-25 biennium.

REVENUE SUMMARY

CJC receives General Fund to support a number of positions, as well as associated expenditures for agency operations. However, the majority of General Fund dollars are passed through to counties for specialty courts and Justice Reinvestment grants. CJC's Other Funds are largely based on variable funding streams including civil and criminal forfeiture proceeds from the state for disbursement to specialty courts and \$6.0 million from the Marijuana Tax Fund to establish the Illegal Marijuana Market Enforcement Grant Program to address unlawful marijuana cultivation or distribution. Additionally, CJC is responsible for administering four federal grant programs with a focus on drug treatment and enforcement, mental health, and technology improvement programs.

District Attorneys and Their Deputies

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$13,843,569	\$15,155,109	\$16,012,033
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	\$13,843,569	\$15,155,109	\$16,012,033
Positions	36	36	36
Full-time Equivalent	36.00	36.00	36.00

OVERVIEW

The District Attorneys and their Deputies' mission is to uphold federal, state, and local laws, the Constitution of the State of Oregon, and the United States Constitution. There are 36 District Attorneys (DAs) in Oregon and they are elected by each county to serve four-year terms. The DAs and their Deputies prosecute state criminal offenses committed by juveniles and adults and their legal duties include:

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

GOVERNOR'S BUDGET

The Governor's budget is \$16.0 million General Fund. This is a 5.7 percent increase from the 2021-23 Legislatively Approved Budget. The budget includes funding for the salaries of the 36 elected DAs, who are state employees. The budget also supports state government service charges to cover tort liability, other insurance related costs, and expenses associated with Grand Jury recordation.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$116,871,167	\$184,833,758	\$153,963,853
Lottery Funds	0	0	0
Other Funds	345,893,848	425,118,165	470,206,887
Federal Funds	189,408,773	187,675,747	220,823,033
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$652,173,788	\$797,627,670	\$844,993,773
Positions	1,460	1,501	1,552
Full-time Equivalent	1,424.80	1,467.49	1,536.35

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 the following nine major divisions:

- *Administration* – includes the Office of the Attorney General and Administrative Services.
- *Appellate* – represents the state in all cases appealed to state and federal appellate courts.
- *Civil Enforcement* – enforces consumer law and coordination of protection services.
- *Child Advocacy* - provides legal advice and courtroom representation to Oregon Department of Human Services throughout the life of a child welfare case.
- *Criminal Justice* – conducts specialized criminal investigations which support district attorney assistance, organized crime investigations, 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 \$845.0 million total funds, which includes \$154.0 million General Fund, \$470.2 million Other Funds, and \$220.8 million Federal Funds. This represents a 5.9 percent increase in total funds from the 2021-23 Legislatively Approved Budget and includes 1,552 positions.

The Governor's budget supports efforts to eliminate internet crimes against children, strengthen internal agency operations, and provides resources for gun violence prosecutions. Additionally, this budget continues assistance to victims of crimes, IT system upgrades, and litigation involving non-unanimous jury verdicts and COVID-19 habeas petitions.

The Governor's budget recognizes the important role DOJ plays in supporting and improving services for Oregonians. The Governor is committed to making state government more efficient and more effective and this will require deep collaboration new ways of working with the department.

REVENUE SUMMARY

The department relies on a variety of funding sources. General Fund accounts for 18.2 percent of the budget and is devoted to public safety programs and services including: the Oregon Child Support Program; the Defense of Criminal Convictions program; crime victims programs; legal work on behalf of state agencies; law enforcement activities performed by the Criminal Justice Division; and defending Oregon's laws 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.

The department charges state agencies an hourly rate for legal services; the Governor's budget assumes an attorney rate of \$278 per hour, which is a 14.9 percent increase from the 2021-23 rate of \$242 per hour. The rate is expected to generate a total of \$325.0 million.

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, and sets the policy direction for the department. The Governor's budget for this program is \$74.2 million total funds, representing a 25 percent increase from 2021-23 Legislatively Approved Budget. The budget includes 158 positions. The Governor's budget includes funding and position authority to address improving operational processes and modernizing the attorney billing and case management system, known as the Legal Tools project.

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 advocates on the state's behalf in court cases and works to influence the development of case law serving the state's long-term 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 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 \$30.7 million total funds, which is an 11.6 percent increase from the 2021-23 Legislatively Approved Budget. The budget includes 60 positions. The Governor's Budget includes funding and position authority to address efforts related to COVID-19 habeas petitions from adults in custody, wrongful conviction claims, and the collateral and criminal impacts from the U.S. Supreme Court ruling in *Ramos v. Louisiana*, relating to non-unanimous jury verdicts.

Civil Enforcement

The Civil Enforcement Division provides public services through the following sections:

- *Financial Fraud/Consumer Protection* – works to ensure fair competition and to educate consumers against marketplace fraud and abuse.
- *Civil Recovery* – 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 the national Tobacco Master Settlement Agreement.
- *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.
- *Charitable Activities* – supervises and regulates the activities of charitable and nonprofit organizations as well as professional fundraisers.

The Governor's budget for this program is \$70.1 million total funds, which represents a 47.3 percent decrease from the 2021-23 Legislatively Approved Budget. The budget includes 126 positions and supports their core programs. The decrease in budget can be attributed to separating the former Child Advocacy Section of Civil Enforcement into a new division within the department.

Child Advocacy

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

The Governor's budget establishes this former section within Civil Enforcement as an independent division with the department. The budget for Child Advocacy is \$80.8 million Other Funds and supports 197 positions. The Governor's budget includes funding to manage the increased workload and

strengthen the ability of DOJ attorneys to represent ODHS caseworkers in court.

Criminal Justice

The Criminal Justice Division conducts specialized criminal investigations and prosecutions through three distinct sections:

- *Special Investigations and Prosecutions* – provides scholarly legal advice, training, and trial and investigative services to prosecuting attorneys and law enforcement in specialized areas, including election fraud, driving under the influence of intoxicants, domestic violence, elder abuse, environmental and cultural resource crimes, bias crimes, and crimes endangering wildlife. This section provides direct assistance to Oregon’s 36 District Attorneys and their deputies with criminal cases and legal matters related to prosecutions and law enforcement activities. Additionally, this section has dedicated resources to combat internet crimes against children, crimes against people with disabilities, and environmental and cultural crimes.
- *Organized Crime* – provides specialized services in detection and deterrence of organized crime in the state by conducting corruption and misconduct investigations against public officials.
- *Analytical and Criminal Investigation Support* – provides specialized services in gathering and analyzing information about criminals and their organizations to assist law enforcement agencies. This section includes the Oregon Fusion Center, which is the focal point for receiving, analyzing, gathering, and sharing threat-related information to better detect, prevent, investigate, and respond to criminal activities.

The Governor’s budget for this division is \$38.0 million total funds, representing a 23.4 percent increase from 2021-23 Legislatively Approved Budget. The budget includes 86 positions. The Governor’s budget continues to support core programs and provides funding and position authority to address increasing workloads in internet crimes against Oregon’s children and growing gun violence within communities.

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 ensures victims of violent crime have financial assistance to 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 Governor’s budget for this program is \$135.3 million total funds, representing a 14.4 percent decrease from the 2021-23 Legislatively Approved Budget. The budget includes 63 positions. The decrease is attributed to the phase out of one-time funds received during the 2021-23 biennium.

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 Counsel'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 \$89.2 million Other Funds, representing a 10.5 percent increase from the 2021-23 Legislatively Approved Budget. The budget includes 178 positions, which will continue to provide legal support, training, and services to state agencies.

Trial

The Trial Division defends the state against lawsuits. 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.

The Governor's budget for this program is \$58.8 million Other Funds, which represents a 16.2 percent increase from the 2021-23 Legislatively Approved Budget. The budget includes 142 positions. The Governor's Budget includes funding to address efforts related to COVID-19 habeas petitions from adults in custody and the collateral and criminal impacts from the U.S. Supreme Court ruling in *Ramos v. Louisiana* that juries must return a unanimous verdict of guilt in criminal cases.

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 placing criminal prosecutions in jeopardy. Oregon centralizes criminal post-conviction and appellate work in DOJ to achieve consistency in the legal positions taken by the state. The Governor's budget for this program is \$42.9 million General Fund, which represents a 12.2 percent increase from the 2021-23 Legislatively Approved Budget. This budget supports the projected mandated caseload anticipated for the 2021-23 biennium.

Division of Child Support

The Division of Child Support administers the Oregon Child Support Program through 13 statewide offices and 19 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 division serves families currently (or formerly) receiving Temporary Assistance for Needy Families or Medicaid services, 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 division manages approximately 150,000 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 the 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 for the past five years. The program is projecting to receive and distribute \$1.5 million in child support payments each business day during the 2023-25 biennium.

The Governor's budget for this program is \$221.7 million total funds, which represents a five percent increase from the 2021-23 Legislatively Approved Budget. The budget includes 542 positions to support the program and provides funding to complete critical software and information security upgrades to the child support data system, Origin.

Debt Services and Related Costs

The Debt Service and Related Costs Program provides funding to make payments on principal, interest, and financing costs for Article XI-Q general obligation bond debt used to fund IT project investments within the department.

Two major IT projects currently impact this area of the budget:

- *Origin* – a child support data system, which was completed in April 2021. In the 2023-25 biennium, the department is expected to pay its last debt service payment for bonds issued.
- *Legal Tools* – a new project to replace multiple legacy technology systems with a single, streamlined billing and case management system. The department is expected to begin bond funding activities during the 2023-25 biennium with ongoing debt service payments through 2033.

The Governor's budget for debt services and related costs is \$3.4 million total funds.

Oregon Military Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$38,356,386	\$47,887,886	\$40,982,089
Lottery Funds	0	0	0
Other Funds	140,777,749	109,234,352	35,997,289
Federal Funds	705,254,646	472,064,408	141,610,047
Other Funds (Nonlimited)	3,842,466	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$888,231,247	\$629,186,646	\$218,589,425
Positions	524	488	511
Full-time Equivalent	466.00	484.96	462.30

OVERVIEW

The Oregon Military Department (OMD) is responsible for the administration of the Oregon Army National Guard, the Oregon Air National Guard, and the Oregon State Defense Force. 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, which serves at-risk youth who are failing in traditional educational environments.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Military Department provides \$218.6 million total funds, \$41.0 million General Fund, \$36.0 million Other Funds, and \$141.6 million Federal Funds. This represents a 65.3 percent decrease from 2021-23 Legislatively Approved Budget. The budget includes 511 positions. In addition to the expenditures and positions accounted for by the state's budget system, the department houses more than \$728 million in biennial federal revenues and more than 2,000 positions under the National Guard Bureau's budget. The significant state budget decrease is primarily due to the transfer of funding and positions associated with the Office of Emergency Management into an independent agency, the Oregon Department of Emergency Management. The budget also includes a reduction to the increased funding for facility maintenance received in 2021-23.

The Governor's budget makes key investments in the Facility Operations and Maintenance Program and Wildland Fire Management Program. Additional investments provide bond financing to upgrade aging regional armories and to ensure facilities in critical locations can serve as essential emergency operation centers in major catastrophic seismic events or other natural disasters.

REVENUE SUMMARY

The largest single source of revenue for the department is Federal Funds from cooperative agreements with the National Guard Bureau. The second-largest source of revenue is Other Funds collected from facility rental fees from the Armories, the Centralized Personnel Plan as a Federal Funds to Other Funds transfer, the Master Cooperative Agreement, and property sales. Additionally, the Governor's budget includes a direct allocation of state funding from the Oregon Department of Education to support the Oregon Youth Challenge Program. Finally, General Fund supports agency operations, deferred maintenance projects, debt service on major construction projects, and state funding to satisfy federal match requirements.

AGENCY PROGRAMS

Administration

The Administration Division provides leadership and support for command, control, and administration of the Oregon National Guard and the Oregon State Defense Force. This program unit consists of the Command Group, Financial Administration Division, State Personnel Office, Public Affairs Program, Emergency Financial Assistance Program, and the Reintegration Program. The division supports roughly 2,500 state and federal employees, commands more than 7,800 soldiers and airmen, and provides oversight of over \$4 billion in facilities and equipment assets.

The Governor's budget for this program is \$14.2 million total funds, which represents a 13.6 percent increase from the 2021-23 Legislatively Approved Budget. The budget supports 36 positions. The Governor's budget includes funding to support increased payroll activities related to paying State Active Duty wages and a dedicated Chief Information Officer position.

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 with drug interdiction efforts; fund installation of intrusion detection systems at armories and other facilities where small arms and ammunition are stored; provide federal funding for Oregon Army National Guard telecommunications systems; and provide 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 \$139.7 million total funds, which represents a 3.3 percent increase from the 2021-23 Legislatively Approved Budget. The budget supports 386 positions and maintains core programs. The Governor's budget includes funding and positions to support the Facility Operations and Maintenance Program and Wildland Fire Management Program, along with increased debt service funding to upgrade aging regional armories and ensure facilities are available in key locations within the state during emergencies. In the 2021-23 biennium the division received a significant increase in funding for facility maintenance, a proportion of which is continued in the Governor's budget.

Community Support

The Community Support Division offers educational opportunities for at-risk youth in Oregon, including:

- *Oregon Youth Challenge Program (OYCP)* – An education program serving at-risk students ages 16-18 who fail in traditional educational environments. The students attend the OYCP residential program for 22 weeks on the Senator Jackie Winters Oregon National Guard Youth Challenge Campus in Bend, Oregon, and receive a high school diploma, a General Educational Development (GED) certification, or certified high school credits to apply for a high school diploma from their hometown school. OYCP can support approximately 240 cadets in each six-month class.
- *STARBASE* – An educational program demonstrating real-world applications of math and science to students impacted by inequities in third to eighth grades in Portland, Klamath Falls, and Warrington-Tillamook areas through hands-on aerospace-related classes and tours at the Portland Air Base, Kingsley Field. In the 2021-23 biennium, the program expanded to Camp Umatilla just outside Hermiston, Oregon, bringing the program’s educational reach to more than 23,000 youth statewide.

The Governor’s budget for the programs is \$30.4 million total funds, which represents a 5.1 percent increase from the 2021-23 Legislatively Approved Budget. The program operates with 89 positions. The Governor’s budget continues to support both the OYCP and STARBASE programs. The OYCP program requires a 25 percent non-federal match. In prior biennia, most matching funds came from Average-Daily-Membership Other Funds revenues transferred from the Oregon Department of Education (ODE) through the Bend-LaPine School District and the National School Lunch Program funding. New federal match requirements require the 25 percent non-federal match from a direct, non-formula-based source. The Governor’s budget directs a specific allocation from the State School Fund to ensure the program can continue supporting Oregon’s youth.

Capital Debt Service and Related Costs

The Capital Debt Service and Related Costs program provides funding for 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 the acquisition of land and facilities.

The Governor’s budget for this program is \$14.2 million General Funds for debt service payments. The budget maintains the funding related to ensuring facilities meet essential emergency operation facility standards and conduct Armory Service Life Extension Projects at the Salem Owen Summers, Newport, and McMinnville armories.

Capital Improvements

This program provides for capital improvements to existing facilities. Capital improvements are projects with a total cost of less than \$1.0 million and address the department’s backlog of deferred maintenance on its buildings. Typical capital improvement projects are the 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 and

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 a \$5.6 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 department's most critical facility shortfalls either through replacing facilities no longer capable of serving the assigned units' needs or extending the facilities' lifespan through alterations and additions. Federal funding varies from 75 percent to 100 percent of the total project costs and typically requires state matching funds for planning, permitting, design, and environmental impacts.

The Governor's budget provides \$14.6 million in bond financing to conduct Armory Service Life Extension Projects at the Salem Owen Summers, Newport, and McMinnville armories.

Oregon Youth Authority

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$323,457,915	\$272,742,971	\$381,297,981
Lottery Funds	0	0	0
Other Funds	14,348,925	154,772,236	33,092,781
Federal Funds	28,864,429	37,034,286	38,064,774
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$366,671,269	\$464,549,493	\$452,455,536
Positions	1,007	1,001	1,010
Full-time Equivalent	978.38	971.66	971.76

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 and transition 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 number of juveniles committing crimes in Oregon has steadily and dramatically declined from the peak levels seen in the 1990s, mirroring a nationwide trend of decreasing juvenile and adult crime rates.

GOVERNOR'S BUDGET

The Governor's budget for OYA provides \$452.5 million total funds and 1,010 positions. This is a 2.6 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The Governor's budget supports additional staff capacity for OYA, including positions focused on Diversity, Equity, and Inclusion efforts and recommends funding modernization of the electronic case management system that OYA is statutorily required to maintain, and which is shared with all 36 county juvenile departments. The budget also enhances safety for both staff and youth at close custody facilities by providing operational funding for new CCTV systems as well as funding for lower staff-to-youth ratios. The budget balances these investments with reductions that reflect the decline in juveniles in the department's custody and utilization of community-based services. Bond financing is provided for construction of new facilities, renovation, and repair to existing facilities and the continued implementation of the modernized Juvenile Justice Information System.

REVENUE SUMMARY

The department's budget is primarily General Fund supported. Federal Funds revenues are 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 400 youth ages 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. OYA provides the youth in their care with health care, classroom education, treatment services, 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 \$196.4 million total funds and 722 positions for Facility Services. The budget strengthens the services offered to youth by funding three qualified mental health provider positions at MacLaren and Oak Creek Youth Correctional Facilities and four permanent staff positions at the Jackie Winters Transitional Program. Life safety for both staff and youth in custody is improved by funding new and additional cameras and CCTV systems at all youth correctional facilities.

COMMUNITY PROGRAMS

OYA's Community Services program provides public safety, youth accountability, and reformation services for youth placed in communities throughout Oregon. This is accomplished through multiple field offices, residential treatment programs, foster homes and other community-based services. The field offices provide supervision by parole and probation officers supported by a continuum of sanctions and services. 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 \$140.2 million total funds and 137 positions for the Community Services Program. This is a total funds decrease of 3.6 percent from the 2021-23 LAB, reflecting reduced utilization of community-based services as the number of youth under the care of OYA declines. The budget provides funding for two new staff positions to provide additional care and advocacy for victims of crimes committed by juveniles.

PROGRAM SUPPORT

The Program Support division provides both leadership and support to the department, including strategic planning, program direction, and rule and policy development. The Program Support division

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 \$80.3 million total funds and 151 positions for Program Support. Total funds increased by 17.7 percent from the 2021-23 LAB. This increase is driven by the continued build out of the modernized Juvenile Justice Information System, which is used by more than 2,500 statewide professionals, including county juvenile departments. Funds are also provided for increased staff capacity in this division, including Diversity, Equity, and Inclusion-focused human resources, procurement and contracting, and bilingual communications staff.

DEBT SERVICE

This is the budget for principal and interest payments on Cost of Issuance 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 \$22.7 million General Fund for repayment of scheduled principal and interest in the 2023-25 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. Other facilities are used for youth education, vocational training, recreation, administration, and support services.

The Governor's budget maintains the current level of operations of the program by providing \$1.7 million General Fund to pay for deferred maintenance, electronic and physical security projects, general building improvements and emergency repair projects.

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. In addition to the bondable expenses of modernizing the Juvenile Justice Information System, the Governor's budget provides bond funding for a new school and vocational facility at Oak Creek Youth Correctional Facility, the renovation of a living unit at the Rogue Valley Correctional Facility, and other capital renewal and improvement projects. The Governor's budget provides \$11.3 million Other Funds.

Board of Parole and Post-Prison Supervision

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$8,664,534	\$11,629,057	\$13,298,851
Lottery Funds	0	0	0
Other Funds	23,999	12,184	12,696
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,688,533	\$11,641,241	\$13,311,547
Positions	25	30	31
Full-time Equivalent	24.16	28.50	31.00

OVERVIEW

The Board of Parole and Post-Prison Supervision conducts parole hearings and sets requirements for supervision for individuals released from custody of the Oregon prison system. 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 who 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, they are released from prison. When these adults in custody are released into the community, they are ordered to serve a term of parole.
- Support the Sex Offender Notification Level (SONL) program enacted through 2015 legislation. The board is charged with conducting a risk-based community notification (level I – low, level II – moderate, level III - high) on all registered sex offenders. Currently, the agency is responsible for classifying over 32,600 existing registered offenders awaiting assessment by December 2026.
- Notify victims and criminal justice stakeholders of hearings and releases.
- 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

During the 2021-23 biennium, the board supervised an increased population of adults released from custody, in part because of commutations during the COVID-19 pandemic. As the number of people under the jurisdiction of the board for parole determinations has decreased, the board has shifted toward working more closely with crime victims and other stakeholders who voice concerns about the possible release of individual offenders. The Governor's budget for the Board of Parole and Post-Prison Supervision is \$13.3 million total funds, which represents a 14.4 percent increase from the 2021-23 Legislatively Approved Budget. The budget supports the establishment of a victim advocate position, the conversion to an electronic records system, and funding for additional release hearings for those individuals who committed crimes as juveniles eligible for parole and post-release supervision through Senate Bill 1008 (2019). The budget supports 31 positions.

REVENUE SUMMARY

The board is almost entirely dependent upon General Fund to support its programs and functions. Only 0.5 percent of the board's revenues are Other Funds, collected from the sale of documents and hearing tapes. The increase in General Fund recognizes the increased workload the board is managing as well as necessary infrastructure investments to modernize their record-keeping and allow this information to be more readily accessible to stakeholders and the public.

Department of State Police

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$282,653,128	\$520,359,047	\$436,035,561
Lottery Funds	7,447,482	11,317,795	10,561,965
Other Funds	230,979,130	306,746,354	177,578,220
Federal Funds	6,768,347	16,833,246	14,113,696
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$527,848,087	\$855,256,442	\$638,289,442
Positions	1,427	1,502	1,394
Full-time Equivalent	1,387.54	1,467.89	1,389.90

OVERVIEW

The Department of State Police (OSP) 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. OSP 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.

OSP provides patrol services on Oregon's highways and at the Capital Mall, The department investigates major crimes, drug trafficking, arson, explosives, and acts of terrorism, provides forensic and criminal justice information services. The State's Medical Examiner's office, within OSP, 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. They also provide dignitary protection, drug recognition experts, Fish and Wildlife and gaming industry law enforcement and Special Weapons and Tactics experts.

GOVERNOR'S BUDGET

The Governor's budget for the Department of State Police is \$638.3 million total funds and supports 1,394 positions. The Governor's budget includes investments in updated equipment for patrol officers, positions to establish a trooper peer support network, funding for the implementation of the new background check requirements mandated by Ballot Measure 114, and bond funding to continue the construction of the new Springfield forensics laboratory, medical examiner's office, and command center. The budget recognizes the reality of the challenges to recruitment and retention of State Police troopers and staff and increases vacancy savings and reduces funding for vehicle replacement accordingly, however the expectation is that the department should continue a sustained focus on recruitment and retention. The budget is a 25.4 percent decrease from 2021-23 Legislatively Approved Budget (LAB), largely due the transfer out of the

previous Office of the State Fire Marshal and one-time funding for vehicles, forensic equipment, field office renovations and Law Enforcement Data System updates.

REVENUE SUMMARY

OSP's primary source of revenue is General Fund, which makes up approximately 70 percent of its budget. The department also receives Other Funds revenue from charging other organizations for its services, including the Oregon State Lottery, organizations requesting information from the Law Enforcement Data System, and the Oregon Department of Fish and Wildlife to support enforcement of fish and wildlife laws. The department receives \$10.6 million in dedicated (Measure 76) Lottery Funds from the Oregon Watershed Enhancement Board to support enforcement of fish and wildlife laws. Finally, OSP receives revenue from fees associated with enhanced background checks for firearm purchases mandated by Ballot Measure 114, which passed in November 2022. Federal Funds are a small part of the department's revenue and come from agreements with and grants from federal agencies.

AGENCY PROGRAMS

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 \$32.3 million total funds, an 8.1 percent decrease from the 2021-23 LAB. The program supports 92 positions. The budget for this division includes funding for the replacement of outdated equipment and the cost of issuance for bond-supported capital projects.

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 and interstate highways. The Patrol Services division also augments and supports local law enforcement 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 \$214.7 million total funds, which is a 2.0 percent decrease from the 2021-23 LAB. The program supports 535 positions. The budget includes funding for the replacement of aging and outdated tasers and ballistic vests for sworn officers. It also includes funding for additional investigatory positions for the Firearms Instant Check System.

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 \$62.6 million total funds, a 4.4 percent increase from the 2021-23 LAB. This budget is largely supported 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 131 positions and provides General Fund to backfill a revenue shortfall due to a reduction in Lottery Funds support for this division. It also includes Other Funds limitation for the purchase of a new aircraft and an ocean-going patrol vessel.

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.
- *Counter-Terrorism* section is committed to the protection of Oregonians from acts of terrorism, whether international or domestic.
- *Arson & Explosive Units* protects life and property through effective investigation, enforcement, and responding to incidences involving suspicious objects or packages.

The Governor's Budget for this program is \$53.7 million total funds, a 6.5 percent decrease from the 2021-23 Legislatively Approved Budget. The Governor's budget supports 118 positions and maintains the operations of this program.

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 \$60.0 million total funds, a 1.8 percent decrease from 2021-23 LAB. The program includes 138 positions. The Governor's budget supports the new Springfield facility which co-locates a patrol command office, a new forensic laboratory, and a new facility for the Office of the State Medical Examiner.

Office of the State Medical Examiner

The Office of 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 \$11.1 million total funds, which is an 8.2 percent increase from 2021-23 LAB. The program supports 29 positions.

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 \$67.4 million total funds, which is a 0.1 percent decrease from 2021-23 LAB. The program supports 152 positions.

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 \$57.0 million total funds, a 24.0 percent increase from the 2021-23 LAB. The program supports 161 positions. The increases in this division's budget are driven by the additional staffing and Other Funds limitation needed to carry out the requirements of Ballot Measure 114 for additional background checks for firearm purchases.

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 \$14.7 million total funds, which is almost all Other Funds coming 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 38 positions.

Debt Service

Debt Service provides funding to make payments on principle, interest and financing costs for Article XI-Q general obligation bond debt use to construct and upgrade the Springfield Forensic Laboratory and Medical Examiner's Office, the Springfield Patrol Command Office, and Central Point capital improvements and office expansion projects. The Governor's Budget provides \$21.3 million General Fund in new bond financing for repayment of scheduled principal and interest in the 2023-25 biennium.

Capital Construction

The Capital Construction division includes projects with a value of \$1.0 million or more in value and supports a planning and design phase, followed by a construction phase. The Governor's budget provides \$43.6 million Other Funds for repairs and expansion of the Central Point laboratory and patrol facility, as well as address the long-term needs for upgrading and expanding the Springfield laboratory facility and patrol office.

Oregon Department of Emergency Management

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$30,488,049	\$28,391,058
Lottery Funds	0	0	0
Other Funds	0	94,495,733	176,459,113
Federal Funds	0	702,235,505	1,048,329,448
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$0	\$827,219,287	\$1,253,179,619
Positions	0	94	131
Full-time Equivalent	0.00	47.01	111.47

*The Oregon Department of Emergency Management was established on July 1, 2022. The 2021-23 Legislatively Approved Budget includes only one year of biennial funding.

OVERVIEW

The Oregon Department of Emergency Management was established July 1, 2022. The department was previously an office in the Oregon Military Department. The purpose of the department is to coordinate, maintain, and collaborate with partners in support of the Governor’s statewide emergency services system. This system coordinates statewide emergency services and maintains emergency communication systems for public warnings, emergency notifications, and emergency support coordination. The Oregon Department of Emergency Management also provides cities, counties, and tribes throughout Oregon with leadership, planning, training, and technical assistance in disaster preparedness, emergency response, recovery services, and hazard mitigation.

GOVERNOR’S BUDGET

The Governor’s budget for the Oregon Department of Emergency Management provides \$1,253.2 million total funds. The budget includes 131 positions. This represents a 51.5 percent increase from the 2021-23 Legislative Approved Budget, which contained only one year of biennial funding due to the agency’s mid-biennium establishment.

The Governor’s budget makes critical investments in the department to close infrastructure gaps within the new agency and strengthen operations. The budget provides positions to align the regional structure with partner agencies, enhance the emergency coordination center, and prepare for the Oregon Emergency Response System transfer from Oregon State Police in July 2025. Additionally, this budget provides funding for the Oregon Local Disaster Loan and Grant Account for future disaster recovery efforts. These investments serve to strengthen the overall state emergency management infrastructure.

REVENUE SUMMARY

The department's primary funding source is Federal Funds received through Department of Homeland Security grants and Federal Emergency Management Agency (FEMA) grants, including the Emergency Management Performance Grant. These funding sources support preparedness, response, recovery, and mitigation efforts. 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 the operation of the 9-1-1 emergency telephone service system. Finally, General Fund supports mitigation and recovery efforts for Oregonians impacted by disasters, including wildfires and flooding.

AGENCY PROGRAMS

Administration

The Administration program provides leadership for operations and administrative functions throughout the agency. The program coordinates local search and rescue efforts and oversees the state's overall emergency preparedness by providing and coordinating intragovernmental, non-governmental, and private sector partners with the opportunities to collaborate on preparedness actions. These coordinated efforts lead to a more robust, planful, and collaborative response to emergencies and disasters across the state.

Within the Administration program, the department maintains core business functions, including communications; diversity, equity, and inclusion; strategic management; budget and grant management; internal audits; performance management; public policy and government relations; tribal liaison; public and private partnerships; and rules and policy coordination. The program outsources the human resources, payroll, and financial services functions to the Department of Administrative Services.

The Governor's budget for this program is \$16.2 million total funds. The budget supports 51 positions and includes funding to strengthen agency operations as a stand-alone department, to enhance equity in outreach efforts, and to operationalize the transfer of the Oregon Emergency Response System from the Oregon State Police in July 2025.

9-1-1 Emergency Phone

The 9-1-1 Emergency Telephone program is responsible for the seamless operation of the statewide enhanced 9-1-1 system. This includes continual management and coordination of the 9-1-1 network necessary to deliver emergency calls to Public Safety Answering Points across the state. The Governor's budget for this program is \$142.8 million total funds. The budget supports 10 positions and maintains core programs.

Preparedness and Response

The Preparedness and Response program focuses on planning, training, and exercising efforts to better prepare individuals, communities, and businesses for disasters. The program does this through partnerships with local, state, and federal agencies to coordinate and execute the programmatic functions of homeland security planning, organization, equipment, training, and exercise programs. The program also provides direct service and support to partners regarding Emergency Operations Plans, the Cascadia Playbook, Geological Hazard Programs, the National Incident Management System, training and exercise development and support, local Citizen Corps programs, and the state Emergency Coordination Center.

The Governor's budget for this program is \$70.2 million total funds and supports 42 positions. The Governor's budget includes funding to strengthen the agency's regional coordination efforts and operationalize a State Information and Operation Coordination Center with enhanced planning, training, exercising, and crisis management systems. The budget also includes funding and positions to implement the Governor's Executive Order 2023-02, declaring an emergency due to homelessness.

Mitigation and Recovery

The Mitigation and Recovery program leads the coordination among state, local, and federal agencies in developing, planning, and adopting local community hazard mitigation plans. The program started the development of the recovery planning framework in 2015 and created both the State Recovery Action Plan and the Interagency Strategic Recovery Plan. The plans organize state and federal resources and assets into a standard operating structure comprised of seven state recovery functions, including community planning and capacity building, economic recovery, health services, social services, disaster housing, infrastructure systems, and natural and cultural resources. Additionally, the program administers federal disaster assistance including the FEMA Public Assistance, Hazard Mitigation Grant, and Building Resilient Infrastructure and Communities grant. These grants are critical resources for communities to restore and repair critical infrastructure in response to federal disaster declarations.

The Governor's budget for this program is \$1,019.1 million total funds and supports 28 positions. The Governor's budget supports an investment into the Oregon local Disaster Assistance Loan and Grant account to provide readily available matching funds during an emergency and strengthens the oversight and monitoring efforts for federal and state managed recovery program funds.

Bond Debt Service

The Bond Debt Service program provides funding to make payments on principal, interest, and financing costs for bond debt used to fund State Preparedness and Incident Response Equipment (SPIRE) grants, which fund the distribution of emergency preparedness equipment to eligible applicants. The Governor's budget provides \$4.8 million General Fund for debt service payments.

Department of the State Fire Marshal

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$85,548,169
Lottery Funds	0	0	0
Other Funds	0	0	36,243,306
Federal Funds	0	0	599,795
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$0	\$0	\$122,391,270
Positions	0	0	157
Full-time Equivalent	0.00	0.00	155.20

OVERVIEW

The Department of the State Fire Marshal (DSFM) was established as an independent state agency by House Bill 2927 (2021), effective July 1, 2023. The department had previously been an office within the Oregon State Police.

DSFM is responsible for protecting Oregonians, their property, and the environment from fire and hazardous materials. It carries out its duties through prevention, preparedness, and response activities. The department provides expertise, technical assistance, model programs, and materials to local, state, private, and public groups to collaboratively reduce fire losses. The department develops, adopts, and interprets the State Fire Code and coordinates with other agencies on statewide issues and during conflagrations, mobilizations and major emergency incidents. DSFM also 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. Additionally, DSFM plans, coordinates, and manages emergency response by local fire service providers for the Oregon Conflagration Act, natural disasters, and structural collapses.

GOVERNOR'S BUDGET

The Governor's budget for the Department of the State Fire Marshal is \$122.4 million total funds and supports 157 positions. The Governor's budget continues current programs and makes investments in wildfire preparedness and mitigation in recognition of the increasing severity and impact of wildfires in Oregon. The budget also provides funding for necessary staff capacity to stand up the department as an effective, independent agency.

REVENUE SUMMARY

The department's primary source of revenue is General Fund, which makes up 70 percent of the budget. Additionally, the department receives \$36.2 million Other Funds revenues from the Fire Insurance Premium Tax and a variety of fees, including those assessed for hazardous substance possession, petroleum loading, cardlocks, liquified petroleum gas, and fireworks. The department receives approximately \$600,000 in Federal Funds from the U.S. Department of Transportation for Hazardous Material Emergency Preparedness.

AGENCY PROGRAMS

Office of the State Fire Marshal

The Office of the State Fire Marshal sets statewide policy and directs the department and all divisions and programs. It provides guidance and policy resources for the Oregon fire service, oversees biennial budgeting, workforce development, annual reporting, and strategic planning. Finally, it leads the response and prevention functions within Oregon's structural fire service jurisdictions, including the wildland-urban interface. The Governor's budget for this program is \$3.9 million total funds and supports 11 positions.

Support Services Division

The Support Services Division provides budget development and oversight, business support, information technology, and human resources services to support the effective and efficient operation of the department. It includes financial services, employee services, information technology services, procurement, and fleet management.

The Governor's budget for this program is \$14.5 million total funds and support 32 positions. The budget properly aligns revenue from the Fire Insurance Premium Tax with expenditure limitation to facilitate the use of these funds for the operations of the agency as it stands up and to support seven new positions in this division.

Emergency Response Division

The Emergency Response Division facilitates emergency response planning and resource coordination efforts to protect citizens, their communities, and the environment from the negative consequences of fires, hazardous material spills and releases, train derailments involving hazardous materials, and natural hazard events. The division is primarily responsible for the coordination and administration of wildfire resources, including staffing and equipment grants, to communities throughout the state.

The Governor's budget for this program is \$75.8 million total funds and supports 31 positions. The Governor's budget provides an additional \$40 million in funding for this division to continue the Community Wildfire Risk Reduction programs initially funded as one-time funding by Senate Bill 762 (2021). Funding is also provided to anticipate the agency's need for adequate financial reserves to cover the costs of wildfires prior to FEMA reimbursement.

Regulatory Services Division

The Regulatory Services Division administers seven regulatory programs by conducting tests, issuing permits and licenses, and conducting inspections to ensure fire and life safety protection for fireworks, liquified petroleum gas, non-retail fuel dispensing, fire standard compliant cigarettes, and novelty lighters. The Governor's budget for this program is \$4.2 million total funds and supports 17 positions.

Fire and Life Safety Services Division

The Fire and Life Safety Services Division carries out the department's mission by performing duties, maintaining programs, and providing technical support and guidance, which assists with fire prevention and enhances overall fire and life safety for members of the public in all occupancy types. The Governor's budget for this program is \$13.8 million total funds and supports 37 positions.

Fire and Life Safety Education Division

The Fire and Life Safety Education Division is responsible for statewide programs in data and analytics, fire prevention and safety, and community risk reduction. The division's programs target fire reduction and fire-related deaths, injury, and property loss through educational practices to encourage behavior change and increase awareness of fire-safe practices and regulations. The Governor's budget for this program is \$10.2 million total funds and supports 29 positions.

Department of Public Safety Standards and Training

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$9,357,606	\$9,107,640	\$8,773,470
Lottery Funds	0	0	0
Other Funds	47,448,542	56,806,356	60,223,167
Federal Funds	7,756,112	8,018,038	7,623,049
Other Funds (Nonlimited)	32,010,000	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$96,572,260	\$73,932,034	\$76,619,686
Positions	152	160	160
Full-time Equivalent	150.58	158.74	158.75

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. DPSST 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 professionals, 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 board of professionals appointed by the Governor, 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 providing 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 2023-25 Governor's Budget provides \$76.6 million total funds and 160 positions for DPSST programs. This is a 3.6 percent increase in total funds from the 2021-23 Legislatively Approved Budget. The Governor's budget recognizes increased demand for basic police courses and law enforcement training and provides funding for 20 courses, the maximum number the academy can accommodate, over the 2023-25 biennium. Additionally, the budget includes funding to develop and deliver an online training on the implementation of Ballot Measure 110.

REVENUE SUMMARY

General Fund covers \$8.7 million in debt service related to the construction of the academy. Revenues from the Criminal Fine Account (CFA) equal \$46.4 million and make up 58 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 \$5.5 million in the 2023-25 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 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 \$32.3 million, primarily funded by the Criminal Fine Account, and 84 positions. The budget provides for approximately 900 students in Basic Police and Basic Corrections classes. Basic training classes range from three weeks for telecommunicators and emergency medical dispatchers to 16 weeks for law enforcement officers. Costs of the programs are primarily driven by the number of individuals requiring training and certification.

Fire Training and Certification

The purpose of the Fire Training and Certification program within DPSST is to train and certify career and volunteer firefighters. Fires and emergencies happen 24-hours a day, seven days a week, 365 days a year, and each event requires trained firefighters to contain, control, and prevent more damage. This program also provides critical wildland firefighter training to Oregon National Guard members 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 and respond as part of the State Fire Marshal's Incident Management Team.

The Governor's budget for this program provides \$5.5 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 Private Security and Private Investigator certification and licensing programs are both industry-imposed and are fee-based programs. These programs certify and license private security providers and private investigators according to established minimum standards. Additionally, these programs are regulatory in nature, ensuring individuals maintain minimum standards and compliance with the moral fitness standards throughout the two-year certification or licensing period. The Governor's budget

provides \$4.0 million Other Funds expenditure limitation and 13 positions for this program, which is supported by fees.

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 for permanently and totally disabled public safety officers, as well as families of public safety officers who are killed in the line of duty. When these tragedies occur, DPSST staff works promptly to connect with and assist the officer's family members through the officer's public safety employer. Benefits may include a one-time \$25,000 payment, coverage 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 from the account 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 \$2.5 million has been paid to families of severely injured or killed public safety officers. The annual number of claims processed averages 7.4 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 236 acres of land, including over 50 acres of state and federally protected wetlands. The facility includes more than 330,000 square feet of space within 23 buildings located throughout the campus. The Governor's budget for this program provides \$26.9 million total funds and 46 positions. The program's budget includes \$8.8 million General Fund for debt service on the Oregon Public Safety Academy.

Oregon – Idaho High Intensity Drug Trafficking Areas

The Oregon-Idaho High Intensity Drug Trafficking Areas (HIDTA) program seeks to facilitate, support and enhance collaborative drug control efforts among law enforcement agencies and community-based organizations. The aim is to significantly reduce the impact of illegal trafficking and use of drugs throughout Oregon and Idaho. To accomplish this, 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 including 11 federal agencies, six state agencies, 48 local law enforcement agencies, two tribal agencies, and the U.S. Attorney's Office in the District of Oregon. The board establishes policy and direction for the initiatives receiving federal grant funding. The Governor's budget provides \$7.6 million Federal Funds and two positions for support of the HIDTA program.

ECONOMIC AND COMMUNITY DEVELOPMENT AGENCIES

Economic and Community Development Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$506,379,235	\$1,230,227,364	\$821,730,368
Lottery Funds	144,010,976	195,551,374	403,162,363
Other Funds	1,228,830,949	2,775,766,576	3,135,431,373
Federal Funds	431,811,798	1,108,084,291	664,535,241
Other Funds (Nonlimited)	3,861,534,033	6,602,530,107	4,114,614,454
Federal Funds (Nonlimited)	7,669,927,537	1,257,651,807	254,407,899
Total Funds	\$13,842,494,528	\$13,169,811,519	\$9,393,881,698
Positions	3,075	3,995	2,800
Full-time Equivalent	2,412.66	2,883.16	2,762.13

OVERVIEW

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

Economic and Community Development Program Area agencies 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.

The agencies within the Economic and Community Development Program Area must continue to evolve their policies, practices, and operations and not only look at state investments with an eye on addressing historical inequities and disparities, but they must reimagine the way they deliver services to Oregonians who need them. They must focus on removing barriers, expanding opportunities, and

creating better outcomes for all Oregonians and especially those people most impacted by historical and institutional racism.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's budget for the Economic and Community Development Program Area is \$9,393.9 million total funds, which includes \$1,224.9 million General Fund and Lottery Funds. The overall budget is a 28.7 percent decrease from the 2021-23 Legislatively Approved Budget.

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

Early Childcare Business and Infrastructure Assistance. The Governor's budget provides \$10.0 million Lottery Funds and \$100.0 million Lottery Bonds to Business Oregon for strategic investments to early childcare businesses and early childcare industry infrastructure. High quality early childcare investment will promote regional economic growth. These funds will provide necessary assistance to the childcare industry to overcome constraints and incentivize the development and expansion of early learning and care resources in Oregon.

Homelessness State of Emergency. The Governor's budget includes over \$386 million in new investments to address Homelessness across the entire state, including but not limited to areas included in the Homelessness State of Emergency. These investments are in addition to approximately \$31 million expected to be spent in the 2021-23 biennium to launch the homelessness emergency response efforts. The budget includes funding to reach specific outcomes, including creating 600 new shelter beds and maintaining operations of existing shelter beds, re-housing 3,600 households experiencing unsheltered homelessness and providing them with long-term rent assistance to maintain their housing stability once rehoused, preventing homelessness for 28,000 households, providing capacity-building grants to culturally responsive organizations, and providing resources to tribal partners to address housing and homelessness response efforts in their communities.

Most of the funding is for the Oregon Housing and Community Services (OHCS) Department; however, investments have been made in the Department of Land Conservation and Development for implementation of the Oregon Housing Needs Analysis, the implementation of the Housing Production Strategy, and the creation of the Housing Production and Accountability Office, as well as funding for the Oregon Department of Emergency Management for staffing related to the emergency response.

Housing Production and Preservation. The budget includes \$900.0 million in bonding to increase the supply of affordable housing, which includes \$130.0 million in bonding for Permanent Supportive Housing units and \$770.0 million for Local Innovation and Fast Track (LIFT) construction projects. LIFT projects can be leveraged to fund the construction of affordable rental housing units and homeownership units, such as Community Land Trust ownership models. The budget also includes \$100.00 million in lottery bond authorization, paired with \$18.0 million General Fund, to invest in affordable housing preservation projects.

Homeownership Investments. The budget includes investments in homeownership development, manufactured home replacement, and down payment assistance. The down payment assistance program builds on the relationships OHCS already has with local banks and lenders and provides a product not available through the private sector. The homeownership investment pairs with LIFT homeownership

bonding to provide grants and forgivable loans to developers to support other models of homeownership, such as Community Land Trusts. These programs create the possibility of homeownership for Oregonians, especially those who have experienced economic barriers to accessing homeownership.

Capacity Building for Culturally Responsive Organizations and direct funding for tribal partners. The OHCS budget includes direct funding for tribes to support their housing and homelessness response efforts, and an investment in capacity building, training and technical assistance for community partners, as well as funding for language access work across the department. This investment will further OHCS's equity goals by supporting culturally responsive partners through capacity building grants and improving language access across agency programs. These investments build on capacity-building grants and direct funding to tribes that were included as part of the Homelessness State of Emergency investments.

Broadband Access. The budget includes funding the Broadband Office in Business Oregon to coordinate broadband infrastructure deployment to increase broadband internet availability across the state, \$108.6 million for the Broadband Office, infrastructure loans and grants, and broadband service assistance to households that have potential access yet cannot afford services.

Medicaid Waiver. The State of Oregon recently negotiated its 1115 Medicaid waiver, which leverages over one billion dollars in federal funding to prioritize and support attainable investments in health-related social needs like housing and nutrition supports, provide continuous eligibility for those under 6, two-year continuous eligibility for those over 6, and make investments to improve tribal health. Cross-agency collaboration has started and will continue between the Oregon Health Authority, Oregon Department of Human Services, and OHCS agencies. Investments will support staffing costs within Oregon Housing and Community Services to implement the waiver and track expenditures that are part of the state's maintenance of effort requirement.

Opportunity Fund. The Governor's budget provides \$200.0 million Lottery Funds to be deposited into a new "Opportunity Fund" to be created within Business Oregon for business incentives supporting advanced manufacturing, including semiconductors, and to leverage federal funds, including the CHIPS and Science Act of 2022 and the Inflation Reduction Act of 2022.

Rural Opportunity Initiative. The Governor's budget adds \$2.0 million for the Rural Opportunity Initiative to empower rural communities to support entrepreneurs and small business growth. The Rural Opportunity Initiative helps strengthen and consolidate entrepreneurial ecosystems across Oregon's rural communities, with an emphasis on diverse and low-income populations. The Governor's budget also provides \$10.0 million Lottery Funds and \$100.0 million Lottery Bonds for strategic investments to early childcare businesses and the early childcare industry infrastructure.

Enhancing equity programs providing services to Oregon Businesses. The Governor's budget adds \$5.0 million to the Technical Assistance for Underrepresented Business program, which funds organizations that help historically underrepresented and under-resourced small businesses. This program is intended to help see that economic recovery is equitable and not perpetuate long-standing disparities. The budget also enhances the capacity of the Certification Office for Business Inclusion and Diversity, including resources necessary to comply with Executive Order 22-15 in helping businesses navigate the public procurement process.

Infrastructure investments for rural Oregon. The Governor's budget provides \$90 million Lottery Bonds for additional capital to the Special Public Works Fund, including funds for the Levee Grant

Program, Pre-Disaster Mitigation Grant match funds, and matching funds for Community Development Block Grant and Safe Drinking Water Revolving Loan Fund projects. Most loans and grants from these funds go to support critical infrastructure projects in rural Oregon.

Seismic retrofits. The Governor's budget includes additional investments in seismic retrofitting to assure the infrastructure stability of schools and emergency service buildings through the issuance of \$150.0 million General Obligation Bonds (Article XI-M and Article XI-N). This investment strives to make schools and emergency service buildings resilient to a large earthquake event.

Services for Veterans. The Governor's budget continues to support educational and workforce programs for Oregon's veterans, including the Campus Veteran Resource grant program and the Veterans' Educational Bridge grant program. The budget also provides investments to tribal partners to ensure dedicated resources for Veteran Service Officers in tribal communities.

Paid Leave Oregon. The budget includes necessary investments to move from implementation into administration of the Paid Family and Medical Leave Insurance (Paid Leave Oregon) program through employee and employer contributions. Paid Leave Oregon will provide eligible employees in the state of Oregon with a portion of their wages while the employee is out on family, medical, or safe leave.

Improvements in Unemployment Insurance (UI) Service Levels and COVID Backlog clean-up. Federal funding for unemployment administrative activities runs countercyclical in that during a recession Federal funding for UI is significantly increased, while in periods of recovery the funding decreases. At the end of the pandemic recession, federal funding dropped rapidly to pre-pandemic levels, which requires a heavier reliance on other dedicated sources of Other Funds. To provide the Employment Department with the resources necessary to improve customer service and clear a significant workload backlog from the pandemic, the Governor's budget proposes to increase the Supplemental Employment Department Administrative Fund diversion from 0.09 percent to 0.109 percent.

Oregon Business Development Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$164,411,129	\$263,338,524	\$134,960,266
Lottery Funds	105,696,251	148,999,777	351,408,203
Other Funds	348,791,244	1,260,961,040	926,041,690
Federal Funds	39,928,523	87,293,606	138,512,869
Other Funds (Nonlimited)	174,738,706	327,309,699	349,386,176
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$833,565,853	\$2,087,902,646	\$1,900,309,204
Positions	144	171	184
Full-time Equivalent	138.69	162.00	180.25

OVERVIEW

The mission of the Oregon Business Development Department’s (Business Oregon) is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. The department’s vision statement is “Prosperity for all Oregonians.” Core functions of the agency include rural community development and infrastructure financing; business retention, expansion and recruitment; export promotion and international trade; industry innovation and research and development; entrepreneurship and small business assistance; and support for arts and cultural organizations.

OBDD must continue to evolve policies, practices and operations to not only look at state investments with an eye on addressing historical inequities and disparities, but they must reimagine the way they deliver their programming and services to Oregonians. There must be a focus on removing barriers, expanding opportunities, and creating better outcomes for all Oregonians and especially for the people most impacted by historical and institutional racism.

GOVERNOR’S BUDGET

The Governor’s budget for Business Oregon is \$1,900.3 million total funds. This is a 9.0 percent decrease from the 2021-23 Legislatively Approved Budget (LAB), primarily due to the phase out of one-time funding. Although a decrease, the Governor’s budget includes new investments and additional investments for existing programs; the issuance of General Obligation and Lottery Bonds to make strategic investments in providing early childcare business and infrastructure assistance; assuring infrastructure stability, broadband expansion, and resiliency for schools and emergency services buildings; to capitalize existing programs’ revolving loans and grant programs; and allowing for completion of several projects started in 2021-23 with one-time General Fund appropriations and funds from the American Rescue Plan Act.

Key investments include:

- \$200.0 million Lottery Funds to be deposited into a new “Opportunity Fund” to be created within Business Oregon for business incentives supporting advanced manufacturing, including semiconductors, and leveraging federal funds, including the CHIPS and Science Act of 2022 and the Inflation Reduction Act of 2022.
- \$100.0 million Lottery Bonds for early childcare business and infrastructure assistance and \$10 million Lottery Funds for grants and technical assistance for early childcare programs.
- \$2.0 million Lottery Funds for the Rural Opportunity Initiative.
- \$5.0 million Lottery Funds for the Technical Assistance for Underrepresented Business program.
- \$1.7 million total funds (including \$0.2 million General Fund) to enhance capacity within the Certification Office for Business Inclusion and Diversity, including resources to implement activities associated with Executive Order 22-15 to help businesses navigate the public procurement system.
- \$75.0 million in Lottery Bonds to recapitalize the Special Public Works Fund (SPWF), including \$50.0 million for critical public works and regional infrastructure needs, \$15.0 million for the Levee Grant program, and \$10.0 million for Pre-Disaster Mitigation Grant matching.
- \$15.0 million in Lottery Bonds to provide SPWF matching funds for Community Development Block Grant activities (\$0.5 million) and Safe Drinking Water Revolving Loan Fund projects.
- \$100.0 million in General Obligation Bonds for seismic retrofitting of schools.
- \$50.0 million in General Obligation Bonds for seismic retrofitting of emergency service buildings.

The Governor’s budget includes investments for the Oregon Broadband Office, the mission of which is to increase broadband internet availability across the state; funding for needed staffing resources within Business Oregon; and funds continuing the project to modernize Business Oregon IT systems. Aside from new investments, the Governor’s budget includes \$26.9 million General Fund and \$264.1 million Other Funds as carry over from the 2021-23 biennium allowing for completion of several projects started in 2021-23 with one-time General Fund appropriations and funds from the American Rescue Plan Act.

REVENUE SUMMARY

Business Oregon’s main source of revenue for administration is Lottery Funds. General Fund finances the Arts Commission and is used to make General Obligation Debt Service payments. Federal Funds received from the Community Development Block Grant supports programs in the Infrastructure Finance Authority, 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 Division contains the Director’s Office and provides central services and oversight to the department. The Director’s Office oversees the department, legislative activities, governmental

relations, communications, and supports the Business Oregon Commission. Fiscal and Budget Services is responsible for the department's budget development and administration, financial reporting, accounts receivable, accounts payable, employee payroll, and agency contracts.

Employee Services provides human resource services for the department and the Technology Project Office maintains the department's information technology. The Governor's budget for this program is \$21.5 million total funds. This is a 39.6 percent increase from the 2021-23 LAB and supports 59 positions. The increase is primarily due to the addition of necessary staffing resources for ongoing projects, the continuation of and movement into the next phase of modernizing Business Oregon IT systems, and the Certification Office for Business Inclusion and Diversity.

Business, Innovation, Trade

The Business, Innovation, and Trade Division promotes business retention, growth, and job creation through multiple programs and services. Business retention and recruitment are an area of focus for this division. The division promotes access to capital through loans, credit guarantees, and investments in funds investing in early-stage businesses through the Oregon Growth Board. The division promotes exports by Oregon businesses through trade missions, the attraction of foreign direct investment, and the promotion of exports for small and medium sized businesses. Finally, the division funds a variety of initiatives aimed at encouraging research and development and entrepreneurship, many of which work with the university system. The Governor's budget for this program is \$549.2 million total funds. This is a 67.2 percent increase from the 2021-23 LAB, largely due to investments in the new "Opportunity Fund" to be created for business incentives and to leverage federal funding. The budget supports 76 positions.

Infrastructure Finance Authority

The Infrastructure Finance Division assists communities in building and maintaining critical infrastructure through low-cost financing, grants, technical assistance, and capacity building. The division has dedicated funding sources for municipal infrastructure, water, and wastewater facilities to ensure compliance with federal law, seismic rehabilitation for schools and emergency facilities, port and airport facilities, levee improvements, marine navigation improvements, and other facilities supporting economic and community development. Programs are a primary source for the state's rural communities to access low-cost financing for vital public infrastructure projects.

The Governor's budget for this program is \$1,161.2 million total funds. This is a 27.1 percent decrease from the 2021-23 LAB. The decrease is primarily due to the phase-out of one-time funding for projects in the 2021-23 biennium. The budget supports 39 positions.

Film and Video

The Oregon Film and Video Office is a semi-independent agency recruiting and facilitating film and television production in Oregon. The office carries out this mission by being a first point of entry for both out-of-state and in-state production companies and by using marketing and sales tools, a website, blog, newsletter, and social media presence, a large locations database, and other key recruitment tools such as tax credit incentive programs like the Oregon Production Investment Fund and the Greenlight Oregon Labor rebate.

The Governor's budget for this program is \$1.5 million total funds. This is a 4.2 percent increase from the 2021-23 LAB. The activities of this 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 Division of the agency includes both the Arts Commission and the Oregon Cultural Trust. The Arts Commission develops statewide policy and provides services to arts organizations, artists, and communities. The commission also provides statewide funding to arts organizations, individual artists and arts programs through grants and special initiatives. In fiscal year 2022, the Arts Commission made 389 grants awards for a total of \$2,322,500. The Arts Commission promotes Oregon's arts, humanities, heritage, preservation, and history. Through a tax credit, the commission encourages citizen participation in donating directly to over 1,500 cultural organizations and to the Trust.

The Governor's budget for this program is \$16.0 million total funds. This is a 45.8 percent decrease from the 2021-23 LAB, largely due to the phase-out of one-time funding for grants in the 2021-23 biennium. 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 budget supports 10 positions.

Lottery and General Obligation Bond Debt Service

The Lottery and General Obligation Bond Debt Service program is used to track the payment of Lottery and General Obligation Debt Service, including both principal and interest payments. Revenue to pay debt service comes from the General Fund and Lottery Funds. The Governor's budget for the program is \$150.9 million total funds. This is a 25.3 percent increase from the 2021-23 LAB, which is driven by new bond financing and debt service on previously sold bonds. Funding to repay debt service comes from the General Fund and Lottery Funds. The program does not include positions.

Oregon Employment Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$8,227,171	\$48,765,505	\$0
Lottery Funds	0	0	0
Other Funds	194,831,829	285,661,087	445,935,654
Federal Funds	236,771,214	310,599,469	174,150,948
Other Funds (Nonlimited)	2,779,417,760	5,058,847,795	2,621,260,260
Federal Funds (Nonlimited)	7,519,122,177	1,081,179,119	69,305,500
Total Funds	\$10,738,370,151	\$6,785,052,975	\$3,310,652,362
Positions	2,577	3,304	2,087
Full-time Equivalent	1,953.11	2,253.62	2,058.55

OVERVIEW

The Oregon Employment Department supports business and promotes employment. The department also provides administrative support to the Office of Administrative Hearings and the Employment Appeals Board. The department is part of the national workforce development system, which is a federal, state, and local partnership. This partnership, through the federal Workforce Innovation and Opportunity Act, is designed to strengthen and improve the nation's public workforce system and help get individuals, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers. Workforce programs in Oregon exist across several state agencies and other partners including local workforce development boards, universities, community colleges, school districts, community-based organizations, and business and trade associations.

GOVERNOR'S BUDGET

The Governor's budget for the Employment Department is \$3,310.7 million total funds. It includes \$445.9 million Other Funds, \$174.2 million Federal Funds, \$2,621.3 million Other Funds Nonlimited, \$69.3 million Federal Funds Nonlimited and 2,087 positions. This is a 51.2 percent reduction from the 2021-23 Legislatively Approved Budget (LAB), mostly due to the decrease in unemployment insurance payments as the state recovers from the economic impacts of COVID-19.

The Governor's budget provides resources for the department to continue the multi-biennia work in modernizing its core unemployment insurance (UI) technology systems. The Modernization Program is a pivotal strategic investment for the department in meeting critical business needs. With the passage of the Paid Leave Oregon program through House Bill 2005 (2019), the new program was added to the Modernization Program scope. The new modernization system, known as Frances Online, is the culmination of more than a decade of planning and development in the IT Modernization program. Frances went live for UI benefits on September 6, 2022. In addition to continuing the UI and Paid

Leave Oregon modernization, the Governor's budget provides resources to begin focusing the Modernization Initiative on the department's core employment services.

The Governor's budget supports the creation of a Contributions and Recovery Division for more efficient, streamlined, and effective oversight of services for collecting and distributing contributions made by Oregon employers for both the Paid Leave Oregon and UI programs. Additional investments include resources to provide more equitable access to UI; to create an Office of Strategy, Innovation and Performance to focus on enterprise-wide innovation, strategy, performance, and support data-driven decision making; and to continue improving processes within the department as lessons learned from the impacts of the COVID-19 pandemic. Additionally, it includes investments to continue the department's work with the Oregon Department of Human Services for the SNAP Employment Training (STEP) and Able-bodied Adults Without Dependents (ABAWD) programs.

Finally, because Federal funding for the department is significantly decreased in the 2023-25 biennium, the Governor's budget provides resources, through an increase in the Supplemental Employment Department Administrative Fund (SEDAF) diversion, to improve service levels, make needed operational and organizational improvements to strengthen the department, and to complete pandemic related workload issues the agency continues to face.

REVENUE SUMMARY

The Oregon Employment Department receives funding from both federal and dedicated state sources. The U.S. Department of Labor (U.S. DOL) provides the agency with federal funding for a variety of functions with the bulk of funds related to Unemployment Insurance and several reemployment-related programs. In general, the department receives increased federal funding during economic downturns but is underfunded during economic expansions and therefore reliant on fund reserves to continue operations. At the end of the pandemic recession, federal funding dropped rapidly to pre-pandemic levels. The Employment Department expects federal funding to remain at the lower levels throughout the 2023-25 biennium. Federal funding does not cover 100 percent of the department's administrative costs. The department utilizes a substantial source of dedicated state Other Funds to fill in where Federal Funds are not sufficient and will be more reliant on those dedicated Other Funds in 2023-25.

Other Funds sources include payroll taxes on employers for both the UI and Paid Leave Oregon programs. Each of those payroll taxes are a dedicated source of funding for the specific program. The tax revenue is used to pay UI benefit payments, Paid Leave Oregon benefits, and administrative expenses for both programs, charges for administrative hearing services, and penalties and interest assessed for delinquent payments.

SEDAF is funded by a diversion of 0.09 percent of employer paid unemployment taxes based on taxable payroll, which is primarily directed to support the agency's Workforce Operations and Workforce and Economic Research programs. Federal Funds cover just over 70 percent of expenditures for UI Administration, the department uses some SEDAF funds (and Penalty & Interest funds) to pay for administrative expenditures not covered by Federal Funds. To improve the department's administration of programs and due to a decline of Federal Funds, the Governor's budget proposes increasing the SEDAF diversion to 0.109 percent. This proposal does not increase employer payroll taxes but is an increase to a diversion on the existing tax rates of which the department may use for administrative purposes.

AGENCY PROGRAMS

Shared Services

The Shared Services budget structure includes programs providing strategic and operational support to all agency programs including Administrative Business Services, Director's Office, Human Resources, Information Technology Services, Internal Audit, Legislative Affairs, and Communications. The Governor's budget for this program is \$70.9 million total funds and supports 207 positions. This is a 0.5 percent increase from the 2021-23 Legislative Approved Budget.

Unemployment Insurance

The UI Division supports economic stability for Oregonians and Oregon communities through the payment of UI benefits. Through a focus on work search and employment services, the UI Division promotes reemployment and the preservation of a trained, local workforce for businesses during economic downturns.

The UI Division administers Unemployment Insurance benefits including federal extensions when available and other specialized programs. The program pays UI benefits, a temporary partial wage replacement to workers who are unemployed through no fault of their own. The program collects payroll taxes from Oregon employers, which are deposited into the Unemployment Insurance Trust Fund and used to pay unemployment insurance benefits.

Oregon's Unemployment Insurance Trust Fund is designed to grow in good economic times and draw down during economic downturns, minimizing employer taxes during an economic recession. Each state's Unemployment Insurance Trust Fund is held by the federal government for the specific purpose of the state paying unemployment insurance benefits. Oregon's Unemployment Insurance Trust Fund remained solvent through the Great Recession and throughout the COVID-19 pandemic, due to its statutory self-balancing tax structure. The U.S. DOL continues to rate Oregon's Unemployment Insurance Trust Fund as one of the healthiest in the nation. As proof of the solvency of the Trust fund, the department recently announced employer rates would be moving downward in 2023, from Schedule III to Schedule II.

The Governor's budget for this program is \$140.8 million total funds, supporting 525 positions. This is a 47.8 percent reduction from the 2021-23 LAB. The decrease is largely due to the reduction of UI claims and the attrition of limited duration positions, which are no longer needed as the state continues to recover from the pandemic.

Workforce Operations

The Workforce Operations Division manages the state's labor exchange system and serves all Oregonians and Oregon businesses through 39 WorkSource centers across the state. 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. Workforce Operations employees identify, screen, and refer job applicants to employers. Workforce Operations assists businesses in securing federal tax credits and offsetting training costs for hiring specific populations such as persons receiving public assistance, people with disabilities, veterans, and those

experiencing long-term unemployment (longer than six months). The demand for these services from job seekers fluctuates with the business cycle. The Governor's budget for this program is \$159.7 million total funds including 568 positions. The budget represents a 3.1 percent increase from the 2021-23 LAB.

Contributions and Recovery

The Governor's budget creates a new division within the department, which will move staff from existing programs within Shared Services, UI, and Paid Leave Oregon into this division. The new Contributions and Recovery Division will provide economic stability for Oregonians and Oregon Communities by providing seamless services to Oregon employers as they navigate and pay contributions for both UI and Paid Leave Oregon programs. The collection of such contributions provides funding for both the UI and Paid Leave Oregon programs, both of which provide critical safety nets for Oregon citizens. The services provided within Contributions and Recovery provide efficient and effective oversight and support services in the collection and distribution of contributions made by Oregon employers for both the Paid Leave Oregon and the UI programs. The Governor's budget for this program is \$34.4 million total funds, including 153 positions. This is a newly created program for the 2023-25 biennium, as such there is no comparison to previous biennia.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) provides Oregonians and businesses an independent and impartial forum to dispute actions against them. OAH holds contested case hearings (dispositions) referred by over 70 Oregon agencies, boards, and commissions. OAH Administrative Law Judges conduct hearings and make decisions independently from the agencies taking the initiating action. The Governor's budget for OAH is \$39.6 million total funds, including 121 positions. The budget represents a 10.6 percent increase from the 2021-23 LAB, maintaining existing programs.

Workforce and Economic Research

The Workforce and Economic Research Division collects, estimates, analyzes, publishes, and distributes economic and workforce information to help stakeholders understand current and future economic conditions and workforce trends. The Workforce and Economic Research Division has ongoing collaborative partnerships with state and local entities relating to education, social services, and economic development. These relationships are integral to help inform program development and implementation and measure program outcomes. The Governor's budget for this program is \$17.2 million total funds, including 52 positions. The budget represents a 2.9 percent increase from the 2021-23 LAB, maintaining existing programs.

Paid Leave Oregon

The Paid Leave Oregon Division, previously referred to as the Paid Family and Medical Leave Insurance Division, was created through House Bill 2005 (2019), which is codified in ORS chapter 657B. The program was created to provide eligible employees in Oregon with coverage for all, or a portion, of their wages while the employee is out on family, medical, or safe leave. Employees throughout the state of Oregon experience a variety of caregiving obligations and other situations interfering with their ability to work. The program was created to provide employees, self-employed workers, and independent

contractors with compensated time off from work to care for and bond with a child during the first year of the child's birth or arrival through adoption or foster care; to provide care for a family member who has a serious health condition; to recover from their own serious health condition; and to take safe leave related to sexual assault, domestic violence, stalking, or harassment. Enactment of House Bill 3398 (2022) adjusted the date to begin collection of payroll contributions from January 2022 to January 2023 and adjusted the date of payment of benefits and small business grants from January 2023 to September 2023.

Payroll contributions start January 1, 2023. All eligible employers and employees are required to contribute to the Paid Leave Oregon Fund through a payroll tax. The tax rate is determined annually by the Director of the Employment Department and cannot exceed one percent of employee wages. For 2023, the percentage is established at one percent. The rate for 2024 will be established by August of 2023. The tax rate applies up to the first \$132,900 in wages (adjusted annually for inflation). The total contribution amount to be paid is 40 percent by the employer and 60 percent by the employee. Employers with fewer than 25 employees can elect to pay their share of the contributions and be eligible for grants to help offset the costs related to their employees taking Paid Leave.

The federal government is not subject to employer contributions. Tribal governments and self-employed workers can elect to participate in the program, if desired. If Tribal governments elect to participate, the rate is set in rule by the department director which is currently the same rate as for other employers. Self-employed individuals will contribute at the employee rate of 60 percent. Employee contributions are withheld from paychecks by employers, like the state income tax withholding, and submitted to the state of Oregon through quarterly payroll tax reporting with the employer contribution.

The Governor's budget for this program is \$88.4 million total funds, including 383 positions. The budget represents a 120.2 percent increase from the 2021-23 LAB. The increase supports the department's needs to meet the target start dates for benefits and assumes the program will be fully operational in the 2023-25 biennium.

Modernization Initiative

The Modernization Initiative Program is converting legacy business and technology systems to modern technology for more flexible and efficient UI and Workforce Operations program administration. The mission of the modernization program is to ensure the department can continue to successfully support business and promote employment.

The program began in the 2015-17 biennium. In the 2019-21 biennium, the primary focus was on releasing a request for proposal, completing negotiations, awarding a contract to a solution vendor, hiring program and project staff, initiating organizational change management activities, and developing baselines for project scope, schedule, and budget. During 2021-23, the program's focus has been on the continued transformation of systems and processes for the UI program and implementation of Paid Leave Oregon.

The Governor's budget for this program is \$69.1 million total funds, including 78 positions. The budget represents a 20.7 percent increase from the 2021-23 LAB. The budget provides support to continue modernizing the UI system, implementing full functionality for Paid Leave Oregon, and to begin

modernization work on the Workforce Operations program.

Paid Leave Oregon Trust Fund Nonlimited

The Governor's budget creates a new nonlimited budget structure in 2023-25 for Paid Leave Oregon. This program unit consists of Paid Leave Oregon contributions received from employers (40 percent of total) and from employees (60 percent). Interest earned on the account is also received into the Paid Leave Oregon Trust Fund. Penalties and interest received from employers for underpayment of contributions and from employees related to overpayment of benefits are deposited into the Paid Leave Oregon Trust Fund. Funds are used from the Paid Leave Oregon Trust Fund to pay benefits and for payment of administrative expenditures. The Governor's budget is \$1,712.0 million total funds Nonlimited.

Nonlimited

Nonlimited funds include unemployment tax collections, Unemployment Insurance Trust Fund interest earnings, and federal revenues used to pay unemployment insurance and associated benefits to qualified applicants. Nonlimited funds also include federal revenue used to pay benefits related to federal training programs, such as the Trade Adjustment Assistance Program and as reimbursement for administration of the UI program. The Governor's budget is \$978.5 million total funds Nonlimited, which represents the distribution of benefits to individuals. This represents an 84.1 percent decrease from the 2021-23 LAB, due almost entirely to the reduction of unemployment insurance claims as the state moves through recovery from the economic impacts of COVID-19.

Housing and Community Services

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$326,583,557	\$908,982,969	\$677,277,683
Lottery Funds	21,752,234	25,224,730	30,593,961
Other Funds	586,451,142	1,107,463,705	1,637,877,540
Federal Funds	154,519,187	708,562,622	347,990,399
Other Funds (Nonlimited)	649,881,602	926,685,282	882,843,018
Federal Funds (Nonlimited)	150,805,360	176,472,688	185,102,399
Total Funds	\$1,889,993,082	\$3,853,391,996	\$3,761,685,000
Positions	252	416	427
Full-time Equivalent	219.21	363.75	421.36

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 homelessness, thereby providing opportunities for Oregonians. The department 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. OHCS administers federal and state anti-poverty, homelessness, and energy assistance and community service programs. 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 the construction of projects that increase the supply of affordable rental housing and homeownership units, such as Community Land Trust models.

GOVERNOR'S BUDGET

The Governor's budget for OHCS is \$3,761.7 million total funds, which includes \$677.3 million General Fund, \$30.6 million Lottery Funds, and 427 positions. This is a 2.4 percent total funds decrease from the 2021-23 Legislatively Approved Budget (LAB). The budget appears as a decrease because the 2021-23 LAB included over \$1,500.0 million in one-time funding. The Governor's budget aligns with the goals outline in the Governor's Homelessness State of Emergency, the Executive Order directing state agencies to prioritize reducing homelessness, and the housing production executive order. The budget makes a substantial investment of General Fund and bonding authority to focus on preventing and reducing homelessness, increasing affordable housing supply, and promoting homeownership opportunities for people who have experienced housing disparities.

Highlights of Governor Kotek's housing budget include:

- Homelessness emergency response efforts and ongoing costs, \$377.6 million*, including:
 - 600 new shelter beds and outreach workers, \$23.8 million
 - Re-housing 3,600 unsheltered households/long-term rental assistance, \$216.6 million
 - Preventing 28,000 evictions, \$106.6 million
 - Unit access for 600 units, \$7.2 million
 - Expanded Landlord Guarantee Program, \$3.0 million
 - Capacity building grants to culturally responsive organizations, \$7.5 million
 - Tribal housing and homelessness response, \$5.0 million
 - Sanitation services, \$2.0 million
 - Permanent Supportive Housing Risk Mitigation Fund, \$4.5 million
 - Homeless Management Information System enhancements, \$2.0 million
 - Maintaining existing shelter operations, \$24.1 million
 - OHCS staffing for emergency response and long-term efforts, \$5.7 million

** Due to the emergency response beginning in January 2023, the 2023-25 budget assumes \$30.4 million of the costs are paid in the 2021-23 biennium, in addition to \$0.6 million in ODEM staffing costs.*

In addition to the emergency response investments made in the OHCS budget, Governor Kotek also made the following housing-related investment in other state agencies:

- DLCD: Oregon Housing Needs Analysis (OHNA) implementation costs, \$6.3 million
- DLCD: Housing Production and Accountability Office, \$2.2 million, funded with a transfer from DCBS
- ODEM: Staffing for emergency response and long-term efforts, \$.7 million

The above investments support the \$130 million emergency response efforts and over \$287 million in long-term efforts.

- Training and technical assistance for culturally specific organizations, along with a language access investment, \$9.4 million
- Investment in Individual Development Accounts (IDAs), \$7.5 million
- Down payment assistance, \$13.6 million
- Child care centers co-located in affordable housing developments, \$5 million
- Tribal housing and homelessness response efforts (additional investment), \$5 million
- Manufactured homes replacement, \$4 million
- General Obligation bonds for Local Innovation and Fast Track housing bonds and Permanent Supportive Housing, \$900 million

- Lottery revenue bonds and General Fund for housing preservation, \$118 million

A focus on equity is interwoven among all the investments made in the Governor's budget. Current and historic marginalization based on protected classes, especially race, has created barriers to accessing safe, stable, and affordable housing. By increasing resources for homelessness prevention and response, affordable housing production and down payment assistance, households who have faced inequities have a higher chance of securing long-term housing stability. In addition, the budget invests in capacity building grants to culturally specific organizations to enable community partners to conduct outreach to those most in need, as well as staffing capacity to implement the new 1115 Medicaid waiver, which incorporates housing stability as a social determinant of health. Finally, the budget directs specific investments to tribal partners for homelessness and housing response activities.

REVENUE SUMMARY

The department receives General Fund for Housing Stabilization related programs and housing development, and Lottery Funds for debt service and housing-related services to veterans. 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 U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Health and Human Services, the U.S. Department of Energy, the Corporation for National and Community Service, NeighborWorks, and the Bonneville Power Administration.

AGENCY PROGRAMS

Housing Stabilization Programs

Housing Stabilization Programs provide critical services to Oregonians with the lowest incomes by addressing housing instability and helping more Oregonians access safe, stable, and affordable housing options. The Housing Stabilization Programs division passes federal and state resources through to Oregon's community action network and their partners to enable local communities to provide a continuum of services helping individuals and households with low incomes. The two main programs in this area are homelessness services and energy services.

Homelessness services includes the Emergency Housing Assistance, State Homeless Assistance Program, Rent Guarantee Program, the Oregon Eviction Diversion and Prevention Program, and the Housing Choice Landlord Guarantee Program. Energy services programs include Energy Conservation Helping Oregonians, the Oregon Multifamily Energy Program, and the Oregon Energy Assistance programs to assist with conservation, weatherization, and utility payment assistance services.

The budget includes new investments to address Homelessness across the entire state, including but not limited to areas included in the Homelessness State of Emergency. It includes funding to reach specific outcomes, including creating 600 new shelter beds and maintaining operations of existing shelter beds, re-housing 3,600 households experiencing unsheltered homelessness and providing them with long-term rent assistance to maintain their housing stability once rehoused, assisting 28,000 households with homelessness prevention services, providing capacity-building grants to culturally responsive organizations, and providing resources to tribal partners to address homelessness response efforts in their communities.

The Governor's budget for Housing Stabilization Programs is \$692.7 million total funds, which includes \$435.5 million General Fund and \$2.2 million Lottery Funds. The General Fund budget represents a 41.1 percent increase from the 2021-23 LAB. The Lottery Funds budget reflects a transfer from the Veteran's Services Account and is intended to provide housing-related services to veterans. The budget supports 60 positions.

Project-Based Rental Assistance Programs

Project-Based Rental Assistance Programs (PBRAs) include: 1) HUD Contract Administration (HCA), 2) HUD 811 PBRA (HUD 811), and 3) Permanent Supportive Housing Project-Based Rent Assistance. HUD Contract Administration is Oregon's Performance Based Contract Administrator for the project-based Housing Choice Voucher Program and oversees approximately 254 contracts in Oregon. Duties include subsidy payments to owners and tenant complaint resolution. The Housing Choice Voucher Program is managed by HUD and subsidizes housing for individuals and families with low incomes. At the local level, the program is administered by Public Housing Agencies.

The budget includes Article XI-Q General Obligation bonds in the amount of \$130.0 million for construction of approximately 430 Permanent Supportive Housing (PSH) units. These units are critical in helping people facing chronic homelessness find and maintain housing stability. People residing in PSH units often receive rental assistance and supportive services to successfully maintain their housing.

The Governor's budget for Project-Based Rental Assistance Programs is \$213.6 million total funds, which includes \$23.0 million General Fund. The General Fund budget represents a 66.4 percent increase from the 2021-23 LAB. Over 87 percent of the budget is funded with Nonlimited Federal Funds from HUD for Housing Choice Voucher rental subsidies paid directly to affordable rental housing owners on behalf of tenants. The budget supports 21 positions.

Multifamily Rental Housing Programs

Multifamily Rental Housing programs provide financing for a continuum of rental housing options for Oregonians with low incomes. This program enables the development of new housing units, rehabilitation of existing housing units and preservation of affordable housing projects with project-based Housing Choice Vouchers and Rural Development rental subsidies. The program also administers the U.S. Department of Housing and Urban Development rental assistance contracts with private owners.

The budget includes lottery bond authority of \$100 million, paired with \$18.0 million of General Fund, to invest in affordable housing preservation projects. It also includes \$900 million of General Obligation Local Innovation and Fast Track (LIFT) bonding for the construction of affordable rental housing and homeownership projects. Up to 20 percent, or \$154 million, can be used for homeownership units. In addition, a \$5.0 million General Fund investment is made to the Colocation of Affordable Rental Housing and Early Care & Education (CARE) program.

The Governor's budget for Multifamily Rental Housing Programs is \$504.9 million total funds and \$23.0 million General Fund. The General Fund budget represents a 93.6 percent decrease from the 2021-23 LAB due to the phase out of one-time investments. Multifamily Rental Housing programs are primarily 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, Multifamily Rental Housing programs receive Federal Funds from HUD for both the Housing Choice Voucher program and the HOME Investment Partnership Program. The budget supports 108 positions.

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, as well as assistance with closing costs.

The Governor's budget continues funding the down payment assistance program for Oregonians with low to moderate incomes by adding \$13.6 million General Fund. This program recognizes accumulating a down payment can be a significant barrier to working families who could otherwise afford the mortgage and accompanying costs of homeownership. This down payment program builds on the relationships OHCS already has with local banks and lenders and provides a product not available through the private sector. This program creates the possibility of homeownership for Oregonians, especially those who have experienced barriers to accessing homeownership.

Additional General Fund investments include \$4.0 million for the Manufactured Home Replacement Program to assist manufactured homeowners with replacing or decommissioning their homes, as well as \$5.0 million to pair with LIFT homeownership bonding to provide grants and forgivable loans to developers to support other models of homeownership, such as Community Land Trusts.

The Governor's budget for Single Family Housing Programs is \$150.6 million total funds, which reflects a 24.8 percent decrease from the 2021-23 LAB. The General Fund budget is \$26.3 million and represents 17.0 percent of the total funds budget. The budget appears to decrease because the 2021-23 LAB included \$147.0 million total funds of one-time funding.

Disaster Recovery and Resiliency Programs

Disaster Recovery and Resiliency Programs was created to help Oregon wildfire survivors recover from the 2020 Labor Day Fires. The division launched the ReOregon program with a focus on assisting households with low to moderate income. The budget is primarily funded with federal Community Development Block Grant – Disaster Recovery funds, along with proceeds from Lottery Bonds previously authorized in the 2021-23 biennium. The Governor's budget for Disaster Recovery and Resiliency Programs is \$162.5 million total funds. The budget supports 42 positions.

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 the 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 to support the significant growth in program services that occurred over the last two biennia.

The budget makes a \$9.4 million General Fund investment in capacity building, training and technical assistance for community partners, as well as funding for language access work across the department. This investment will further OHCS's equity goals by supporting OHCS partners through capacity building grants and improving language access across agency programs. The partners include culturally responsive organizations, , the nine federally recognized Tribes, and community-based organizations, among others.

The Governor's budget for Central Services is \$57.2 million total funds, which includes \$13.5 million General Fund, \$33.4 million Other Funds and \$10.2 million Federal Funds. The General Fund budget represents a 78.4 percent decrease from the 2021-23 LAB due to the phase out of one-time investments. The budget supports 146 positions.

Bond Activities and Debt Service

The OHCS Bond Related Activities program provides safe and affordable rental housing to Oregonians with low incomes 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 \$156.0 million General Fund, \$28.4 million Lottery Funds, \$13.4 million Other Funds, and \$882.4 million Nonlimited Other Funds. The General Fund budget represents a 124.9 percent increase from the 2021-23 LAB due to an increase in debt service for Article XI-Q bonding. The funding for this program continues support for existing programs in the Multifamily Rental and Single Family Housing programs. The budget supports nine positions.

Capital Construction

The Capital Construction program unit was created in 2015 to manage proceeds from Article XI-Q bonds for affordable housing development projects, which is called the Local Innovation and Fast Track (LIFT) housing program. The LIFT program's objective is to build new affordable housing for families with low incomes. In response to the overwhelming demand for LIFT funds, \$410 million of LIFT bonds were authorized in the 2021-23 biennium. Because Capital Construction proceeds can be spent over six years, the expenditure limitation is not carried between biennia.

The Governor's budget makes a new investment of \$900.0 million in Article XI-Q bonds for the 2023-25 biennium to continue providing resources to build affordable housing for households with low incomes. Of this amount, \$130.0 million is for the construction of Permanent Supportive Housing units and \$770 million is for LIFT units. 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.

Oregon Department of Veterans' Affairs

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$7,157,378	\$9,140,366	\$9,492,419
Lottery Funds	16,562,491	21,326,867	21,160,199
Other Funds	98,756,734	121,680,744	125,576,489
Federal Funds	592,874	1,628,594	3,881,025
Other Funds (Nonlimited)	257,495,965	289,687,331	261,125,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$380,565,442	\$443,463,902	\$421,235,132
Positions	102	104	102
Full-time Equivalent	101.65	103.79	101.97

OVERVIEW

The mission of the Oregon Department of Veterans' Affairs is to serve and honor veterans through leadership, advocacy, and strong partnerships. The department'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 (in The Dalles and Lebanon), with a third home in the planning stage (in Roseburg); and core operations, which provides leadership and support for the department's programs.

GOVERNOR'S BUDGET

The Governor's budget provides a total of \$421.2 million, including \$9.5 million General Fund and \$21.2 million supported by Lottery Funds. Investments include an additional \$1.5 million in available Lottery Funds, intended to strengthen the department's ability to provide services and outreach to more veterans, support local partners, and enhance assistance in the areas of education and workforce.

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 is derived from loan payments in the Home Loan Program, general obligation bond proceeds, and investments. 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 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, 2022, the department's loan portfolio consisted of approximately 1,376 loans totaling more than \$298 million.

The Governor's budget for the Home Loan Program totals \$22.6 million total funds and supports 46 positions. This represents a 20.9 percent increase from 2021-23 Legislatively Approved Budget. The primary revenue source is Other Funds received from mortgage loan and contract repayments, proceeds from bond sales, and income from fees, rent, and investments. The Governor's budget supports replacement of the program's Home Loan servicing application with a modern solution that will improve operations and services provided to veterans.

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 program is the front line for veteran benefits, ensuring veterans obtain all the benefits to which they are entitled. 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 (CVSO) positions with a base amount, in addition to an amount related to the county's veteran population. Department employees assist veterans and CVSOs throughout the state in preparation or review of appeals for denied veteran claims. With its county and national service partners, the department provides claims advocacy, certification, and representation to Oregon's 284,000 veterans.

The Governor's budget for the Veteran Services Program totals \$28.0 million total funds and supports 38 positions. This represents a 15.9 decrease from 2021-23 Legislatively Approved Budget, which is primarily driven by the phase-out of one-time investments in various grants. The Governor's budget includes an investment of \$1.5 million of available Lottery Funds revenue to continue support for the Campus Veteran Resource grant program and the Veterans' Educational Bridge grant program.

Oregon Veterans' Home Program

The Oregon Veterans' Home Program provides eligible veterans and their families with skilled nursing, Alzheimer's and memory 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 Oregon Veterans' Homes; 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 derived from resident-related payments, including funds from USDVA, Medicare, Medicaid, insurance

companies, and private payers. The department 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 totals \$105.5 million total funds and supports four positions. This represents an increase of 8.6 percent from 2021-23 Legislatively Approved Budget. The Governor's budget provides the necessary resources to staff and operate the current facilities in The Dalles and Lebanon and invests an additional \$3.5 million in expenditure limitation to complete deferred maintenance projects on the veterans' homes, including new air handler units for The Dalles Veterans' Home.

Aging Veteran Services Program

The Aging Veteran Services Program was established in the 2019-21 biennium to focus on the needs of Oregon's growing population of aging veterans and their families. Providing a more direct focus on aging veterans reflects the demographics of veterans, approximately 45 percent of whom served during periods of conflict at least 50 years ago. This includes veterans who served during the Vietnam, Korean, and World War II eras. For the foreseeable future, older veterans and their families will increasingly need access to long-term care, home and community based services, as well as access to prosthetics, mental health care, health care, dental, hearing aids, and prescription medication. The Aging Veteran Services Program is the front line for connecting aging veterans to available benefits and resources.

The program administers the following three functions: 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 independently manage their financial affairs. The Veteran Volunteer Program is 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 works with partners on behalf of aging veterans to coordinate benefits and services specific to this population.

The Governor's budget for Aging Veterans Services totals \$4.1 million total funds and supports 14 positions. This represents a 13.0 percent decrease from the 2021-23 Legislatively Approved Budget. The decrease is primarily due to the phase out of one-time investments. The Governor's budget continues funding for the current level of service.

Nonlimited Program

The Nonlimited Program provides both loan and bond expenditures related to the Home Loan Program. The loan-related expenditures consist of loans made to veterans, 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. The bond-related expenditures in this program unit are incurred in the planning for and issuance of bonds.

The Governor's Nonlimited budget for the Oregon Department of Veterans' Affairs provides the resources necessary to support the Home Loan Program and pay debt service associated with the program. The total budget is \$261.1 million, representing a 9.9 percent decrease from the 2021-23 Legislatively Approved Budget, largely due to decreasing debt service expenditures for repayment on bonds previously sold.

NATURAL RESOURCES AGENCIES

Natural Resources Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$341,342,830	\$885,138,649	\$457,157,273
Lottery Funds	214,405,061	255,935,268	304,378,404
Other Funds	1,033,701,612	1,578,569,003	1,511,036,498
Federal Funds	235,365,825	350,574,606	369,472,793
Other Funds (Nonlimited)	243,548,280	283,387,319	328,742,284
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,068,363,608	\$3,353,604,845	\$2,970,787,252
Positions	5,265	5,648	5,625
Full-time Equivalent	4,303.54	4,629.39	4,722.25

OVERVIEW

From arid high deserts to rocky coastal shores, snowy mountain peaks, and rolling hills of rich farmland, Oregon is known for its natural beauty. These varied ecosystems include a vast diversity of natural environments, agricultural and forest resources, and the vibrant communities that call them home. Oregon’s natural resources support our state’s economy and our quality of life, both of which are under strain from increased climate pressures that have manifested in many ways including megadrought, catastrophic wildfires, and extreme weather events.

The Natural Resources Program Area encompasses the work of 14 agencies whose more than 30 programs are tasked with managing Oregon’s air, water, land, and wildlife and the state’s responsibility to do its part to address climate change.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s budget for the Natural Resources Program Area is \$2,970.8 million, which includes \$457.2 million General Fund and \$304.4 million in discretionary and Measure 76 Lottery Funds. In the 2021-23 biennium, the Natural Resources Program Area received nearly \$500 million in one-time General Fund investments. The Governor’s budget prioritizes maintaining on-going funding, and continuing significant increases in agency programs and staffing related to water, forestry, wildfire, and addressing climate change, identifying opportunities to leverage Federal Funds, and advancing equity and environmental justice. The budget also provides a plan to manage a constitutionally required adjustment in the usage of Lottery Revenues directed by Measure 76, which changes the resources available for agency operations and projects.

The recent historic settlement of the *Monsanto* case provides a transformational opportunity for the State of Oregon to make strategic and meaningful investments to address the environmental harm caused by PCBs, chemicals that caused significant environmental harm and risk of harm to human health. The allocation of the available resources should be guided by a strategic implementation plan avoiding the use of one-time funding to supplant existing natural resources program costs. Plan development will be led by natural resources agencies in collaboration with community-based organizations and the indigenous community. The plan should center intergenerational equity and the fact that PCB pollution disparately impacts indigenous communities and communities of color. The plan should be available for enactment through the legislative budget process this session.

Climate and Energy. During the last biennium, the Department of Environmental Quality (DEQ) launched Oregon's Climate Protection Program with the charge to dramatically reduce greenhouse gas emissions in Oregon over the next thirty years. One key portion of the work, the Community Climate Investments Program, is due to begin in 2023. In addition to maintaining continuity in investment for DEQ's ongoing climate work, the Governor's budget provides the resources for the agency to manage this new program, which works with local nonprofits to invest in projects that reduce greenhouse gas emissions in Oregon's environmental justice communities. Additionally, the budget continues the ability for the Department of Energy to expend one-time funds allocated in 2021-23, to connect Oregonians with resources to increase efficiency.

Private Forest Accord. The Private Forest Accord sets the framework for the reimagining of Oregon's Forest Practices Act, impacting millions of acres of private and non-federal forests, providing regulatory certainty and better protection of natural resources. The agreement, which was the culmination of extensive negotiations between the timber industry and conservation groups was enacted in 2022, within Senate Bills 1501, 1502, and House Bill 4055, including one-time and ongoing funding. Much of the work to implement this legislation begins in the 2023-25 biennium and includes grants to small forestland owners investing in stream habitat, an adaptive management program, and funds to support projects that mitigate the impacts of forest practices, as well as the development of a Habitat Conservation Plan. The Governor's budget makes meaningful progress toward further implementation by maintaining the increased staffing funded in 2022 and includes investments to stand-up and implement the programs included in the Private Forest Accord, both in the Department of Forestry and in the Department of Fish and Wildlife. Between the two agencies, the budget provides an additional investment of \$23.9 million into the Private Forest Accord.

Wildfire. In 2021, Senate Bill 762 was passed to modernize Oregon's comprehensive approach to addressing wildfire. The Governor's budget includes wildfire severity resources, continues significant firefighting capacity resources and funding to continue building landscape resilience. It also extends funding previously allocated to support communities still working to recover from 2020's catastrophic wildfires.

Investing in Water. Managing water resources in Oregon is a unique challenge spanning over eight state agencies and affecting communities across the state. In the 2021-23 biennium, Oregon made historic investments to address water quality, quantity and sustainability, including two drought packages to provide relief to severely impacted communities and building resilience to future drought conditions and climate disruption. By maintaining continuity of the historic water investments made in 2021 and applying additional resources to programs that received one-time funding from subsequent

drought packages, the Governor's budget supports Oregon's diverse communities and habitats and the creation of a durable system to address Oregon's current water needs while planning for a climate-impacted future.

The budget includes a \$10 million water package with funding in the Oregon Department of Fish and Wildlife, Water Resources Department, Department of Environmental Quality, and the Oregon Watershed Enhancement Board that prioritizes data, drinking water, conservation, and agricultural needs while addressing the following priorities:

- Moving forward on water data and planning to provide the critical information and technology upgrades needed to address future challenges.
- Funding on-the-ground infrastructure improvements that directly benefit drinking water quality, fish and wildlife habitat, and agricultural stakeholders.
- Elevating the water needs of tribes and rural and underserved communities across the state to improve equity and access to clean and sustainable water.

These investments will allow for increased protection of threatened fish species across the state, improved understanding of interconnected groundwater systems, and habitat restoration projects in water quality impaired watersheds. Projects will support some of Oregon's most drought-stricken communities, where investments will help improve economic potential, as well as address key public health risks.

Measure 76 Lottery Revenue Shift. State Lottery income is soon expected to trigger a constitutional provision in Ballot Measure 76, which will require agencies to shift lottery spending, reducing funds going to operations, and increasing funds for grantmaking or other purposes. The six agencies required to respond to the change are Oregon Department of Agriculture, Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Watershed Enhancement Board, Oregon Parks and Recreation Department, and Oregon State Police. The Governor's budget applies the forward-looking resource allocation requirement for impacted agencies for the entirety of the 2023-25 biennium.

Oregon Department of Agriculture

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$24,476,536	\$78,763,099	\$31,532,966
Lottery Funds	8,674,081	11,588,227	8,802,247
Other Funds	67,997,962	123,504,515	89,856,981
Federal Funds	12,049,488	18,626,329	18,987,748
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$113,198,067	\$232,482,170	\$149,179,942
Positions	514	535	522
Full-time Equivalent	385.77	407.17	402.40

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 mission of the department is to ensure healthy natural resources, a sustainable environment, and a thriving economy for Oregonians now and in the future, through inspection and certification, regulation, and promotion of agriculture and food. ODA 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 ODA is \$149.2 million total funds and 522 positions. This is a 35.8 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). This decrease is primarily due to phasing out of funding, including Oregon Agricultural Disaster Relief, meat inspection, and other one-time funds. The budget continues investments in Japanese Beetle eradication, creates a food safety pilot to work with communities of color to improve equity in department practices, and makes an investment supporting the Pesticide Stewardship Partnership and Pesticide Analytical Response Center..

REVENUE SUMMARY

The department is primarily funded by Other Funds, which includes fees for licenses, registrations, inspections, certifications, and reimbursements under federal service contracts. ODA 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.

ODA 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. The Governor's budget supports fee increases, which will provide needed financial support for programs in the 2023-25 biennium. Fee changes include increases for Food Safety, Livestock Identification, Seed, Pesticide Registration, and Hemp programs. A fee package for the Weights and Measures program is also included, as it is scheduled to go into effect in the 2023-25 biennium.

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. 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 Governor's budget for this program is \$15.5 million total funds and 41 positions. This is an 83.7 percent decrease from the 2021-23 LAB, driven almost entirely by the phase-out of the Oregon Agricultural Disaster Relief funding.

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. Funding for the Food Safety/Consumer Protection Policy Area is primarily derived from Other Funds, including licensing fees, registration fees, and fees for service, with smaller amounts of General Fund and Federal Funds.

The Governor's budget for this program is \$46.5 million total funds and 185 positions. An investment has been made in Food Safety/Consumer Protection to begin work related to food safety while honoring food preparation traditions in communities of color. Also included is an increase in lab capacity for cannabis testing on OLCC's behalf.

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. 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 Governor's budget for this program is \$55.1 million total funds and 158 positions. The Governor's budget funds continuing work related to the elimination of the Japanese Beetle and support for the Pesticide Stewardship Partnership and Pesticide Analytical Response Center.

Market Access, Development, Certification/Inspection Policy Area

The Market Access, Development, Certification/Inspection Policy Area assists Oregon's agricultural producers in successfully selling and shipping 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 affecting agricultural traded sectors. 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 Governor's budget for this program is \$32.1 million total funds and 138 positions. Investments include continued work on the Food Safety Modernization Act.

Columbia River Gorge Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$1,125,684	\$1,408,207	\$2,292,644
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	\$1,125,684	\$1,408,207	\$2,292,644
Positions	0	0	0
Full-time Equivalent	0.00	0.00	0.00

OVERVIEW

The Columbia River Gorge Commission was authorized by and charged with implementing the Columbia River Gorge National Scenic Area Act of 1986. Formally established by an interstate compact between Oregon and Washington in 1987, the National Scenic Area (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 292,500-acre region stretching along both shores of the Columbia River for 85 miles—from the edge of the Portland-Vancouver metro area to the mouth of the Deschutes River between Wasco and Sherman Counties. The Scenic Area encompasses three counties in Oregon (Hood River, Multnomah, and Wasco) and three in Washington (Clark, Skamania, and Klickitat) and includes 13 designated Urban Areas. Roughly 70 percent of the land in the Scenic Area is in private ownership. The commission’s governing board consists of 13 members, one appointed by each of the six counties within the Scenic Area, six appointed by the two states (three by each Governor), and one ex officio, non-voting member appointed by the U.S. Secretary of Agriculture.

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 local, county, state, federal government, tribal, and other organizations. It also coordinates with the U.S. Forest Service, which owns federal land within the gorge, and administers recreation facilities, helps design resource protection projects, and provides information to gorge visitors. The commission also works to ensure four treaty American Indian nations have a role in management processes, reviewing proposed developments potentially impacting cultural resources or treaty rights.

Responsibilities of the commission include the adoption and maintenance of a management plan, review and approval of local land use ordinances for the Scenic Area, appellate review of decisions made under the ordinances, and coordination of gorge resource development efforts envisioned by the

National Scenic Act. The commission adopted the initial Management Plan in 1991. Under the Management Plan, the commission sets policy for land use and resource protection on non-federal lands in the gorge, monitors implementation, and facilitates enhancements of the economic, natural, scenic, cultural, and recreational resources within the Scenic Area. The most recent revision of the Management Plan was approved in October of 2020.

GOVERNOR'S BUDGET

The Governor's budget is \$2.3 million total funds. This is a 62.8 percent increase from the 2021-23 Legislatively Approved Budget. The budget adds funding to pay for the second phase of a project to move the commission to an updated information management system, moving a half-time GIS specialist to full time, and an adjustment to address a rent increase.

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 the overwhelming majority 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 Joint Expenses is \$2.2 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.

Commissioner Expenses

The Commissioner 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 Commissioner Expenses is \$54,555 total funds.

Oregon Department of Energy

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$1,940,000	\$106,945,789	\$7,825,230
Lottery Funds	3,023,362	3,022,570	1,439,160
Other Funds	26,967,601	89,319,041	75,875,894
Federal Funds	3,138,598	3,562,705	3,587,769
Other Funds (Nonlimited)	66,853,785	31,659,374	29,338,023
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$101,923,346	\$234,509,479	\$118,066,076
Positions	83	99	98
Full-time Equivalent	80.02	94.44	92.52

OVERVIEW

The Oregon Department of Energy’s mission is to lead Oregon to a safe, equitable, and sustainable future. The department accomplishes this mission by acting as a central repository of energy data, information and analysis. It also creates a venue for problem solving Oregon’s energy challenges, providing both energy education and technical assistance. Finally, it provides programs, oversight and regulation for the energy industry in Oregon.

GOVERNOR’S BUDGET

The Governor’s budget for the Oregon Department of Energy is \$118.1 million total funds, including 98 positions. This is a 49.7 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The decrease is largely due to the phase-out of one-time energy incentive investments made during the 2021-23 biennium. The 2023-25 Governor’s budget authorizes expenditure limitation to continue energy incentive programs with revenues approved during the 2021-23 biennium and includes General Fund to fully implement the Energy Efficient Wildfire Rebuilding program also authorized in 2021-23. General Fund is also included for a program to provide information and technical assistance to rural, Tribal, and other environmental justice communities in seeking federal funding. The Department of Energy should focus on equitable implementation and access to programs for Oregonians and should adopt this focus in their overall work.

REVENUE SUMMARY

The budget includes some General Fund; however, the department’s primary sources of revenue are 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 Energy Facility Siting, Public Purpose Charge, Energy Northwest, and other fees collected for oversight activities;

- Energy Supplier Assessment (an annual assessment on Oregon energy suppliers); and
- Federal Funds including grants from the U.S. Department of Energy.

AGENCY PROGRAMS

Energy Planning & Innovation

The Energy Planning and Innovation Division develops state policy and goals relating to energy efficiency and renewable energy. The division includes the Energy Efficiency and Conservation section, which provides supports to the advancement of energy efficiency standards and codes. The section also provides analysis and technical assistance to improve energy efficiency in the public, residential, commercial, industrial, and agricultural sectors. The Energy Technology and Policy section focuses on renewable energy resources, utility planning, sustainable transportation, and climate change. The Governor’s budget for this program is \$9.3 million total funds and 25 positions.

Energy Development Services

The Energy Development Services Division administers incentives for businesses, households, and the public sector to reduce the cost of energy for Oregonians through energy efficiency and renewable energy. The Small-Scale Energy Loan Program (SELP) continues to administer loans but ceased issuing new loans in 2017. The division will continue to wrap up its responsibilities under the programs that have sunset. Additionally, the division supports the Community Renewable Energy program, the Oregon Solar + Storage Rebate program, two heat pump incentive programs, and the Wildfire Rebuilding program, the budget includes funds being carried forward into the 2023-25 biennium. The Governor’s budget for this program is \$85.9 million total funds and 21 positions.

Nuclear Safety and Energy Emergency Preparedness Division

The Nuclear Safety and Energy Emergency Preparedness Division works to provide safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure decisions regarding cleanup protect the Columbia River. The division also provides emergency preparedness for potential hazards, including nuclear reactor accidents, transportation of radioactive materials through Oregon, operation of Liquefied Natural Gas (LNG) import terminals and petroleum shortages, which could impact emergency and essential services. The Governor’s budget for this program is \$3.1 million total funds and 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 large power plants, transmission lines, and natural gas pipelines built in Oregon meet state siting standards. The Governor’s budget for this program is \$6.2 million total funds and 13 positions.

Administrative Services Division

The Administrative Services program area consists of the Director's Office and the Central Services Division. The director provides operational and policy leadership and direction for the department. The Director's Office functions include internal audits, communications and outreach, human resources management, and government relations. The Governor's budget for this program is \$13.5 million total funds and 33 positions.

Department of Environmental Quality

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$55,904,792	\$109,846,109	\$74,648,826
Lottery Funds	4,927,022	6,263,319	6,448,497
Other Funds	195,653,710	301,838,098	297,337,756
Federal Funds	22,625,396	30,134,046	31,695,309
Other Funds (Nonlimited)	163,034,529	244,000,055	291,351,800
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$442,145,449	\$692,081,627	\$701,482,188
Positions	790	829	844
Full-time Equivalent	766.04	813.34	837.93

OVERVIEW

The Department of Environmental Quality (DEQ) leads efforts to restore, maintain, and enhance 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 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, Water Quality, Land Quality, Agency Management, and Loan Programs.

GOVERNOR’S BUDGET

The Governor’s budget for DEQ is \$701.5 million total funds and includes 844 positions. This is a 1.4 percent increase from the 2021-23 Legislatively Approved Budget. The department’s budget includes \$291.4 million of Nonlimited Other Funds, which are associated with the Clean Water Revolving Fund program. The budget makes investments to support the Environmental Justice Council, advance the Climate Protection Program by funding the Community Climate Investment program, and aid the agency’s efforts to leverage federal funds. The budget also provides increased support to the protection of drinking water and approves bonding requests for the Clean Water State Revolving Fund.

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 department strives to work collaboratively with stakeholders on fee changes funding program operations. The budget supports proposed fee increases in the Title V program, recycling fees, and underground storage tank fees.

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 \$146.8 million total funds, with 278 positions, which is a 23.6 percent decrease from the 2021-23 Legislatively Approved Budget. The large decrease is associated with one-time investments in Climate programs, the Zero Emission Incentive program, and the Medium-Heavy Duty Infrastructure program. The Governor's budget supports Title V program stabilization, the federal program under which DEQ regulates air quality, allowing the agency to continue to meet the requirements of the program.

Water Quality Program

The 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 \$100.5 million total funds, with 248 positions, which is a 5.3 percent decrease from the 2021-23 Legislatively Approved Budget.

The Governor's budget makes an investment in the protection of drinking water sources, with a specific emphasis on the Lower Umatilla Basin Groundwater Quality Management Area which has been struggling to resolve issues related to nitrates in the domestic water supply. The budget also provides investments to leverage new federal investments in water quality grants and onsite septic programs.

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. The program's staff provide 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 Governor's budget for the Land Quality program is \$108.9 million total funds, with 209 positions, which is an 8.4 percent increase from the 2021-23 Legislatively Approved Budget (LAB).

Agency Management

The Agency Management program 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 \$45.3 million total funds, with 109 positions, which is a 4.7 percent increase from the 2021-23 Legislatively Approved Budget. The Governor's budget makes an investment of two positions to support the work of the Environmental Justice Council.

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, designing or construction of projects preventing or mitigating water pollution. Eligible agencies include tribal governments, cities, counties, sanitary districts, soil, and water conservation districts, irrigation districts, various special districts, and certain intergovernmental entities. The Governor's budget for the program is \$270.3 million total funds and no positions, which is a 17.3 percent increase from the 2021-23 LAB.

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. The Governor's budget for the program is \$29.6 million total funds and no positions, which is a 50.3 percent increase from the 2021-23 LAB.

Oregon Department of Fish and Wildlife

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$32,498,158	\$75,447,796	\$62,139,233
Lottery Funds	6,843,203	6,886,493	6,666,817
Other Funds	183,332,158	239,225,932	255,447,559
Federal Funds	116,670,691	162,464,470	171,661,660
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$339,344,210	\$484,024,691	\$495,915,269
Positions	1,348	1,386	1,354
Full-time Equivalent	1,152.15	1,180.05	1,168.05

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 four major programs, which includes the Fish, Wildlife, and Habitat divisions, as well as the administration of the agency. 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.

GOVERNOR'S BUDGET

The Governor's budget for ODFW is \$495.9 million total funds, which is a 2.5 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The department has 1,354 positions. The Governor's budget continues to address deferred maintenance as ODFW is responsible for a large and dispersed real property portfolio. The budget also invests in grants to continue work on culvert repair to aid in fish passage and utilizes General Fund revenues to leverage federal investments. The Governor's budget also continues staffing supporting the Private Forest Accord and provides funding to enact the next steps of that agreement.

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.

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 the 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 also includes fish passage grants. The program provides roughly 47 million salmon, steelhead, and trout, annually. The Governor's budget for the Inland Fisheries program is \$174.7 million total funds and supports 682 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 other section, the Marine Resources section, manages marine species and habitats through research, monitoring and setting policy. The Governor's budget for the Marine and Columbia River Fisheries program is \$42.1 million total funds and supports 209 positions.

Wildlife Management

The Wildlife Management program is the primary vehicle for implementation of the North American Model of Wildlife Conservation. 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 16 major wildlife management areas. Wildlife disease issues are addressed by laboratory personnel. The program works with the Oregon Department of Agriculture and U.S. Fish and Wildlife Services. The Governor's budget for the Wildlife Management program is \$89.8 million total funds and supports 189 positions.

Conservation

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 keeps 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 \$8.7 million total funds, which is a 58.4 percent decrease from the 2021-23 LAB. The program has 32 positions. The large decrease is associated with one-time investments into the Oregon Conservation and Recreation Fund provided in the 2021-23 biennium, although remaining funds will carry forward into the 2023-25 biennium.

Habitat Division

The Habitat Division leads proactive, focused, and consistent statewide efforts to protect, restore, and enhance habitat for Oregon's fish and wildlife. The division consists of the following three programs:

- Land Resources program, which addresses terrestrial habitat issues ranging from energy development to land use to forest and agricultural practices and their associated impacts on fish and wildlife habitat,
- Water and Hydropower Coordination program, which plans and implements instream flow restoration and climate adaptation priorities for ODFW and works to advance fish and wildlife protection and mitigation measures in hydropower license proceedings
- Habitat Regional Operations, which provides support to region-focused subprograms and administers the Oregon Conservation and Recreation Fund and the Private Forest Accord Mitigation Subaccount.

The Governor's budget for the Habitat Division is \$53.9 million total funds, which is a 99.5 percent increase from the 2021-23 LAB. The division has 86 positions. The large increase is related to a technical movement of the Oregon Conservation and Recreation fund from the Conservation Division into this division, new investment into the Private Forest Accord Mitigation Subaccount, and an investment in Biologist positions to leverage federal revenues.

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 is to assure compliance with laws protecting and enhancing 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. The division 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 \$34.2 million total funds. No positions are associated with this program as positions reside with the Oregon State Police.

Administration

The Administration program provides support functions to department programs and includes the Oregon Fish and Wildlife Commission, the Commercial Fishery Permit Board and the Director's Office. The Governor's budget for the Administration program is \$72.3 million total funds and supports 153 positions.

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 \$4.9 million total funds, which is a 21.6 percent increase from the 2021-23 LAB. There are no positions associated with the Debt Service program. The increase is associated with the debt service costs for bonding authorized for deferred maintenance.

Capital Improvement

The department implements capital improvement projects to maintain facilities and support fish restoration and enhancement projects throughout Oregon. The Governor's budget includes \$10.2 million total funds in capital improvements and supports three positions.

Major Construction and Acquisition

The department's Major Construction and Acquisition program does not operate every biennium. It is activated if ODFW has funding for a specific project. The Governor's budget includes \$5.0 million. Program funds will be used to continue addressing deferred maintenance needs. There are no positions within this program.

Oregon Department of Forestry

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$166,273,229	\$230,245,653	\$169,120,333
Lottery Funds	2,543,445	2,564,210	2,557,080
Other Funds	351,944,712	397,503,110	347,242,173
Federal Funds	22,890,433	41,779,100	43,813,031
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$543,651,819	\$672,092,073	\$562,732,617
Positions	1,184	1,393	1,367
Full-time Equivalent	859.99	1,027.03	1,035.21

OVERVIEW

The Oregon Department of Forestry 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 four 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 nearly 730,000 acres of forestland owned by the Board of Forestry and the State Land Board.
- *Forests Resources* – administers the Oregon Forest Practices Act, the newly agreed Private Forest Accord, and provides assistance to forest landowners.
- *Planning Branch* – a newly formed unit that reorganizes the agency to respond to a dynamic operating environment with key challenges.
- *Support functions* – includes Agency Administration, Equipment Pool, Facilities Maintenance, Debt Service, Capital Improvements, and Capital Construction.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Department of Forestry is \$562.7 million total funds and 1,367 positions. This is a 16.3 percent decrease from the 2021-23 Legislatively Approved Budget. The decrease is associated with many one-time investments made in the 2021-23 biennium. The Governor's budget includes a key investment into the implementation of the Private Forest Accord.

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.

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 program provides leadership, policy development, and public involvement and supports the Board of Forestry. The program is primarily funded by Other Funds, through assessments to other divisions for administrative services. The program also receives a small amount of General Fund and Federal Funds. The Governor's budget for this program is \$53.3 million total funds, with 120 positions, which is a 3.8 percent decrease from the 2021-23 Legislatively Approved Budget.

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. In 2021, Senate Bill 762 provided the program with significant new resources for firefighting. 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. The Governor's budget for this program is \$197.3 million total funds, with 789 positions. This is a 39.5 percent decrease from the 2021-23 Legislatively Approved Budget. Large decreases in the program are related to one-time investments in the 2021-23 biennium, but key investment in positions related to Senate Bill 762 (2021) carry forward into the 2023-25 biennium.

To address challenges of severe fire seasons, the Governor's budget reserves \$15.2 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 is accountable for providing leadership and direction regarding core motor pool, radio logistical and financial support services. 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. Funding for the program comes from fees and assessments charged to equipment pool users. The Governor's budget for this program is \$20.9 million total funds, with 32 positions. This is a 0.3 percent increase from the 2021-23 Legislatively Approved Budget.

State Forests

The State Forests program manages nearly 730,000 acres of forestland for the Board of Forestry and the State Land Board. Included in this management are five state forests: Tillamook, Clatsop, Santiam, Sun Pass, and Gilchrist, plus some scattered smaller tracts. About 95 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. Other Funds generated from timber sales on the lands managed by the department are the program's main funding source. The Governor's budget for this program is \$121.7 million total funds, with 213 positions, which is a 5.7 percent increase from the 2021-23 Legislatively Approved Budget.

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.

Forest Resources

The Forest Resources program delivers a range of services to industrial, family-forest, state and local government, and some federal landowners. The program has also assumed the staff and responsibilities of the Federal Forest Restoration program. New duties of the program include accelerating the pace, scale, and quality of forest restoration in Oregon's federal forests, which is accomplished primarily through collaborative support, federal partner support, and Good Neighbor Authority agreements with federal landowners. Long-standing services provided by the program seek to maintain and enhance economic, social, and environmental benefits derived from Oregon's forests. The program administers the Oregon Forest Practices Act and is working to implement the Private Forest Accord. The program provides technical and financial assistance to forest landowners to improve landscape resilience, develops and implements innovative programs relevant to private forestry in Oregon, and provides early detection and response to forest health threats. The Governor's budget for this program is \$119.9 million total funds, with 200 positions, which is a 63.8 percent increase from the 2021-23 Legislatively Approved Budget.

The Governor's budget continues staffing allocated to the Private Forest Accord in 2021-23, and adds an investment of \$14.6 million to implement next steps in this program, while restoring the cost share for the administration of the Forest Practices Act and Private Forest Accord to a combination of 60 percent General Fund and 40 percent Forest Products Harvest Tax. The Forest Resources program also receives Federal Funds from the U.S. Forest Service, Bureau of Land Management, and the Environmental Protection Agency.

Planning Branch

The Planning Branch is a new organizational unit emerging from a department-wide reorganization implemented in the fall of 2021. The reorganization comes as executive leadership considered the department's increasingly complex and dynamic operating environment with key challenges such as climate change, increasingly prolonged and severe fire seasons, financial management related to the costs of fire suppression, and substantial investments in department programs. The program maintains

primary responsibility for agency strategic planning processes. The Governor's budget for this program is \$4.7 million total funds and 13 positions.

Facilities Maintenance and Management

The Facilities Maintenance and Management program is focused on facilities maintenance activities of the department's 381 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. Funding for the program comes from revenue transfers from the department's operating programs. The Governor's budget for this program is \$6.1 million total funds, with no positions, which is a 4.4 percent increase from the 2021-23 Legislatively Approved Budget.

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 revenues used to pay debt service come from the General Fund, Lottery Funds, and Other Funds from the department's operating programs. The Governor's budget for this program is \$19.8 million total funds, with no positions, which is a 2.4 percent increase from the 2021-23 Legislatively Approved Budget. The Governor's budget includes the reauthorization of the Toledo Phase II project authorized in the 2021-23 biennium.

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. Funding for the program comes from revenue transfers from the department's operating programs. The Governor's budget for this program is \$15.0 million total funds, with no positions. This is a 53.3 percent increase from the 2021-23 Legislatively Approved Budget. The Governor's budget includes the reauthorization of Capital Improvement and Renewal bonds authorized in the 2021-23 biennium.

Capital Construction

The Capital Construction program provides funding for high-priority construction or acquisition projects exceeding \$1 million. The Governor's budget for this program is \$4.0 million total funds, with no positions.

Department of Geology and Mineral Industries

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$4,582,975	\$6,444,037	\$9,810,611
Lottery Funds	0	0	0
Other Funds	5,416,955	6,753,317	6,893,370
Federal Funds	3,867,190	5,765,844	5,519,902
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$13,867,120	\$18,963,198	\$22,223,883
Positions	41	35	41
Full-time Equivalent	38.09	34.67	41.00

OVERVIEW

Established in 1937, the Oregon Department of Geology and Mineral Industries (DOGAMI) provides earth science information and regulation to make Oregon safe and prosperous. 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 for DOGAMI is \$22.2 million total funds and 41 positions. The budget is a 17.2 percent increase from the 2021-23 Legislatively Adopted Budget. The budget includes new investments into the compliance and regulatory work of the agency, including funding to establish an ePermitting system that will retire the current paper-based permitting system. The budget also includes funding for permit support positions, unpermitted surface mining compliance positions, and a permit lead position for an upcoming large and complex permit.

REVENUE SUMMARY

The GSS program has relied on General Fund, Other Funds, and Federal Funds, but the mix of funding has varied substantially from one biennium to the next. This is in part due to the reliance on grant funding to support agency operations. Following the passage of the federal Infrastructure Investment and Jobs Act, available grants are expected to expand substantially in the coming biennium.

The MLRR program receives Other Funds revenue from contracts and metal, aggregate, gas, and oil permit fees. Demand for permits has continually risen over previous biennia and federal investments associated with the Infrastructure Investment and Jobs Act is expected to further increase demand for permits.

AGENCY PROGRAMS

Geologic Survey and Services Program

This 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 Governor's budget includes \$15.0 million total funds and 23 positions.

Mineral Land Regulation and Reclamation Program

The Mineral Land Regulation and Reclamation Program (MLRR) administers the Mined Land Regulation Act (1971) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction, and development. 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 Governor's budget includes \$7.2 million total funds and 18 positions. The budget includes one-time investments into permitting and compliance capacity in the agency, as well as two permanent positions that will continue to service the new ePermitting program into future biennia.

Department of Land Conservation and Development

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$17,238,174	\$26,114,458	\$21,924,348
Lottery Funds	0	0	0
Other Funds	1,535,571	1,793,345	3,906,877
Federal Funds	4,647,104	6,748,006	7,662,988
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$23,420,849	\$34,655,809	\$33,494,213
Positions	63	68	74
Full-time Equivalent	59.98	66.35	72.80

OVERVIEW

The Department of Land Conservation and Development's (DLCD) mission is to help communities and citizens plan for, protect, and improve the built and natural systems providing a high quality of life. The Land Conservation and Development Commission provides policy direction for the land use planning program and oversees DLCD operations. DLCD, in partnership with citizens, local governments, and other state agencies fosters sustainable and vibrant communities and protects Oregon's natural resources legacy.

The department includes the following two programs:

- *The Planning Program* provides planning guidance, technical assistance, and encourages local planning supporting economic development, needed housing and natural resources.
- *The Grant Program* provides grants to local governments to assist them in meeting statewide land use planning requirements.

GOVERNOR'S BUDGET

The Governor's budget for the Department of Land Conservation and Development is \$33.5 million total funds, and 74 positions, which is a 3.4 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). This decline is driven by the phase out of one-time funding for assistance and grants to local governments for planning and capacity building related to housing needs assessments and the incorporation of a Regional Housing Needs Analysis into state and local planning programs. However, the budget makes a large investment in the Oregon Housing Needs Assessment grant which allows cities to complete and adopt housing capacity analyses, housing production strategies, and other related projects. This investment also supports rulemaking related to housing and urbanization, including technical assistance grants for several projects per biennium.

The Governor’s budget also creates the Housing Production and Accountability Office (HPAO) to provide technical assistance and support to local governments and housing developers working to reduce land use and permitting barriers to housing production. HPAO will also hold local jurisdictions accountable to state housing and land use laws to clear the path to increased housing production in cities and counties across the state. The budget also funds agency and program capacity related positions.

REVENUE SUMMARY

The department is primarily funded with General Fund. The department also 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. Other Funds are a small part of the department’s revenue. 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 with 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 for the program is \$28.5 million total funds. This is a 5.0 percent increase from the 2021-23 LAB.

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 for the program is \$5.0 million total funds, a 33.7 percent decrease from the 2021-23 LAB. Included in the funding is \$3.5 million for grants to local governments, with at least \$1 million of that to be dedicated to Goal 14 technical assistance grants and the remainder to assist local government complete and adopt housing capacity analyses, housing production strategies, and housing implementation projects.

Land Use Board of Appeals

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$2,095,169	\$2,686,644	\$2,741,598
Lottery Funds	0	0	0
Other Funds	35,842	36,486	38,019
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,131,011	\$2,723,130	\$2,779,617
Positions	6	7	7
Full-time Equivalent	6.00	7.00	7.00

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 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. LUBA publishes its 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. The board is supported by two administrative support staff and two staff attorneys.

GOVERNOR'S BUDGET

The Governor's budget is approximately \$2.8 million total funds. This is a 2.1 percent increase from the 2021-23 Legislatively Approved Budget and funds seven positions. The Governor's budget maintains all current operations of the Land Use Board of Appeals and reclasses two positions as Legal Staff to better reflect work duties and provides funding to continue cellular phone plans necessary for remote work.

REVENUE SUMMARY

General Fund supports over 97 percent of LUBA's core operations. The remaining three percent of Other Funds is derived from filing fees, publications sales, and other miscellaneous fees.

Department of State Lands

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$123,060,000	\$0
Lottery Funds	0	0	0
Other Funds	45,105,039	53,775,720	67,896,731
Federal Funds	1,745,507	2,990,902	2,925,269
Other Funds (Nonlimited)	13,659,966	7,727,890	8,052,461
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$60,510,512	\$187,554,512	\$78,874,461
Positions	115	105	116
Full-time Equivalent	112.63	103.38	112.82

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. 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 also operates the Portland Harbor Clean-up Fund, the Oregon Wetlands Revolving Fund and the South Slough National Estuarine Research Reserve.

GOVERNOR'S BUDGET

The Governor's budget is \$78.9 million total funds and support 116 positions. This is a 57.9 percent decrease from the 2021-23 Legislatively Approved Budget. The major decrease is attributed to the phase-out of one-time costs in separating the Elliott State Forest from the Common School Fund, and phase-out of one-time investments provided to the Oregon Ocean Science Trust. The Governor's budget includes funding and position resources allowing the agency to perform the following activities:

- The Portland Harbor Superfund Site costs;
- Administrative costs associated with creating the Elliott State Forest Research Advisory Commission as a new state agency;
- Ongoing efforts supporting wetland mitigation projects and community grant opportunities to improve health, safety and accessibility of public waterways;
- Enhancement to the visitor center at the South Slough National Estuarine Research Reserve, as well as ongoing projects supported by the National Oceanic Atmospheric Administration (NOAA);

- The completion and public release of the new permitting and information system to support the management of school lands, wetland and waterway permits and authorizations;
- The final distribution of Oregon Ocean Science Trust grants; and
- Funding to support abandoned and derelict vessel removal projects for the 2023-25 biennium.

REVENUE SUMMARY

The department relies primarily upon Other Funds to support its budget and federal funding from grant awards go primarily to the South Slough Reserve program. Other Funds revenues are from the Common School Fund, which was established at statehood and generate earnings to distribute to public schools. The majority of Federal Funds received by DSL come from the National Oceanic Atmospheric Administration (NOAA) and utilized by the South Slough National Estuarine Research Reserve.

For the 2023-25 biennium, the Governor’s budget is recommending a one-time revenue transfer from the Department of Justice, Monsanto Settlement. This funding would be utilized to address abandoned and derelict vessel removal projects that contaminate Oregon’s waterways and threaten the health, safety and welfare of Oregonians.

AGENCY PROGRAMS

Common School Fund

The Common School Fund (CSF) program unit manages lands to benefit education through the Real Property program; protects waters and wetland through the Aquatic Resource management program; and the Director’s office, which serves as the primary liaison with the State Land Board. The CSF program is typically funded almost entirely by Other Funds, which includes the revenue generated by the programs they manage and realized earning from investments. The Governor’s budget is \$48.1 million total funds and supports 94 positions. The Governor’s budget makes the following investments:

- Protects the state’s interest of the Portland Harbor Superfund Site management.
- Provides ongoing stewardship of waterways and wetlands management.
- Supports the launch of the new online information system. This system enhances the ability to apply for permits, provides access to project documents, and ability to process online payments.
- Enhances the agency’s ability to improve service delivery and ensure ongoing accountability to Oregonians through performance reporting.
- Supports the transition process to create the Elliott State Research Forest Authority.

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, which 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:

- Sales of mineral resources and timber harvests;
- Revenues from leasing rangelands, agricultural lands, commercial properties; and
- Forfeitures and civil penalties.

For the 2023-25 biennium, the estimated distribution to schools is \$160 million.

Portland Harbor Cleanup Fund

DSL has been identified by the U.S. Environmental Protection Agency (EPA) as a potentially responsible party for costs associated with the investigation and cleanup of sediment contamination in the Portland Harbor, a 10-mile stretch of the lower Willamette River area listed as a Superfund site. This program area supports the state's response to the EPA's 2018 demand for commitments for cleanup, at a cost estimated to exceed \$1.7 billion. The Governor's budget is \$2.7 million total funds and no positions. The funds will continue site cleanup efforts and support investigations.

Submerged Lands Enhancement Fund

The Submerged Lands Enhancement Fund, authorized by the Legislature in 2017, provides grants for projects that improve water quality, increased recreational access, protect habitat, or otherwise enhance Oregon's public waterways. The fund provides a funding opportunity for communities to improve the health, safety, and accessibility of public waterways. Cities, counties, improvement districts, watershed councils, parks and recreation districts, port districts, nonprofit organizations, state agencies, and federally recognized tribal governments are eligible to apply for funding. The Governor's budget for this program is \$0.2 million total funds and no positions.

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 and 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. The Governor's budget for this fund is \$2.2 million total funds and no positions.

Oregon Ocean Science Trust

In 2013, the Legislature establish the Oregon Ocean Science Trust to promote and support peer-reviewed, competitive research and monitoring leading to increased knowledge and understanding of Oregon's coastal resources and blue carbon ecosystems. The Governor's budget is \$0.6 million Other Funds and no positions. The Governor's budget carries forward funding included in the 2021-23 budget for this purpose, which allows for the final grant distribution for the nearshore keystone species research and monitoring.

Abandoned and Derelict Vessels and Camping

The abandoned and derelict vessels and long-term camping program is a new program area but has a history impacting the use and enjoyment of Oregon's public waterways. The people of Oregon own the beds and banks of all navigable and tidal influent waterways throughout the state. The agency manages the waterways on behalf of the State land Board. Previously, the Common School Fund been the only revenue source DSL has utilized for this purpose.

DSL acknowledges long-term camping and some recreational vessel removal each have unique considerations affecting both the costs and approach, as well as recognizing the complex social issues connected to waterway cleanup. These abandoned and derelict vessels create significant contamination in Oregon's waterways, and the Governor's budget provides \$18.8 million Other Funds and three positions for their removal, which are supported by one-time Department of Justice, Monsanto Settlement funds for the 2023-25 biennium.

South Slough National Estuarine Research Reserve

The South Slough National Estuarine Research Reserve 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. 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, The state match is provided by Common School Fund revenue. While a user fee exists, it contributes little to financing to the Reserve. The chief users of the SSNERR are schools, local non-profits and government agencies.

The Governor's budget is \$5.8 million total funds; \$3.1 million Other Funds, \$2.7 million Federal Funds and supports 19 positions. The budget supports ongoing services at the SSNERR, as well as enhancements to the visitor center, and work associated with several NOAA grant awards.

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 \$0.6 million and no positions, which is the basic level of funding for maintenance.

Oregon State Marine Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	\$26,420,794	\$31,401,106	\$32,232,841
Federal Funds	\$5,656,529	\$6,659,930	\$6,974,348
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$32,077,323	\$38,061,036	\$39,207,189
Positions	40	40	45
Full-time Equivalent	39.25	39.50	42.50

OVERVIEW

The Oregon State Marine Board (OSMB) was established in 1959 and continues to serve the recreational boating public through education, enforcement, boating access, and environmental stewardship. 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 five-member board is appointed by the Governor to serve four-year terms, subject to Senate confirmation. The Board is also guided by four external advisory teams representing outdoor sportsmen, cruising, watersports, and paddle sports.

GOVERNOR'S BUDGET

The Governor's budget is \$39.2 million total funds. This is a three percent increase from the 2021-23 Legislatively Approved Budget and funds 45 positions. The budget allows the agency to continue current service operations and includes the addition of five seasonal employees, the increase of one position from part-time to full-time, and classification changes of two managers to better fit their position duties. Lastly, it includes \$750,000 Other Funds to continue the Willamette River Abandoned and Derelict Vessel Response project funded by the American Rescue Plan Act through House Bill 5202 (2022).

REVENUE SUMMARY

The board receives no General Fund or Lottery Funds support. Its programs are primarily funded by three major revenue sources: licenses and fees, gas tax revenues, and federal grant funds. On average, Other Funds account for 82 percent of revenue and Federal Funds account for the remaining 18 percent.

Total revenues fall into five categories; General Operating (70 percent), Federal Grant Reimbursements (18 percent), Statutorily Dedicated (eight percent), Self-funded Programs (three percent) and Miscellaneous (one percent).

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, serves as a liaison with other government units, conducts boating accident analyses and boater surveys, coordinates the Adopt-a-River program, and provides the board's central business functions.

Law Enforcement

The Law Enforcement Program provides statewide boating law enforcement administration and contracts for boating law enforcement and related services on over 600 navigable lakes, 75 major rivers, and 15 estuaries, totaling more than 787,000 acres of water. Marine law enforcement officers conduct on-water patrols, remove obstructions and derelict or abandoned vessels, and provide public education services including a variety of school education programs.

Boating Facilities

The Boating Facilities program provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Grants rely on partnerships and leveraging other financial resources such as Federal Funds, private funds, donations, and other funding sources.

Aquatic and Invasive Species

The Aquatic Invasive Species (AIS) program mitigates the effects of invasive species on native waters through inspecting and decontaminating watercraft. There is a specific focus on preventing Quagga mussels, Zebra mussels, and Hydrilla. These mussels are particularly problematic, given they can clog water treatment intake pipes and screens, and can cause problems for hydroelectric generation. Most boat inspections are conducted annually between May and September, to correspond with the busy boating season and when most watercraft is transported. The primary costs of the programs are inspection stations, which are managed by the Oregon Department of Fish and Wildlife, while other costs include outreach materials, permitting system administration, and invasive species coordination with state and federal entities.

Oregon Parks and Recreation Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$2,560,334	\$9,070,940
Lottery Funds	92,024,570	121,334,605	156,716,774
Other Funds	94,003,973	177,958,102	181,624,388
Federal Funds	9,478,840	22,854,464	22,542,959
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$195,507,383	\$324,707,505	\$369,955,061
Positions	863	864	874
Full-time Equivalent	596.08	597.07	634.82

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 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* – consists of the day-to-day operations of park properties, campgrounds, day-use areas, trails, boat ramps, 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 \$370.0 million total funds, which is a 13.9 percent total funds increase from the 2021-23 Legislatively Approved Budget. The increase is related to matching park capacities with demand and is funded through dedicated Measure 76 Lottery Funds and Other Funds revenues. The budget includes a 29.2 percent Lottery Funds increase and a 2.1 percent Other Funds increase from the 2021-23 Legislatively Approved Budget. These two

funds form over 90 percent of the department's resources. As the state constitution requires, local grant expenditures are 25 percent of dedicated Lottery Funds received by the department, an increase from 12 percent in previous biennia. The increase in local grant expenditures requirements stem from the original provision of Ballot Measure 76, which required local grant expenditures to rise from 12 percent of dedicated lottery revenues to 25 percent once net lottery revenues surpassed 150 percent of the lottery revenues amount in the 2009-11 biennium. 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 supports 874 positions.

Overall, the Governor's budget makes investments in operational cost increases and provides funding for constitutionally required local grants. Additionally, the budget includes an increase in funding for the Main Street program of \$20.0 million, which provides investments into rural cities throughout the State.

REVENUE SUMMARY

The budget is funded mainly with Lottery Funds and Other Funds. The major supplier of Other Funds is park user fees. The Lottery revenues are constitutionally dedicated to parks. During the 2019-21 biennium, Lottery revenues and Other Funds were impacted by changes in park and lottery usage during the COVID-19 pandemic. Since the end of the emergency declaration on COVID-19, both revenue streams have recovered and park and lottery usage has rebounded.

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. The program is supported by dedicated Lottery Funds and park user fees. The Governor's budget for this program is \$2.1 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. The Governor's budget provides increased park services funding to match current demand and are funded through a combination of dedicated lottery revenues and Other Funds revenues. The Governor's budget for this program is \$63.4 million total funds and 93 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 Governor's budget for this program is \$42.6 million total funds and no positions.

Direct Services

The Direct Services program is responsible for daily operation of the state park system. 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. The Governor's budget increases funding for park services to match current demand and are funded through a combination of dedicated lottery revenues and Other Funds revenues. The Governor's budget for this program is \$149.4 million total funds and 747 positions.

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. Community Support and Grants also houses the Heritage Program, which 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.

The Governor's budget adds an additional \$20 million in Lottery Bonds for the Main Street Revitalization program, which supports downtown revitalization efforts for up to \$200,000 to local governments. Grantees must match at least 30 percent of the monies awarded.

The Governor's budget for this program is \$112.4 million total funds and 29 positions. The Governor's budget includes resources to pay for existing commitments and to meet the constitutional requirement that 25 percent of Measure 76 Lottery Funds go to local grants, as well as carryover Lottery revenues from the 2021-23 biennium to meet the 25 percent requirements not within the 2021-23 Legislatively Approved Budget.

Water Resources Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$35,208,113	\$69,089,805	\$64,050,544
Lottery Funds	7,563,185	9,499,510	15,073,140
Other Funds	31,072,304	125,596,247	128,691,255
Federal Funds	533,042	737,366	703,315
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$74,376,644	\$204,922,928	\$208,518,254
Positions	177	241	244
Full-time Equivalent	171.79	216.82	236.20

OVERVIEW

The mission of the Water Resources Department 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 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 the 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 \$208.5 million total funds. This is a 1.8 percent increase over the 2021-23 Legislatively Approved Budget (LAB). The budget supports 244 positions. The Governor’s budget makes several investments as a part of a water package that support increased data related to water supply and feasibility studies, address water rights, update the Integrated Water Resources Strategy, and address challenges with domestic wells. Two new positions are funded in the agency to center equity internally and externally. The budget also includes the continued investment of previously approved American Rescue Plan Act funds.

Finally, the Governor’s budget makes a significant investment in the development of water resources across the state by investing bond proceeds in two ways. The first is \$20 million directed for Water Project Grants and Loans to help address instream and out-of-stream water supply projects. The second is \$2 million dedicated for Feasibility Study Grants to determine the feasibility of water storage and conservation projects.

REVENUE SUMMARY

The primary source of funding for the Water Resources Department is Other Funds from fees and contract work. The department also receives General Fund revenue and Federal Funds from the Federal Emergency Management Agency, Bureau of Reclamation, and other federal agencies. Additionally, the department receives Lottery Funds to pay debt service.

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 \$27.4 million total funds. This is a 27.4 percent increase from the 2021-23 Legislatively Approved Budget. This increase is primarily the result of an increase in Lottery Fund debt service.

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 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 \$23.0 million total funds. This is a 2.8 percent decrease from the 2021-23 LAB. The budget includes funding for improved data collection efforts and decision tools to allow water managers to make more informed decisions along with an update to the statewide Water Availability Reporting System.

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 \$24.5 million total funds. This is an 82.2 percent decrease from the 2021-23 LAB. The decrease is primarily a result of phased-out one-time funds provided in the 2021-23 biennium and the transfer of ongoing accounting of Water Project Grants and Loan program to the Directors Office.

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. 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 \$10.8 million total funds. This is a 7.1 percent decrease from the 2021-23 LAB. This decline is due primarily to the phasing out of ARPA funding from House Bill 5006 (2021) which paid for data collection field equipment. The Governor's budget provides funding to allow the Water Right and Transfer Sections to continue reducing processing times and allows continued progress on the protest backlog by extending five limited duration staff to reduce water right and protest processing backlogs.

Director's Office

The Director's Office is responsible for developing and supervising the policies and programs ensuring 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 \$122.8 million total funds. The budget provides additional bond funding to existing grant programs addressing water project grants and loans, feasibility of water conservation, reuse, and storage projects to address water supply needs, and restoration of access to water to low- to moderate-income households impacted by drought and wildfire. Also included is \$1 million for Well Abandonment, Repair and Replacement Fund reinvestment. Finally, facilitation costs for work related to the Confederated Tribes of the Umatilla Indian Reservation water rights are funded.

Oregon Watershed Enhancement Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$52,526,718	\$2,000,000
Lottery Funds	88,806,193	94,776,334	106,674,689
Other Funds	4,214,991	29,863,984	23,992,654
Federal Funds	32,063,007	48,251,444	53,398,495
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$125,084,191	\$225,418,480	\$186,065,838
Positions	41	46	39
Full-time Equivalent	35.75	42.57	39.00

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, where the funding is 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. 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.

GOVERNOR’S BUDGET

The Governor’s budget for the Oregon Watershed Enhancement Board is \$186.1 million total funds and 39 positions. The budget continues investments in some previously funded items from the 2021 and 2022 water and drought packages and continues Measure 76 Lottery Funds investments in watershed enhancement grants to local entities and basic staffing needs.

REVENUE SUMMARY

The 2023-25 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 to be used for grants and 35 percent for

operations until more than 150 percent of the total amount provided during the 2009-2011 biennium. At that point, the funding mix switches to 70 percent grants, 30 percent operations. This budget assumes the 70 percent grants, 30 percent operations funding mix for the 2023-25 biennium. 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 Forest Health Collaborative grants and support. In the 2021-2023 biennium funding was appropriated through the General Fund to support the Oregon Agricultural Heritage Program (OAHP) and the Water Acquisition program. These funds were deposited into the OAHP fund and the Flexible Incentive Fund and are considered continually appropriated. Therefore, Other Funds revenues include beginning balances for these funds.

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 \$14.7 million total funds and 39 positions. The budget includes two federally funded positions, one dealing with tide gate repair and replacement, and the other to assure compliance with the National Historic Preservation Act required by the Pacific Coast Salmon Recovery Fund. As part of the water investment strategy, the Governor's budget includes the continuation of three General Fund positions and the enhancement of grant funds allocated during the 2021-23 biennium to mitigate drought effects through irrigation modernization and improvements to livestock watering well and off-channel water facilities .

Grants Program

The Governor's budget for the Grants Program is \$171.3 million total funds. 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 70 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.

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 lifespan 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 AGENCIES

Transportation Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$63,541,007	\$76,759,967	\$19,378,686
Lottery Funds	114,763,893	122,094,419	136,144,810
Other Funds	3,713,687,732	4,914,598,891	5,367,785,009
Federal Funds	108,929,221	136,175,091	212,150,991
Other Funds (Nonlimited)	1,371,004,118	18,000,000	18,000,000
Federal Funds (Nonlimited)	20,029,515	20,679,380	18,764,647
Total Funds	\$5,391,955,486	\$5,288,307,748	\$5,772,224,143
Positions	4,874	4,876	4,969
Full-time Equivalent	4,697.64	4,740.63	4,835.25

OVERVIEW

The Transportation Program Area includes two agencies: the Department of Aviation and the Oregon Department of Transportation (ODOT).

General Fund and Lottery Funds make up 2.7 percent of the program area activities, which are used for debt service for the State Radio Project and non-highway infrastructure (*ConnectOregon*), and major repairs at the Cape Blanco State Airport. 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.

The Infrastructure Investment Jobs Act (IIJA) will bring in more than \$1.2 billion over five years (2022 - 2026) in federal funding to ODOT. These Federal Highway dollars are budgeted and spent as Other Funds. The Federal Aviation Administration grants covers 90 percent funding to all pre-approved aviation projects to the Department of Aviation.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The budget for the Transportation Program Area is \$5,772.2 million total funds, a 9.2 percent increase from the 2021-23 Legislatively Approved Budget. General Fund and Lottery Funds total \$155.5 million, a 21.8 percent decrease from 2021-23 levels. The decrease in General Fund and Lottery Funds is attributed to one-time funding supporting aviation construction projects to both state and privately-owned airports, as well as one-time funding provided to complete the 2020 wildfire cleanup efforts by ODOT, and debt service for previously authorized projects.

Oregon's Transportation sector must continue its evolution from a traditional focus on a network of roads and highways to an integrated multimodal system; a system that safely moves families and freight, builds healthy connected communities, and provides a critical foundation for a robust economy. Transportation agencies, in coordination with other agencies, must continue to lead, promote, and invest in all modes of transportation and make significant reductions in greenhouse gas emissions and other pollutants.

There must be a sustained commitment to addressing the impacts of climate change, reducing transportation emissions and helping lead in achieving Oregon's climate goals. Additionally, ODOT must continue to evolve policies, practices and operations and look at investments with an eye toward addressing historical inequities and disparities, while also reimagining the way they engage community, and design and implement transportation projects. They must focus on removing barriers, expanding opportunities, and creating better outcomes for all Oregonians and especially those people most impacted by historical and institutional racism.

Key elements of the Governor's budget for the Transportation Program Area include the following:

Dundee-Newburg Bypass. A \$9.6 million ARPA carry forward to complete Phase 2 construction at OR 219 through the south side of Newberg connecting the bypass to OR 99W east of Newberg.

Continued planning for the Interstate Bridge Replacement project. Oregon needs a safer bridge that will serve future generations, provide transportation choices like high-capacity transit, and is a better solution to helping solve our climate crisis. The Interstate Bridge Replacement project is an important partnership with Washington State and the federal government and this budget supports continued planning for a new Bridge. The Governor has directed ODOT to develop funding options other than solely a gas tax, to limit the burden on working families as much as possible. The Governor believes all options should be considered before a gas tax is put on the table to fund Oregon's share of the bridge replacement. The Governor expects ODOT to work closely with the Legislature and stakeholders on a viable path forward.

Facilities Capital for ODOT. The budget invests in the second phase of the south coast regional readiness facility, located outside of Coos Bay.

Urban Mobility Strategy. The budget supports "Keep Oregon Moving," the ongoing efforts of House Bill 3055 from the 2021 Legislative Session, which promotes the creation of the Toll Program Fund to reduce congestion in the Portland-metro area.

Road Usage Charging program. The budget supports forward movement to transition the OReGO program, from a voluntary pay-by-the-mile road usage program to a mandatory program.

Small Business Development. The budget invests in expanding the Small Business Development program to improve and monitor ODOT's performance delivery to Disadvantaged Business Enterprise program.

Aviation Operations and Improvements to State Airports. The budget provides funding for five Capital projects at the Chiloquin, Aurora, Cottage Grove, and Lebanon State Airports.

Cape Blanco State Airport. The Governor's budget includes \$2.4 million of carry forward funding to complete the airport runway replacement and the electrical system upgrades.

Oregon Department of Aviation

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$3,888,794	\$2,448,406
Lottery Funds	0	0	0
Other Funds	13,218,939	22,772,182	25,412,958
Federal Funds	7,796,670	10,134,465	20,720,214
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$21,015,609	\$36,795,441	\$48,581,578
Positions	16	16	16
Full-time Equivalent	15.59	14.60	15.59

OVERVIEW

The Oregon Department of Aviation (ODAV) 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 General Aviation Entitlement, Pavement Maintenance, Aircraft Registration, and Capital Construction projects.

GOVERNOR'S BUDGET

The Governor's budget is \$48.6 million total funds, which is a 32.0 percent increase from the 2021-23 Legislatively Approved Budget. The budget continues support for 16 positions and includes funding for the completion of the Cape Blanco runway replacement and electrical system upgrades located on the southern Oregon coast, aviation entitlement projects, and the Federal Aviation Administration funding from the Infrastructure Investment Job Act (IIJA), which will support upgrades to five state airports.

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 49 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 also receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects. The Governor's Budget includes \$2.4 million General Fund for completion of the Cape Blanco airport runway replacement and electrical system upgrades project.

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 core services covering planning, land use, evaluation of tall structures, and inspections of airports and site surveys of proposed new airports.

The Governor's budget for Operations is \$9.2 million total funds and 15 positions. 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.

General Aviation Entitlement

The General Aviation Entitlement program administers FAA funded projects, which do not meet the Capital Budgeting threshold. These projects 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 state owns 28 airports, 12 of which are part of the National Plan of Federal Integrated Airport Systems (NPIAS). The General Aviation Entitlement Program has three sections:

- Capital Improvement Planning – conducts annual safety, operations and infrastructure development evaluations of the 12 state-owned NPIAS airports.
- Capital and Construction Project Management - manages federal grant assurance obligations and receives federal funding for qualifying projects.
- Airport Improvement Project Grant Administration and Management - administers capital improvement and construction project grants at the 12 state-owned NPIAS airports for safety, operations, and infrastructure development.

The Governor's budget for General Aviation Entitlement is \$7.3 total funds with 90 percent of these resources coming from FAA grants. The state provides the remaining 10 percent as match 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

The Pavement Maintenance program is a state-funded aid program to assist airports with pavement preventive maintenance. Preventative maintenance is the most cost-effective means to preserve the system's airport pavement infrastructure. The program evaluates airport pavement at one third of the state airports each year. Airports who participate in the program are scheduled for pavement work the year following the evaluation. The program provides funding for an average of 14 airports per year. There are 67 paved public use airports in the state. The Governor's budget for the Pavement

Maintenance program is \$2.3 million total funds. The program is funded with approximately a half cent per gallon of jet fuel and four cents per gallon of aviation fuel.

Aircraft Registration

The Aircraft Registration program registers over 3,500 aircraft per year and provides the primary source of Other Funds revenue to the agency. The Governor's budget for this program is \$0.2 million total funds. Aircraft registration fees fund this program and provide the 10 percent match for General Aviation Entitlement Programs. The budget supports this program at its current operating level.

Aviation Systems Action Program

The Aviation System Action program tracks expenditures from the jet fuel and aviation gas tax increases passed during the 2015 Legislative Session. This program provides grants to airports throughout the state for economic development, FAA grant match, and emergency preparedness. The program also assists with funding commercial air service to rural Oregon and provides funding for safety improvements at state owned airports. The Governor's budget for the Aviation System Action Program is \$14.8 million.

Airport Construction Projects

The Airport Construction Projects program is a new a program area developed when the 2020 Legislative Session approved General Fund for the Cape Blanco airport runway replacement and electrical system upgrades project. This project is not expected to be completed by the end of the 2021-23 biennium but is expected to be completed by the fall of 2023. The Governor's budget supports the project completion at \$2.4 million General Fund.

Capital Construction

The Governor's budget for the Capital Construction program is \$12.5 million total funds, which is a 269.4 percent increase from the 2021-23 Legislative Approved Budget. The FAA, through the Infrastructure, Investment and Jobs Act or IIJA, made investments of \$11.3 million to support obstruction and runway repairs at Aurora, Chiloquin, Cottage Grove, and Lebanon state owned airports. This program is similar to the General Aviation Entitlement program, which administers FAA funded projects to address safety, operations, and infrastructure development at airports in Oregon. The only difference between the two programs is the projects in this program exceed \$1.0 million. Ninety percent of the revenue for this program comes from FAA funding and state match from aircraft registration fees.

Oregon Department of Transportation

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$63,541,007	\$72,871,173	\$16,930,280
Lottery Funds	114,763,893	122,094,419	136,144,810
Other Funds	3,700,468,793	4,891,826,709	5,342,372,051
Federal Funds	101,132,551	126,040,626	191,430,777
Other Funds (Nonlimited)	1,371,004,118	18,000,000	18,000,000
Federal Funds (Nonlimited)	20,029,515	20,679,380	18,764,647
Total Funds	\$5,370,939,877	\$5,251,512,307	\$5,723,642,565
Positions	4,858	4,860	4,953
Full-time Equivalent	4,682.05	4,726.03	4,819.66

OVERVIEW

The Oregon Department of Transportation’s (ODOT) mission is to provide safe and reliable multimodal transportation connecting people and helping Oregon’s communities and economy thrive. The department is specifically responsible for administering programs related to Oregon’s highways, roads, bridges, railways, public transportation services, transportation safety, driver and vehicle licensing, and climate and motor carrier regulations. ODOT works with a variety of organizations on these diverse issues. The department is governed by the Oregon Transportation Commission (OTC) with assistance from the Area Commissions on Transportation. OTC is a five-member, voluntary board appointed by the Governor and confirmed by the Senate. The Oregon Transportation Commission develops and maintains state transportation policy and a comprehensive, long-range plan for a multimodal transportation system that fosters innovation.

GOVERNOR’S BUDGET

The Governor’s budget is \$5,723.6 million total funds and supports 4,953 positions. The budget is a 9.0 percent increase from the 2021-23 Legislatively Approved Budget. General Fund and Lottery Funds pay for debt service. General Fund pays for the Oregon State Police share of the State Radio Project and Lottery Funds pays the debt service for *ConnectOregon* I through VII.

Oregon needs a safer bridge that will serve future generations, provide transportation choices like high-capacity transit, and is a better solution to helping solve our climate crisis. The Interstate Bridge Replacement project is an important partnership with Washington State and the federal government and this budget supports continued planning for a new bridge. The Governor has directed ODOT to develop funding options other than solely a gas tax, to limit the burden on working families as much as possible. The Governor believes all options should be considered before a gas tax is put on the table to fund

Oregon’s share of the bridge replacement. The Governor expects ODOT to work closely the Legislature and stakeholders on a viable path forward.

This budget includes funding for the following transportation initiatives:

- Phase two of the south coast regional seismic readiness facility outside Coos Bay, which would act as a triage station in catastrophic emergency situations;
- Infrastructure Investment Job Act (IIJA) funding to support existing and newly approved maintenance and capital projects across the state. This includes transportation safety, maintenance and improvement projects on roads, rails, bridges, culverts, and local government transportation projects;
- Projects included in the Urban Mobility Strategy, which incorporates projects originating from House Bill 2017 (2017), known as “*Keep Oregon Moving.*” The Legislature directed the OTC to address traffic congestion in the Portland-metro area, on the I-5 Rose Quarter and I-205 corridors. In 2021, House Bill 3055 directed the creation of the Toll Program Fund;
- Funding to transition the OReGO program, which started in 2015 as a voluntary pay-by-the-mile road usage program (RUC), to a mandatory program. This is an alternative method to raise revenue to offset the ongoing decline of fuel tax revenues;
- The expansion of the Small Business Development section, located within the Social Equity & Office of Civil Rights program will improve and monitor ODOT’s performance delivery in the Disadvantaged Business Enterprise program.
- Carryforward American Rescue Plan Act (ARPA) funding to complete the Newburg-Dundee bypass;
- Fifteen capital improvements projects to provide upgrades to existing ODOT facilities for the 2023-25 biennium; and
- Support for the three ODOT revenue generating bond programs.
- Continued planning for the Interstate Bridge Replacement project.

REVENUE SUMMARY

The majority of ODOT’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 declining, in part because vehicles are becoming more fuel-efficient and the number of electric vehicles on the road of increasing. Revenue included in legislation passed in 2017 offsets this decline through the 2023-25 biennium, but beyond that point, the fuel tax revenue decline is eminent.

Currently, 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 transferred to other state agencies for use in programs benefiting the users of these vehicles.

The Infrastructure Investment Job Act (IIJA) was authorized by Congress in 2021. This included new federal surface transportation funding which is expected to bring in \$1.2 billion to the state over a five-year period (2022 through 2026). IIJA also offers competitive grants. Any grants awarded to ODOT

usually offset the use of the State Highway Fund for previously approved projects, allowing the state to take advantage of these savings to be utilized on other state proposed projects.

AGENCY PROGRAMS

Oregon Transportation Infrastructure Fund

The Oregon Transportation Infrastructure Fund includes a Nonlimited *Loan and Grant Program* and the *Oregon Transportation Infrastructure Bank*, which was established in 1997 as a revolving loan fund. The program makes loans to local governments, transit providers, ports, and other eligible borrowers to pay for the design and construction of transportation projects involving many partners, such as local agencies, state agencies, and the Federal Highway Administration.

The Governor's budget provides \$25.0 million total funds for the Oregon Transportation Infrastructure Fund. This includes a \$7.0 million Other Funds carry forward for the Wildlife Vehicle Collision projects and \$18.0 million Other Funds Nonlimited for the continuation of existing programs.

Capital Improvements

The Capital Improvements program provides additions and/or enhancements to existing facilities (buildings) for department projects costing less than \$1.0 million. ODOT needs facilities capable of housing equipment and machinery to perform highway maintenance activities, in order to have the ability to maintain, preserve, repair, and restore existing highways and to keep them safe and useable for travelers. The Governor's budget is \$17.7 million Other Funds, which is a 2.0 percent decrease from the 2021-23 Legislatively Approved Budget. The revenue for this program comes from the State Highway Fund.

Capital Construction

The Capital Construction program provides funds for modern, cost-effective facilities (buildings). Highway construction projects are not treated as Capital Construction projects in the budget as the 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 is \$38.0 million Other Funds. The revenue for this program comes from State Highway Funds and the sale of certain department properties. The budget invests in replacing antiquated maintenance stations on the South Coast Regional Seismic Ready Facility at Coos Bay.

Delivery and Operations

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 travelled 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.

This program includes the following major subprograms:

- *The Maintenance Program* - focuses on daily activities of maintaining and repairing existing highways. The program also maintains ODOT's buildings, equipment, and is the public contact regarding questions related to state highways in general. Maintenance activities include but are not limited to pavement, shoulders, and drainage work, bridge work; facility and fleet management; roadside and vegetation work; traffic services; state radio system; winter road services; and emergency response and management. The Governor's budget is \$570.7 million Other Funds and supports 1,374 positions. This budget continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Government.
- *The Project Delivery and Support* – addresses transportation projects related to mobility, safety, accessibility, and projects benefiting state-owned facilities. The program was reorganized and oversees the following:
 - Preservation program keeps highways in the best possible consideration based on available funding. The program uses a life-cycle cost approach to roadway preservation and maintenance.
 - Bridge program is responsible for inspection, preservation, reconstruction of more than 2,700 bridges, overpass crossings, railroad under crossings, tunnels and other bridge structural elements that may impact a bridge's integrity.
 - Safety and Operations program is comprised of Highway Safety and Highway Operations. Highway safety implements a data-driven strategic approach focusing on implementing cost-effective and proven safety countermeasures to reduce serious injuries on all public roads in Oregon.
 - Modernization program enriches or expands the transportation system in order to facilitate economic development, reduce congestion and improve safety.
 - Special programs provide indirect, technical and program support for the Delivery and Operation division construction program.
 - Urban Mobility Office was created out of the House Bill 2017 (2017). The core projects for this office comes from the bill's financial investments to address congestion issues in the Portland-metro region and to improve transportation system statewide.

The Governor's budget is \$2,547.3 million Other Funds and supports 1,436 positions. The budget supports the continuation of IIJA projects, the urban mobility strategies, the ARPA carry forward to complete the Newburg-Dundee bypass and the continued planning for the Interstate Bridge Replacement project.

- *The Local Government* program - provides project delivery oversight and program administration to assist with transportation improvement projects within local jurisdictions. The program accounts for approximately 25 percent of Oregon State Transportation Improvement Program funding and up to 30 percent of the projects delivered by ODOT. The Governor's budget is \$565.4 million Other Funds and supports 55 positions. The budget supports the continuation of IIJA ODOT projects. 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 also regulates and inspects approximately 3,500 vehicles and driver related businesses in Oregon. The DMV provides in-person customer service at 60 field offices statewide, serving almost 8,000 customers per day and over two million customers per year.

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 Governor's budget is \$311.3 million Other Funds and supports 897 positions. The budget includes a fee increase for license plates, due to manufacturer cost increases for plate production and sustains ongoing program services.

Commerce and Compliance

The Commerce and Compliance division is responsible for regulating the transportation industry by ensuring commercial vehicles traveling across Oregon's transportation system are compliant with all safety regulations. This program operates Ports of Entry, weigh stations and portable scale sites. The division regulates a diverse industry ranging from one-truck owner-operators to carriers with large fleets from throughout the United States and Canada. The scale sites check millions of trucks each year to ensure proper vehicle size and weight limits to reduce highway infrastructure damages and hazards to the motoring public. Through their tax and fee payments processes, the program collects nearly one-third of all money received for the State Highway Fund. The Governor's budget is \$106.8 million total funds and supports 315 positions, which continues support for existing programs. The budget supports the urban mobility strategies program. Funding comes from the State Highway Fund and the Federal Motor Carrier Safety Administration.

Policy, Data and Analysis

The Policy, Data, and Analysis program has a diverse portfolio of responsibilities and provides support and services ranging from shared technical assistance to cities, counties, and metropolitan planning organizations to providing financial support, partner funding or planning and infrastructure support to local governments. This program uses a decision-making process that addresses transportation needs through its research, data collection and planning responsibilities. The Governor's budget is \$191.8 million total funds and supports 206 positions. The budget supports the continuation of IIJA ODOT projects. Funding comes from the State Highway Fund and the Privilege Taxes collected by the Department of Revenue for *ConnectOregon*. The Federal Funds sources come from the Federal Highway Administration and the National Highway Traffic Safety Administration.

Public Transportation

The Public Transportation division reorganized its budget structure and now provides or commissions transit, passenger rail, active transportation options and micro-mobility services across Oregon. One-third of Oregonians do not have access to car, choose not to drive or are unable to drive. The division also manages contract services to fill gaps in statewide transit networks, such as the Public Oregon Intercity Transit bus, and the Amtrak Cascades passenger rail system.

Grant funding comes from the Federal Transit Administration and a payroll tax which is used primarily for formula allocations and competitive grants to local transit agencies. 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 combining multiple sources of federal and state funding.

The Governor's budget is \$463.5 million total funds and support 48 positions. The budget supports the urban mobility strategies program. Funding comes from the State Highway Fund and the Federal Motor Carrier Safety Administration and future revenue bond proceeds.

Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. The Governor's budget is \$553.1 million total funds. General Fund debt service is for the Oregon State Police share of the State Radio Project. Lottery Funds support the department's debt service on *ConnectOregon* I through VII. The Other Funds debt service paid with State Highway Funds for a series of safety related State Transportation Improvement Program projects.

ODOT Administrative Services

ODOT Administrative Services is a new budget structure combining the previous Support Service Division and Director's Office into one service component. It incorporates the following agency-wide services: government relations, communications, audit, business services, facilities, human resources, information technology systems, and procurement. The new division also includes the OTC administration, Office of Organizational Excellence, and the Office of Social Equity, which includes the Office of Civil Rights. The Governor's budget is \$249.0 million total funds and supports 498 positions. The budget supports the continuation of IJJA ODOT projects, the urban mobility strategies program, establishes the small business development program, ongoing work with the Road Usage program, and continued planning for the Interstate Bridge Replacement project.

Administrative Services is primarily funded by the department's operating division assessment model. 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.

Finance and Budget

The Finance and Budget program includes financial, budget, and economic-financial analysis services for the entire agency. Financial services include, but are not limited to, accounting, payroll support,

contractor payments, travel claims processing, financial training, coordination and reporting, debt management, collection services, cost allocation, and billing. The division also produces the agency's budget, position fiscal management, fiscal impact statements for the Legislature, business analysis coordination, cash management, maintenance management system, and financial claims management.

The Governor's budget is \$84.1 million total funds and supports 124 positions. The budget supports the Urban Mobility Strategies program, assists with the Road Usage program, and is responsible for coordinating the three new revenue bond programs.

CONSUMER AND BUSINESS SERVICES AGENCIES

Consumer and Business Services Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$15,070,004	\$55,860,145	\$31,047,049
Lottery Funds	147,875	270,809	297,187
Other Funds	498,165,079	571,097,628	612,190,815
Federal Funds	114,604,882	125,053,564	138,276,068
Other Funds (Nonlimited)	215,763,086	218,897,230	241,781,304
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$843,750,926	\$971,179,376	\$1,023,592,423
Positions	1,472	1,515	1,553
Full-time Equivalent	1,455.94	1,487.97	1,540.51

OVERVIEW

The 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:

- *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.
- *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.
- *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*: protects customers of various professional services, ensures only qualified people are licensed or bonded, and sets and ensures 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 programs designed to adapt and change with the business environment across a variety of fields. The budget for DCBS supports current agency programs, continues the Oregon Reinsurance Program, supports the Prescription Drug Affordability Board, increases resources for outreach and community engagement related to worker safety and financial education, and invests in planning for an upgrade to the workers' compensation information technology system. The budget also creates the Housing Production and Accountability Office (HPAO), within the Department of Land Conservation and Development and jointly managed with DCBS. The office will provide technical assistance and support to local governments and housing developers working to reduce land use and permitting barriers to housing production. HPAO will also hold local jurisdictions accountable to state housing and land use laws to clear the path to increased housing production in cities and counties across the state. The office is funded with revenues from the DCBS Building Codes Division.

The budget for BOLI includes funding to begin planning for a Case Management Replacement Project and provides additional staff in the commissioner's office for human resources and public records requests. The budget also provides a permanent position to assist business and apprenticeship programs in eastern Oregon and carries forward General Fund for the Future Ready Oregon program based on an amount the agency anticipates it will not fully distribute during 2021-23. Finally, the budget enhances staffing in the Civil Rights Division to assist with an increase in workload and provides a support position to the Fair Housing Enforcement Unit.

Increased staffing and funding is also provided in PUC's budget, which will help address new responsibilities and increased workload relating to Wildfire Mitigation, Clean Energy, Differential Energy Burden, changes in the public purpose charge, and Transportation Electrification. Included in the budget for Oregon Real Estate Agency is funding for the replacement of their eLicense system, along with an increase in staffing related to client escrow security and agency-wide Affirmative Action and both internal and industry diversity, equity, and inclusion initiatives.

The budgets for the various regulatory boards invest in consumer protection by adding investigative staff to ensure quality and timeliness of complaint investigations. The Governor's budget supports quality customer service, increased transparency, and timely processing of license applications, through investments in new and reclassified administrative and licensing staff and electronic licensing systems and databases. The budget supports fee increases to fund operational expenses for various boards. The budget also supports direction to the Mental Health Regulatory Agency to reconsider licensing policies and procedures to support equity, as recommended by the Keen Independent Research LLC study dated December 16, 2022. Additionally, the Governor has asked the Department of Administrative Services to engage a third party to help access and develop solutions for the Oregon State Board of Nursing, the Board of Licensed Social Workers, and the Mental Health Regulatory Agency to address the barriers to licensure in Oregon and make significant progress with state and regional solutions that reduce barriers, including the timeline to license, and retention.

The Governor's budget for the Consumer and Business Services Program Area is \$1 billion total funds. This is a 5.4 percent increase from the 2021-23 Legislatively Approved Budget.

Other Funds and Federal Funds provide 96.9 percent of the budget for this program area. With exception to a small amount of Lottery Funds, the remaining three percent is from General Fund. The General Fund is \$31.0 million, which is budgeted within BOLI.

Oregon Board of Accountancy

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	2,578,871	3,263,399	3,346,325
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,578,871	\$3,263,399	\$3,346,325
Positions	8	8	8
Full-time Equivalent	7.50	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 8,000 certified public accountants, municipal auditors, public accountants, and 1,000 accounting firms are licensed or registered by the board.

RECOMMENDED BUDGET

The Governor's Budget is \$3.3 million total funds. This is a 2.5 percent increase from the 2021-23 Legislatively Approved Budget and includes eight positions. The budget allows the agency to continue current service operations.

REVENUE

The board is funded entirely with Other Funds. Approximately 91 percent of revenue received is from professional licensing fees and the remaining nine percent comes from fines and forfeitures assessed for violations of statute or rule.

Board of Chiropractic Examiners

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	1,685,453	2,173,510	2,569,716
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,685,453	\$2,173,510	\$2,569,716
Positions	6	6	6
Full-time Equivalent	5.10	5.10	5.75

OVERVIEW

The Board of Chiropractic Examiners was established in 1915 to protect the health, safety, and welfare of the public in all matters of chiropractic care by setting a national standard in educating, licensing, and regulating chiropractic licensees. The board ensures public protection by setting standards for entry to practice, examination of applicants, issuance and renewal of licensing, ensuring licensees complete continuing education, rulemaking, and setting practice guidelines for more than 2,000 active and inactive Doctors of Chiropractic and 1,800 Chiropractic Assistants.

The Governor appoints the seven-member board, which includes five chiropractic physicians and two public members. The board sets requirements for licensure, establishes policies, reviews investigative cases, and takes disciplinary or other action where appropriate.

GOVERNOR'S BUDGET

The Governor's budget for the Board of Chiropractic Examiners is \$2.6 million total funds. This represents an 18.2 percent increase from the 2021-23 Legislatively Approved Budget. The budget includes six positions (5.75 FTE), which represents a 0.65 increase in FTE for one position. The Governor's budget supports fee increases to fund the reclassification of two positions and the transition of information technology support to the Department of Administrative Services.

REVENUE SUMMARY

The board is funded entirely with Other Funds revenue generated from fees paid for professional licenses, examinations, and miscellaneous revenue. The budget supports an increase in fees to fund board operations. The board receives 93.5 percent of its revenue from licensure, application, and examination charges from licensees. Civil penalties, cost recovery, and late renewal fee account for 6.4 percent of revenues. Miscellaneous charges for copies, labels, and lists accounts for the remaining 0.1 percent of revenues.

Construction Contractors Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	16,063,383	18,316,626	18,831,054
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$16,063,383	\$18,316,626	\$18,831,054
Positions	61	59	59
Full-time Equivalent	61.00	59.00	59.00

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 \$18.8 million total funds and supports 59 positions. This is a 2.8 percent increase from the 2021-23 Legislatively Approved Budget. Currently, the agency oversees approximately 42,000 licensed contractors, which is 3,000 greater than initially projected at the start of the 2021-23 biennium. The budget supports current operations.

REVENUE SUMMARY

The Construction Contractors Board relies entirely on Other Funds from contractor license fees, complaint processing fees, and civil penalty payments. 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 to be approximately \$1.0 million for the 2023-25 biennium.

Department of Consumer and Business Services

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$1,268,561	\$12,557,108	\$0
Lottery Funds	0	0	0
Other Funds	352,316,992	390,652,315	417,099,485
Federal Funds	112,256,327	121,930,616	135,023,651
Other Funds (Nonlimited)	161,972,803	172,013,483	186,012,644
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$627,814,683	\$697,153,522	\$738,135,780
Positions	957	950	973
Full-time Equivalent	949.73	941.15	968.07

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 four main areas of regulation are: Workers Compensation, Occupational Health and Safety (OSHA), Financial Regulation, and Building Codes.

GOVERNOR’S BUDGET

The Governor’s budget for DCBS is \$738.1 million total funds. This is a 5.9 percent increase from the 2021-23 Legislatively Approved Budget. The budget supports current agency programs, continues the Oregon Reinsurance Program, supports the Prescription Drug Affordability Board, increases resources for outreach and community engagement related to worker safety and financial education, and invests in planning for an upgrade to the workers’ compensation information technology system.

The Governor’s budget also creates the Housing Production and Accountability Office (HPAO), within the Department of Land Conservation and Development and jointly managed with DCBS. The office will provide technical assistance and support to local governments and housing developers working to reduce land use and permitting barriers to housing production. HPAO will also hold local jurisdictions accountable to state housing and land use laws to clear the path to increased housing production in cities and counties across the state. The office is funded with revenues from the DCBS Building Codes Division.

REVENUE SUMMARY

The department receives its revenues from over 500 dedicated fees, assessments, and charges. The 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 contribute 2.2

cents per hour worked to support the services included in the 2023-25 Governor's Budget. For the Workers' Compensation Premium Assessment, most employers will pay a 9.8 percent assessment on workers' compensation premiums to support the programs included in the 2023-25 Governor's Budget.

The department receives Federal Funds from the Centers for Medicaid and Medicare Services to support the Oregon Reinsurance Program. DCBS' Division of Financial Regulation collects retaliatory taxes from out-of-state insurance companies, which are transferred 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 \$167.7 million for the 2023-25 biennium.

AGENCY PROGRAMS

Workers' Compensation Accounts (Nonlimited)

The department administers the Self-insured Employer Adjustment Reserve account and the Self-insured Employer Group Adjustment Reserve account. These self-insured reserve funds protect injured workers whose employers are self-insured for workers' compensation. If a self-insured employer or employer group becomes insolvent or otherwise defaults on its workers' compensation obligations, the reserve funds pay 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 injured workers and also 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 \$180.9 million Other Funds Nonlimited.

Workers' Compensation Board

The Workers' Compensation Board is an independent adjudicatory agency within DCBS, which ensures Oregon workers, employers, and insurers have an efficient mechanism to resolve disputes under the Workers' Compensation Act and the Oregon Safe Employment Act. The board proceedings move disputes into an administrative forum, reducing prolonged and costly litigation. The Governor's budget for this program is \$29.6 million Other Funds. This is a 2.3 percent increase from the 2021-23 Legislatively Approved Budget. The program operates with 79 positions.

Workers' Compensation Division

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. The Governor's budget for this program is \$58.8 million Other Funds. This is an 8.2 percent increase from the 2021-23 Legislatively Approved Budget, which continues current program operations and includes \$6.4 million Other Funds to continue planning for the modernization of the workers' compensation IT system. The program operates with 182 positions.

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 through inspections, education, and employer consultation. The Governor's budget for this program is \$69.6 million total funds. This is a 1.6 percent increase from the 2021-23 Legislatively Approved Budget. The budget provides support to enhance community engagement and supports the relocation of the department's safety and health laboratory. The program operates with 206 positions.

Division of Financial Regulation

The Division of Financial Regulation protects Oregonians' 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 \$288.5 million total funds and supports 192 positions. This is a 7.2 percent increase from the 2021-23 Legislatively Approved Budget. The Governor's budget adds \$221.8 million total funds from existing assessment levels and federal waiver funding to support reinsurance payments to insurers in the individual health insurance market, which will support the stability of premiums in that market. The Governor's budget also supports the Prescription Drug Affordability Board, invests in additional outreach and engagement with community groups, and addresses workload issues in the regulation of insurers and other financial institutions.

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. Building Codes also provides building code services directly on behalf of certain local governments. The Governor's budget for this program is \$46.7 million total funds. This is a 15.8 percent decrease from the 2021-23 Legislatively Approved Budget, largely the result of the phase out of one-time grants for fire hardening made in 2021-23 and maintains current services. The program operates with 134 positions.

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 \$63.2 million total funds. This is a 14.9 percent increase from the 2021-23 Legislatively Approved Budget and adds funding to address workload and technology issues in the division's IT unit, adds a budget manager position, and adds an information technology position to continue planning for the department's workers' compensation information system replacement and on the prescription drug affordability board. The program operates with 180 positions.

Mental Health Regulatory Agency

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$300,000	\$0
Lottery Funds	0	0	0
Other Funds	3,920,298	5,186,427	5,695,318
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$3,920,298	\$5,486,427	\$5,695,318
Positions	13	14	15
Full-time Equivalent	13.00	14.00	15.00

OVERVIEW

The Mental Health Regulatory Agency was established in 2018 to provide administrative and regulatory oversight of the Board of Licensed Professional Counselors and Therapists and the Oregon Board of Psychology.

The agency performs budgeting, recordkeeping, staffing, contracting, procedure and policymaking, and sets performance standards for both regulated boards. Both boards maintain their own separate statutory authority to investigate complaints, enforce regulations, establish and collect fees, instill licensing criteria for education, training and examination, and instill practice standards including the adoption of a code of ethics.

GOVERNOR'S BUDGET

The Governor's budget for the Mental Health Regulatory Agency is \$5.7 million total funds, an increase of 3.8 percent from the 2021-23 Legislatively Approved Budget. The budget includes 15 positions, reflecting an increase of one position from the 2021-23 Legislatively Approved Budget. The budget also supports an adjustment in the cost allocation model between the boards to fund operational expenses.

The Board of Licensed Professional Counselors and Therapists and the Oregon Board of Psychology play a significant role in Oregon's ability to recruit and retain highly qualified licensed mental health professionals and it has a profound impact on access to care for Oregonians in all care settings and new care models. The Boards must focus on making significant progress with state and regional solutions that reduce the barriers, including the timeline to license, and retention of the diverse licensed workforce. The budget supports direction to the agency to reconsider licensing policies and procedures to support equity, as recommended by the Keen Independent Research LLC study dated December 16, 2022 and additionally, the Governor has asked the Department of Administrative Services to engage a third party to help access and further develop solutions to address the barriers to licensure in Oregon.

REVENUE SUMMARY

The boards are supported by Other Funds revenues primarily generated from licensing and renewal application fees, examinations, and other miscellaneous sources. The Governor's budget supports a fee decrease for both boards to account for a surplus in revenue and a fee establishment for the Board of Licensed Professional Counselors and Therapists to coincide with a new license permit.

AGENCY PROGRAMS

Board of Licensed Professional Counselors and Therapists

The Board of Licensed Professional Counselors and Therapists sets requirements for voluntary licensure, establishes board policies, investigates complaints against licensees and takes disciplinary or other action where appropriate. The board consists of eight members, three are professional counselors, two are marriage and family therapists, one is a member of the faculty of a school that trains counselors or therapists, and two are from the general public. It also appoints and reviews the work of the Executive Director. Board staff perform background checks on applicants for licensure, issue and renew licenses, investigate complaints, and monitor disciplined licensees. The budget for the board is \$3.9 million Other Funds.

Oregon Board of Psychology

The Board of Psychology sets requirements for licensure, establishes board practices, reviews investigative cases, and takes disciplinary or other action when appropriate. The board consists of nine members, six are licensed psychologists and three are from the general public. 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. The budget for the Board of Psychology is \$1.8 million Other Funds.

Oregon Board of Dentistry

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	3,270,097	3,859,254	4,172,739
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$3,270,097	\$3,859,254	\$4,172,739
Positions	8	8	8
Full-time Equivalent	8.00	8.00	7.50

OVERVIEW

The Oregon Board of Dentistry has a mission to promote high quality oral healthcare in the state of Oregon by equitably regulating dental professionals. The Board of Dentistry is charged with the regulation of the practice of dentistry and dental hygiene. The board is comprised of 10 members appointed by the Governor and confirmed by the Senate for four-year terms. The board is made up of six dentists, one of whom must be a dental specialist, two dental hygienists, and two public members. The board sets standards for entry to practice dentistry, conducts examinations of applicants, issues and renews licenses, and enforces the standards of practice established in statute.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Board of Dentistry is \$4.2 million total funds. This is an 8.1 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes eight positions, which reflects a decrease of 0.50 FTE for one position. The Governor's budget provides funding for the Oregon Wellness Program. The budget supports board operations to license over 8,000 licensees during the 2023-25 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, dental hygienists, and dental therapists. 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. The budget supports general fee increases to fund agency operations and also includes revenue from a new Dental Therapy license and associated fees.

Board of Medical Imaging

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	1,197,693	1,435,584	1,548,081
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,197,693	\$1,435,584	\$1,548,081
Positions	4	4	4
Full-time Equivalent	3.50	3.75	3.75

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 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 \$1.5 million total funds. This is a 7.8 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget funds four positions, representing no change from the 2021-23 LAB. The budget supports existing services, including the licensure of over 7,200 licensees.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	2,235,895	2,915,294	3,059,415
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,235,895	\$2,915,294	\$3,059,415
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 \$3.1 million total funds. This is a 4.9 percent increase from the 2021-23 Legislatively Approved Budget (LAB). This budget funds seven positions, which represents no change from the 2021-23 LAB. The budget supports existing services, including the licensure of over 2,300 practitioners and facilities.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	977,717	1,079,025	1,126,407
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$977,717	\$1,079,025	\$1,126,407
Positions	4	3	3
Full-time Equivalent	4.00	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 \$1.1 million total funds. This is a 4.4 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes three positions, which represents no change from the 2021-23 LAB. The Governor's budget reduces some expenses to offset lower than forecasted revenue and supports fee increases to generate additional revenue to fund operational expenses.

REVENUE SUMMARY

The board is funded by Other Funds revenue primarily derived from license, certification, and examination fees. The budget supports the board's proposed fee increase to continue operating services. Less than 10 percent of the board's revenue is generated by fines, forfeitures, and sales income.

Oregon Occupational Therapy Licensing Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	506,804	707,899	723,158
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$506,804	\$707,899	\$723,158
Positions	2	2	2
Full-time Equivalent	1.75	1.65	1.50

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.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Occupational Therapy Licensing Board is \$0.7 million total funds. This is a 2.2 percent increase from the 2021-23 Legislatively Approved Budget (LAB.) The budget funds two positions, representing no change from the 2021-23 LAB.

REVENUE SUMMARY

The board is funded solely by Other Funds revenue from license application fees, reinstatement of licensure fees, renewal fees, limited permit fees, civil penalties, and the sale of licensee lists. The budget supports fee increases to cover operating expenses.

Board of Examiners for Speech-Language Pathology and Audiology

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	951,881	1,071,713	1,246,614
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$951,881	\$1,071,713	\$1,246,614
Positions	3	3	3
Full-time Equivalent	3.00	3.00	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.

GOVERNOR'S BUDGET

The Governor's budget for the Board of Examiners for Speech-Language Pathology and Audiology is \$1.2 million total funds. This is a 16.3 percent increase from the 2021-23 Legislatively Approved Budget (LAB), driven primarily by an increase in legal expenses, background checks and increased banking fees resulting from an increase in the number of licensees over the last several years. This budget funds three positions, which represents no change from the 2021-23 LAB. The budget supports existing services, including the licensure of over 3,500 licensees.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	1,198,465	1,379,042	1,598,764
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,198,465	\$1,379,042	\$1,598,764
Positions	4	4	5
Full-time Equivalent	3.75	3.75	4.75

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 \$1.6 million total funds. This is a 15.9 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes five positions, which reflects the increase of one position from the 2021-23 LAB. The Governor's budget supports existing services, including the licensure of over 4,500 licensees and 671 veterinary facilities, and supports an additional position to assist with the increased inspection and investigative workload.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$13,801,443	\$43,003,037	\$31,047,049
Lottery Funds	147,875	270,809	297,187
Other Funds	12,382,430	16,315,452	18,151,301
Federal Funds	1,305,792	1,903,363	2,039,271
Other Funds (Nonlimited)	399,493	938,700	938,700
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$28,037,033	\$62,431,361	\$52,473,508
Positions	110	150	153
Full-time Equivalent	106.96	138.92	149.29

OVERVIEW

The mission of the Oregon Bureau of Labor and Industries (BOLI) is to protect employment rights, advance employment opportunities, and ensure access to housing and public accommodations free from discrimination. BOLI works to protect the rights of workers and individuals to equal, non-discriminatory treatment through the enforcement of anti-discrimination laws that apply to workplaces, housing and public accommodations. The agency encourages and enforces compliance with state laws relating to wages, hours, terms and conditions of employment; and educates and trains employers to understand and comply with both wage and hour and civil rights law. The agency also promotes the development of a highly skilled, competitive workforce in Oregon through the apprenticeship program and through partnerships with government, labor, business, and educational institutions. BOLI consists of the four following divisions: Commissioner's Office; Civil Rights; Wage and Hour; and Apprenticeship and Training.

GOVERNOR'S BUDGET

The Governor's budget for the Bureau of Labor and Industries is \$52.5 million total funds. This is a 16.0 percent decrease from the 2021-23 Legislatively Approved Budget (LAB), largely due to the phase-out of one-time funds for Future Ready Oregon. The budget includes 153 positions (149.29 FTE) and makes investments in a variety of areas. The budget includes funding to begin planning for a Case Management Replacement Project and provides additional staff in the Commissioner's office for human resources and public records requests. The budget also provides a permanent position to assist business and apprenticeship programs in eastern Oregon and carries forward General Fund for the Future Ready Oregon program based on an amount the agency anticipates it will not fully distribute during 2021-23. Finally, the budget enhances staffing in the Civil Rights Division to assist with an increase in workload and provides a support position to the Fair Housing Enforcement Unit.

REVENUE SUMMARY

Core functions of the agency are funded primarily with General Fund and Other Funds. Other Funds make up nearly 53 percent of the agency's available revenue. Other Funds revenue is comprised of Licenses and Fees, Charges for Services, Fines, Interest, and Sales income. Additional sources of Other Funds are received through state agency contracts with the Oregon Employment Department (OED), the Department of Consumer and Business Services, and the Oregon Department of Transportation. The largest source of Other Funds (41 Percent) comes from OED, which is derived from a portion of unemployment insurance taxes paid by employers each biennium. These funds are used for the Wage Security Fund (WSF) program. BOLI receives approximately two-thirds of its Federal Funds revenues from the U.S. Equal Employment Opportunity Commission and one-third from the U.S. Department of Housing and Urban Development.

AGENCY PROGRAMS

Commissioner's Office and Program Support Services

The Commissioner's Office provides policy direction and overall management of the bureau's programs. The commissioner is a legislatively established statewide elected official. The office is charged with enforcing all laws regulating and protecting the employment of all employees in Oregon, advance employment opportunities through apprenticeships, protecting access to housing, and public accommodations free from discrimination. This division contains the following four programs:

- *Technical Assistance unit* provides Oregon employers with education and training resources through direct telephone contact, website inquiries, public seminars, workshops, and customized training sessions.
- *Business Services unit* supports the agency's Fiscal Services, Information Technology Services, Public Records, and Employee Services.
- *External Services unit* includes Communications, Legal Policy, Intergovernmental Relations and the Administrative Law Forum, which consists of two judges who hear cases, review evidence and draft orders.
- *Administrative Prosecution unit* provides adjudication and alternative dispute resolution of contested wage and hour, and civil rights cases.

The Governor's budget for this program is \$7.3 million General Fund, \$4.4 million Other Funds, and \$0.3 million Federal Funds. The program includes 35 positions. The budget represents a 4.3 percent decrease from the 2021-23 LAB, due to the phase-out of one-time 2021-23 Future Ready Oregon expenditures.

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, the unit has contracts for processing civil rights cases with the U.S. Equal Employment Opportunity Commission, the U.S. Housing and Urban Development, and the Oregon Occupational Safety and Health Administration.

The Governor’s budget for this program is \$10.8 million General Fund, \$2.0 million Other Funds, and \$1.7 million Federal Funds. The division has 55 positions. The budget represents a 20.1 percent increase from the 2021-23 LAB.

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 division largely serves employees who are not represented by a labor union, have low-income jobs, and are considered “at risk” or vulnerable to exploitation. This includes children, migrant farm workers, and those who are not fluent in English. Wage claims are filed for a variety of reasons including failure to pay final wages; failure to pay minimum wage rate or overtime; failure to pay for all hours worked; or making unlawful deductions from wages.

The Governor’s budget for this program \$3.8 million General Fund, \$8.1 million Other Funds, and \$0.9 million Other Funds Nonlimited. The division has 43 positions. The budget represents a 10.4 percent increase from the 2021-23 LAB.

Apprenticeship and Training Division

The Apprenticeship and Training Division (ATD) 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. Apprenticeship is industry-led, meaning employers and labor – the experts in industry standards – set the expectations for skill attainment. It is an “earn while you learn” model, which combines on-the-job training provided by the employer with job-related instruction in curricula tied to the attainment of national and state skills standards. The division works with local apprenticeship committees statewide to ensure quality training and equal employment opportunities. The division regulates the operation of registered apprenticeship programs to make sure they meet quality and industry standards. It tracks and certifies the attainment of skills by apprentices and provides oversight to programs to ensure they meet all statutory obligations. The division also oversees the requirement for apprentice employers to meet diversity requirements.

The division includes the Heavy Highway Supportive Services program, which targets outreach, recruitment, retention, and supportive services to individuals interested in careers in the heavy highway constructions trades.

The Governor’s budget for this program is \$9.2 million General Fund, \$0.3 million Lottery Funds, and \$3.6 million Other Funds. The division has 20 positions. The budget represents a 49.9 percent decrease from the 2021-23 LAB, due to the phase-out of one-time 2021-23 Future Ready Oregon expenditures.

Oregon Medical Board

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	12,974,016	17,346,295	18,223,626
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$12,974,016	\$17,346,295	\$18,223,626
Positions	41	42	42
Full-time Equivalent	41.00	42.00	42.00

OVERVIEW

The Oregon Medical Board was established in 1889, and its mission 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 20,529 medical doctors and doctors of osteopathic medicine, 230 podiatric physicians, 2,612 physician assistants, and 1,703 licensed acupuncturists. The Governor appoints the 14-member board, which includes seven medical doctors, two doctors of osteopathy, one doctor of podiatry, one physician's assistant and three 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.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon Medical Board is \$18.2 million total funds. This is a 5.1 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes 42 positions, which represents no change from the 2021-23 LAB. The budget supports the use of funds budgeted but unspent during the 2021-23 biennium for the modernization of the board's core business suite software.

REVENUE SUMMARY

The Oregon Medical Board is solely funded by Other Funds revenue. The board receives approximately 97 percent of its revenue from fees for licensure and registration. The Governor's budget supports fee increases to generate revenue to fund operational expenses. Approximately three 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	19,049,038	21,955,686	24,010,376
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$19,049,038	\$21,955,686	\$24,010,376
Positions	54	54	56
Full-time Equivalent	53.90	53.90	55.90

OVERVIEW

The Oregon State Board of Nursing 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, one Licensed Practical Nurse, one Certified Nursing Assistant, and one Nurse Practitioner. The four Registered Nurse members represent the following areas of nursing practice: one nurse educator, one nurse administrator, and two direct-care non-supervisory nurses.

GOVERNOR'S BUDGET

The Governor's budget for the Oregon State Board of Nursing is \$24 million total funds. This is a 9.4 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget includes 56 positions, an increase of two positions from the 2021-23 LAB. The Governor's budget maintains operational expenses and provides funding to permanently add two licensing positions and reclassifies two other positions.

The Oregon State Board of Nursing plays a significant role in Oregon's ability to recruit and retain highly qualified diverse clinicians and it has a profound impact on access to care for Oregonians in all care settings and new care models. The board must focus on making significant progress with state and regional solutions that reduce the barriers, including the timeline to license, and increase retention. Additionally, the Governor has asked the Department of Administrative Services to engage a third party to help access and develop solutions to address the barriers to nurse licensure in Oregon.

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. The board also receives nine percent matching federal revenue, through the Department of Human Services, for regulating the nursing assistants' program in Oregon in compliance with the Federal Omnibus Reconciliation Act of 1987.

Oregon Board of Pharmacy

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	8,064,178	9,691,342	10,695,863
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,064,178	\$9,691,342	\$10,695,863
Positions	22	22	23
Full-time Equivalent	22.00	22.00	23.00

OVERVIEW

The Board of Pharmacy was established in 1891, with a mission to promote and protect public health, safety, and welfare by ensuring high standards in the practice of pharmacy and through effective regulation of the manufacture and 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. As of July 2022, the board registered 20,188 individual licensees and 10,050 statewide drug outlets.

GOVERNOR'S BUDGET

The Governor's budget for the Board of Pharmacy is \$10.7 million total funds, which is a 10.4 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget adds one health care investigator position to address inspection and investigation workload increases.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	47,032,235	60,168,396	62,389,094
Federal Funds	1,042,763	1,219,585	1,213,146
Other Funds (Nonlimited)	53,390,790	45,945,047	54,829,960
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$101,465,788	\$107,333,028	\$118,432,200
Positions	129	140	142
Full-time Equivalent	126.25	135.50	141.00

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. 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 subject to Senate confirmation.

PUC recently updated their strategic plan to track success in each of the following areas:

- Use regulatory tools effectively to balance interests and ensure utility services are reliable, affordable, and advance the public interest;
- Promote safety, reliability, and resiliency of utility services;
- Guide integration of new technology, customer offerings, and market mechanisms to benefit consumers;
- Inform and influence utility sector solutions that create value for all; and,
- Improve business practices and organizational effectiveness.

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 qualified individuals are licensed to pilot vessels.

GOVERNOR'S BUDGET

The Governor's budget is \$118.4 million total funds. This is a 10.3 percent increase from the 2021-23 Legislatively Approved Budget and funds 142 positions. The budget includes funding for staffing to meet increased workload. This includes funding to continue three limited-duration positions as permanent positions, making one part-time position a full-time position, and establishing four new positions. It also includes an increase of \$400,000 in funding for professional services to help address new responsibilities relating to Wildfire Mitigation, Clean Energy, Differential Energy Burden, changes in the public purpose charge, and Transportation Electrification. Also, to help meet new responsibilities, the budget includes increased funding for needed In-State and Out-of-State travel for the agency.

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 Program is the technical and analytical arm of the commission. It consists of professional staff to analyze all utility filings, help build a factual record in contested case proceedings, perform analysis and recommend policy options, inspect utility facilities, as well as other activities needed for the Commission to carry out its mission and serve ratepayers. The Utility Program serves 1,542,108 customers of investor-owned electric utilities; 869,324 customers of investor-owned natural gas utilities; 395,972 customers of Incumbent Local Exchange Carriers (telecommunications); and 33,623 customers of investor-owned and associated water and wastewater companies.

Residential Service Protection

The Residential Service Protection Fund consists of four programs to ensure accessible and affordable basic phone service for all Oregonians. These programs are the Oregon Telephone Assistance Program (OTAP), the Telecommunication Devices Access Program (TDAP), the Oregon Telecommunication Relay Service (OTRS), and the Emergency Medical Certificates (EMC).

Administration

The Administration section serves the commission by providing accounting and financial reporting functions, grant administration, budget assistance, information systems and technology support, human resource management, and general administrative support.

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. The board is a part of PUC for budget and administrative purposes, but 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. Only a public member may serve as chair. The board is supported by a staff of two: one Executive Director and one Administrator.

Oregon Real Estate Agency

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	8,835,714	10,141,433	14,013,928
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,835,714	\$10,141,433	\$14,013,928
Positions	29	30	34
Full-time Equivalent	29.00	29.75	34.00

OVERVIEW

The mission of the Oregon Real Estate Agency (OREA) 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’s activities encompass efforts to prevent financial losses among consumers and real estate purchasers. The agency has approximately 31,000 individual licensees and over 5,200 registered facilities.

GOVERNOR’S BUDGET

The Governor’s budget is \$14 million total funds. This is a 38.2 percent increase from the 2021-23 Legislatively Approved Budget and funds 34 positions. The budget enables the agency to continue existing levels of service and adds funding for the replacement of the eLicense system while also continuing a limited duration project manager position into the 2023-25 biennium. It further adds three positions to help protect clients’ funds and one position to focus on agency-wide Affirmative Action and both internal agency and industry diversity, equity, and inclusion initiatives.

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 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	1,961,260	2,271,967	2,537,750
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,961,260	\$2,271,967	\$2,537,750
Positions	7	7	8
Full-time Equivalent	7.00	7.00	7.50

OVERVIEW

The Oregon State Board of Licensed Social Workers mission 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 board, which includes three Licensed Clinical Social Workers, one member representing one of the other license categories, and three public members. The licensure program covers two clinical licenses (Clinical Social Work Associate and Licensed Clinical Social Worker) and two non-clinical license types (Licensed Master Social Worker and Registered Baccalaureate Social Worker).

GOVERNOR'S BUDGET

The Governor's budget for the Oregon State Board of Licensed Social Workers is \$2.5 million total funds, an 11.7 percent increase from the 2021-23 Legislatively Approved Budget (LAB). The budget supports eight positions, an increase of one new position from the 2021-23 LAB. The budget provides funding for operational expenses, makes one limited duration investigator permanent, adds one new position to review Clinical Social Work Associate reports, and reclassifies two positions.

The State Board of Licensed Social Workers plays a significant role in Oregon's ability to recruit and retain highly qualified diverse Social Workers and it has a profound impact on access to care for Oregonians in all care settings and new care models. The Board must focus on making significant progress with state and regional solutions that reduce the barriers, including the timeline to license, and retention. Additionally, the Governor has asked DAS to engage a third party to help access and develop solutions to address the barriers to social worker licensure in Oregon.

REVENUE SUMMARY

The board is funded exclusively with Other Funds, primarily from fees paid for professional licenses.

State Board of Tax Practitioners

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	962,659	1,166,969	1,151,801
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$962,659	\$1,166,969	\$1,151,801
Positions	3	2	2
Full-time Equivalent	2.50	2.00	2.00

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.

GOVERNOR'S BUDGET

The Governor's Budget is approximately \$1.2 million total funds, a 1.3 percent decrease from the 2021-23 Legislatively Approved Budget and funds two positions. The budget enables the board to continue existing levels of service.

The board regulates approximately 3,000 individual licensees and 1,000 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 AGENCIES

Administration Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$523,992,769	\$986,280,657	\$303,363,785
Lottery Funds	25,613,848	50,926,178	78,127,380
Other Funds	1,953,379,364	2,689,556,344	2,272,470,974
Federal Funds	1,271,602,315	3,219,725,178	15,408,751
Other Funds (Nonlimited)	11,872,338,315	13,028,204,673	13,669,513,189
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$15,646,926,611	\$19,974,693,030	\$16,338,884,079
Positions	3,323	3,528	3,604
Full-time Equivalent	3,212.35	3,423.92	3,510.75

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 2023-25 Governor's budget for the Administration Program Area agencies is \$16,338.9 million total funds, which represents an 18.2 percent decrease from the 2021-23 Legislatively Approved Budget. The decrease is attributable to the phase-outs of one-time funding from the 2021-23 biennium. Public employee retirement benefits constitutes about 84 percent of this budget. There is a decrease of \$682.9 million General Fund from the 2021-23 Legislatively Approved Budget (LAB), which is attributable one-time grant distributions to non-government entities.

The following are key highlights in how the Governor’s budget invests in administrative improvements and efficiencies:

Cultural Change—Customer Service. The budget supports establishing the Oregon Procurement Equity Program within the Department of Administrative Services that will apply an equity based approach to the state procurement process, improve data collection, establish an Oregon Procurement Equity Website. The budget also supports increasing resource capacity at the Department of Revenue to break-down barriers to filing taxes, by expanding diversity and equity resources for more culturally responsive communications. For the Oregon Advocacy Commission Office, the budget supports the ongoing work with the Affinity Group Task Forces in finalizing their recommendations to assist the Oregon Health Authority establish a culturally viable mobile health pilot program.

Information Technology-Cyber Security—Protecting Oregonians privacy. The Governor’s budget enhances investments in cyber security to enable new capabilities to detect, prevent, and manage security risks. The budget also supports the ongoing efforts in modernizing the public employees core retirement benefit system that is expected to improve benefit processing for both the agency and consumers. At the same time, the budget supports upgrades to the Secretary of State’s database and security systems that are expected to address the application and development process for replacing the campaign finance reporting system, ORESTAR.

Inclusive Facilities. Funding is included in the budget to support the ongoing renovations to provide mothers’ lactation rooms, wellness rooms, and gender-neutral bathrooms across state-owned facilities.

Guiding State and Public Regulations. The budget supports the Office of Public Records as a standalone agency. Through the Department of Revenue, the budget invests in the implementation of the Agricultural Worker Overtime Tax Credit program. In addition, the budget supports the Government Ethic Commission by expanding their training opportunities and material resources for all public officials and lobbyist entities within the commissions’ jurisdiction. Investments are provided to add staffing for the Oregon Liquor and Cannabis Commission to ensure timely response to public records requests, enhance licensing and enforcement activities within the distilled spirits program, establish a state marijuana testing reference lab to ensure marijuana lab testing integrity in Oregon, and expand the regulation of the home-delivery of alcohol.

Revenue Generation. In support of addressing the addiction crisis in Oregon, the Governor’s budget proposes an additional \$0.50 per bottle surcharge on distilled spirits, which is anticipated to generate \$45.2 million in additional revenue. The budget anticipates additional revenues associated regulations of home delivery of alcohol, along with an expansion of 10 new liquor stores in 2023-25.

Department of Administrative Services

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$228,061,764	\$670,472,681	\$18,162,345
Lottery Funds	22,324,970	26,803,355	51,259,606
Other Funds	1,210,137,207	1,516,696,835	1,291,919,081
Federal Funds	1,262,480,066	3,201,250,375	5,559,169
Other Funds (Nonlimited)	175,734,234	138,691,080	143,492,672
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,898,738,241	\$5,553,914,326	\$1,510,392,873
Positions	926	996	971
Full-time Equivalent	908.27	982.26	964.88

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 agency 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.

DAS leads the pursuit of excellence in state government by maintaining effective processes, providing accurate information to make state government accountable by creating and maintaining a consistent management framework and holding agencies responsible, and by delivering support services provided most efficiently from a central government agency.

The DAS budget houses the Economic Development Fund, Education Stability Fund, Parks and Natural Resources Fund, and the Oregon Education Fund. Lottery proceeds flow through these funds to state agencies. In addition, DAS manages the collection and distribution of tobacco settlement funds and oversees outstanding appropriation and pension bonds.

Additionally, DAS distributes funds to mass transit districts. State agencies pay these funds instead of payroll or transit taxes under ORS 291.407. DAS also distributes a variety of funds, including 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 \$1,510.4 million total funds. This is a 72.8 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The significant decrease is attributable to the phase-out of one-time federal American Rescue Plan Act funding, as well as one-time General Fund grants distributed through DAS in the 2021-23 biennium.

DAS plays an important role in supporting state employees and in ensuring the state is making progress in improving customer service for Oregonians. This means DAS will help ensure state government is being more efficient, more effective, and is helping create systems that will empower the state's 42,000 public servants who are dedicated to serving Oregonians. Additionally, as the central agency in state government, DAS is responsible for helping ensure the underlying policies, processes, and procedures are evolving to address systemic and structural inequities and that state government is fulfilling its commitment to diversity, equity, and inclusion.

The Governor recognizes the important role professional licensing plays in addressing workforce challenges. Licensing boards must center safety and focus on removing barriers to recruitment, streamlining and reducing the amount of time to license and undertake efforts to not only recruit a diverse workforce, but also retain the workforce. Licensing agencies should be focused on customer service and process improvement and in order to address the urgent challenges in some critical areas, DAS will contract with a third party to evaluate the licensing process for behavioral health, nursing, and teacher workforces in order to identify immediate and longer term opportunities for more efficient and effective license application and renewal processes.

The Governor's budget establishes the Oregon Procurement Equity Program within DAS to embed an equity based approach to the state procurement process, improve data collection, and establish an Oregon Procurement Equity Website. The budget includes a team to champion change efforts from a project management perspective to implement recommendations received from the disparity study, funding for mothers' lactation rooms, wellness rooms, and gender neutral bathroom facilities.

The department will distribute \$136.4 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. The budget also includes debt service payments on outstanding Article XI-O pension obligation bonds. Funding for the payments is provided by state agencies. Lastly, the budget includes Lottery Funds distributions to county fairs from the County Fair Account.

REVENUE SUMMARY

DAS 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 corrections population forecasting activities in the Office of Economic Analysis and the Court Appointed Special Advocate Program. In addition to revenues used to fund DAS operations, the agency 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, DAS 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 DAS 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 COO plays a crucial role in developing statewide solutions and providing policy leadership. The Office of Economic Analysis and the Court Appointed Special Advocate (CASA) Program also resides in this office.

The Governor's budget for this program is \$17.9 million total funds. This is a 21.3 percent decrease from the 2021-23 LAB. This decrease is attributable to one-time costs in 2021-23 biennium related to contract studies and CASA Payments. The division has 19 positions. The Governor's budget provides funding for regional housing needs analysis work in the Office of Economic Analysis.

DAS Information Technology

DAS Information Technology provides IT support for DAS and client agencies. The program provides leadership and strategic direction within DAS, including project planning and execution services on projects. Services provided are comprised of IT service engineering solutions, purchasing, integration and development teams, and an application delivery team that provides services to meet the needs of business partners. The Governor's budget for this program is \$19.6 million Other Funds. This is a 4.9 percent increase from the 2021-23 LAB. The division has 47 positions. The budget includes additional investments in IT application modernization and lifecycle replacement.

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. CFO oversees the state's biennial budget process, 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. Additionally, CFO manages the contract administration and federal reporting requirements under the American Rescue Plan Act for the State of Oregon. The Governor's budget for this program is \$20.0 million total funds. This is a 4.8 percent increase from the 2021-23 LAB. The division has 46 positions.

Enterprise Information Services

Enterprise Information Services (EIS) provides enterprise policy leadership, planning, and oversight to state government in enterprise information resource management. EIS 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, the CIO reviews and assesses information technology initiatives that have the potential for generating significant program related operating efficiencies or cost reductions on a statewide basis. EIS is responsible for providing information security services for the enterprise.

The Governor's budget for this program is \$170.3 million total funds. This is a 34.0 percent increase from the 2021-23 LAB. The division has 146 positions. The Governor's budget establishes the Chief Privacy Office to support a cohesive approach to privacy across state agencies. The budget also enhances investments in cyber security to detect, prevent, and manage security risks.

Enterprise Information Services – Data Center Services

The Data Center Services (DCS) is the leading supplier and expert in managed computing technology for Oregon state government. The services offer flexibility and choices aimed at meeting the varying needs and sizes of government customers. The DCS 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 \$164.8 million Other Funds. This is a 2.9 percent decrease from the 2021-23 LAB. This decrease is attributable to the one-time investments in lifecycle replacements in the 2021-23 biennium. The division has 149 positions. The budget continues funding for a resilient site for data center services and provides funding for lifecycle replacement at the State Data Center.

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. The Enterprise Human Resource Services team provides 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 \$53.2 million Other Funds. This is a 46.0 percent increase from the 2021-23 LAB. The division has 102 positions. The growth in the CHRO budget is primarily attributable to investments to support the implementation of the Workday Payroll Project which includes licensing costs, the establishment of an Enterprise System Support Team to support implementation of the Workday Payroll Project and additional staff.

Enterprise Asset Management

Enterprise Asset Management (EAM) 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, both real and personal, for the benefit and optimal use of space, travel, and operational needs. EAM 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.

EAM operates and maintains DAS-owned buildings and services other state-owned buildings covering over three million square feet throughout Oregon. These facilities include general government offices, health labs, computer data centers, printing operations, and the Governor's Executive Residence. The program maintains a portfolio of private sector leases of office, storage, and special use facilities.

The Governor's budget for this program is \$109.2 million Other Funds. This is a 6.3 percent decrease from the 2021-23 LAB. This decrease is attributable to one-time investments in fleet vehicles in the 2021-23 biennium. The division has 211 positions.

Enterprise Goods and Services

Enterprise Goods and Services (EGS) 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 \$229.3 million total funds. This is a 6.0 percent decrease from the 2021-23 LAB. This decrease is primarily attributable to one-time investments related to Oregon Buys and the Oregon State Payroll System replacement project in the 2021-23 biennium. The division has 241 positions.

Business Services

Business Services provides budget, business continuity, performance management, and data analysis services for DAS. 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 DAS biennial budget. The Governor's budget for this program is \$25.5 million Other Funds. This is a 41.1 percent increase from the 2021-23 LAB. The division has 10 positions.

Capital Improvements

The Capital Improvements program is responsible for remodeling and renovation projects costing 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 \$5.0 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 includes funding for mothers' lactation rooms, wellness rooms, and gender neutral bathrooms at DAS facilities. It also provides funding to implement security systems and lobby infrastructure improvements and makes investments sustainable alternatives and innovative technologies to realize energy, water, and waste water savings. The Governor's budget for this program is \$49.8 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 \$60.1 million Other 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 \$501.8 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 the Oregon Historical Society, Oregon Public Broadcasting, the Oregon State Fair Council, Mill Creek, and Go! Oregon. There is also \$3.8 million Lottery Funds to support county fair programs across the state. The Governor's budget for this program includes \$7.9 million General Fund, \$51.3 million Lottery Funds, and \$0.3 million Other Funds.

Oregon Advocacy Commissions Office

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$650,810	\$1,692,600	\$2,066,060
Lottery Funds	0	0	0
Other Funds	1,012	9,841	10,253
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$651,822	\$1,702,441	\$2,076,313
Positions	3	7	7
Full-time Equivalent	2.50	5.89	6.83

OVERVIEW

The mission of the Oregon Advocacy Commissions Office is to promote equity, leadership, and public policy. The office 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. The commissions individually meet quarterly and jointly convene annually 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 and Pacific Islander Oregonians, Black Oregonians, Hispanic Oregonians, and women in Oregon.

GOVERNOR'S BUDGET

The Governor's budget is \$2.1 million total funds. This is a 22.0 percent increase from the 2021-23 Legislatively Approved Budget. This budget funds seven positions, three of which are continued limited duration positions to continue work under House Bill 4052 from the 2022 Legislative Session.

The Governor's budget investment will allow the office to continue working with the Affinity Group Task Forces to develop the recommendations assisting the Oregon Health Authority establish a mobile health pilot program. The pilot program is expected to operate two cultural and linguistical specific units, to serve populations with histories of poor health or social outcomes.

REVENUE

Core operations of the Oregon Advocacy Commissions Office are funded with General Fund. The office and the four commissions do benefit from donation funds. 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$2,816,655	\$3,350,085	\$3,334,254
Lottery Funds	0	0	0
Other Funds	2,330,083	2,649,723	2,648,871
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$5,146,738	\$5,999,808	\$5,983,125
Positions	13	13	13
Full-time Equivalent	13.00	13.00	13.00

OVERVIEW

The Employment Relations Board's (ERB) mission is to respond to requests for assistance and training in collective bargaining and labor/management relations, and to resolve disputes concerning employment relations for all of Oregon's public employers (and some smaller private-sector employers) covering approximately 250,000 employees. The agency provides several services to help public employers, their employees, and involved labor organizations resolve their disputes, including mediation, training, facilitation, contested case hearings, and representation matters. ERB administers four programs related to employer/employee relations:

- Conducts contested case hearings as the state's "labor-law court" for labor and management disputes within state and local government and school districts, issuing final orders in contested case adjudications of unfair labor practice complaints, representation matters, appeals from state personnel actions, declaratory rulings, and other related matters.
- Conducts statewide mediation and conciliation services to resolve collective bargaining disputes, contract grievances, and unfair labor practice complaints.
- Conducts contested case hearings on unfair labor practice complaints and maintains a list of qualified labor arbitrators.
- Administers laws establishing collective bargaining rights and procedures for private sector employees not covered by federal law.

GOVERNOR'S BUDGET

The Governor's budget for the Employment Relations Board is \$6.0 million total funds, a slight decrease from the 2021-23 Legislatively Approved Budget. The budget supports 13 positions but recognizes lower rent costs as the Board moves from private space to state owned office space.

REVENUE SUMMARY

ERB is funded by a combination of General Fund and Other Funds. General Fund makes up approximately 60 percent of the revenue, which primarily funds the agency's work on behalf of local governments. The agency's state government-related activities are supported by an Other Funds assessment on state employees projected for 2023-25 at \$2.19 per employee per month.

AGENCY PROGRAMS

Administration

The Administration Division is responsible for managing personnel, payroll, equipment, and information technology for the agency. The Administration Division contains the three-member Employment Relations Board, which issues final agency orders in declaratory rulings, contested case adjudications of unfair labor practice complaints, representation matters, and appeals from state personnel actions. 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 \$3.0 million total funds, \$1.7 million General Fund and \$1.3 million Other Funds. This program has five positions.

Mediation

The Mediation Office consists of the agency's Conciliation Services. Staff provide mediation and conciliation services to help parties resolve collective bargaining disputes, contract grievances, unfair labor practices, and State Personnel Relations Law appeals. Staff also provide training in interest-based bargaining, labor/management problem-solving and other similar programs designed for the specific needs of the parties. This office also maintains a list of qualified labor arbitrators who are available to assist parties in a labor dispute.

The Governor's budget for this program is \$1.4 million total funds, \$0.8 million General Fund, and \$0.6 million Other Funds. This program has four positions.

Hearings

Administrative law judges (ALJs) conduct contested case hearings on unfair labor practice complaints filed by state and local public employers, public employees, and labor organizations. The ALJs also conduct contested case hearings on state personnel appeals and representation matters referred by the election coordinator. ALJs issue recommended orders, which precede final orders of the board. Some cases are referred to the agency's Conciliation Service Office for mediation. The election coordinator processes all petitions involving union representation and composition of the bargaining unit, conducts elections when necessary, and certifies election results. ALJs resolve contested petitions forwarded to them by the election coordinator.

The Governor's budget for this program is \$1.6 million total funds, \$0.9 million General Fund, and \$0.7 million Other Funds. This program has four positions.

Oregon Government Ethics Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	2,824,506	3,312,835	3,897,374
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,824,506	\$3,312,835	\$3,897,374
Positions	9	9	10
Full-time Equivalent	9.00	9.00	9.88

OVERVIEW

The mission of the Oregon Government Ethics Commission is to administer and enforce Oregon’s government ethics laws impartially and efficiently 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 and Executive Session provisions of public meetings to public officials, public bodies and lobbyists;
- conducting investigations into alleged violations of Oregon ethics and lobbying laws, and Executive Session provisions of public meeting laws;
- interpreting and applying Oregon ethics laws within adjudicatory proceedings;
- managing mandatory filing, such as Statements of Economic Interests; and
- providing engagement and outreach activities to new and existing public officials.

GOVERNOR’S BUDGET

The Governor’s budget is \$3.9 million total funds. This is a 17.6 percent increase from the 2021-23 Legislatively Approved Budget. The budget include investments to expand training opportunities and material resources for all public official and lobbyist entities within the commissions’ jurisdiction, as well as enhance and bridge both the electronic filing and case management systems. Combined, these investments will improve communications and efficiencies for both the commission’s support staff and the public.

There are over 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 educating public officials on Executive Session provisions of public meetings have contributed to the commission's workload. In recent years, the commission has shifted from a focus on investigations to education, with in-person, online and social media outlet trainings on Oregon government ethics laws and public meeting provisions conducted for state agencies, school board members, 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. Operating costs are equally shared between state agencies and local government entities, comprising approximately 1,760 jurisdictions. State agencies are assessed based on the 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, in addition to collecting fines and forfeitures. These revenues are transferred to the General Fund and are not used to support agency operations.

Office of the Governor

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$15,003,053	\$19,921,917	\$21,713,842
Lottery Funds	3,288,878	4,661,117	4,811,152
Other Funds	5,771,090	4,465,499	4,110,658
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$24,063,021	\$29,048,533	\$30,635,652
Positions	62	66	67
Full-time Equivalent	61.63	65.05	67.00

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 policymaking, 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 staff that make up the Office of the Governor.

The Governor’s office is focused on public administration; ensuring that state agencies are effectively and efficiently delivering services to Oregonians. The staff includes a Chief of Staff, Government Relations, Legal Counsel, the Office of Public Affairs, the Office of Public Administration and the Director of Executive Appointments. Directors and Advisors within the Office of the Governor work within specific policy areas, such as Housing and Homelessness, Education, Behavioral Health, Human Services, Health Care, Workforce and Labor, Public Safety, Regional Solutions and Natural Resources, and convene agency cabinets to ensure the effective delivery of services to Oregonians.

The office also includes constituent relations staff who are responsible for ensuring Oregonians receive assistance in resolving issues with state agencies and the office staffs the Arrest and Return program. Additionally, the budget supports the Racial Justice Council, which was formally established in statute through House Bill 2167 in the 2021 Legislative Session. The council consists of representatives from diverse backgrounds across Oregon and provides principles and recommendations that center around racial justice. Given the significant foundational reform needed to address racial disparities, as well as coordination of recommendations and creation of action plans, the council relies on the staffing in the Office of the Governor for support.

GOVERNOR'S BUDGET

The Governor's budget includes \$21.7 million General Fund, \$4.8 million Lottery Funds, and \$4.1 million Other Funds, for a total funds budget of \$30.6 million. This is a 5.5 percent increase from the 2021-23 Legislatively Approved Budget. The budget funds 67 positions. The budget adds staffing dedicated to key policy areas of Housing and Homelessness and Behavioral Health, and also continues the State Wildfire Programs Director position which was initially funded through Senate Bill 762 in the 2021 Legislative Session.

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, Equity and Inclusion/Affirmative Action program is funded from a transfer from the Department of Administrative Services, Chief Human Resources Office assessment. The Economic and Business Equity program is funded from assessments on agencies and also receives funds from sponsoring conferences.

Office of the Public Records Advocate

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	0	0	895,407
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$0	\$0	\$895,407
Positions	0	0	2
Full-time Equivalent	0.00	0.00	2.00

OVERVIEW

The Office of the Public Records Advocate (OPRA) serves as an independent office to promote government transparency through educating and training public employees and members of the public on the requirements and best practices under Oregon public record laws. The agency provides assistance and dispute resolution services upon request to public record requestors and public bodies.

GOVERNOR'S BUDGET

The Governor's budget for the Office of the Public Records Advocate is \$0.9 million total funds with two positions. In the 2021-23 Legislatively Approved Budget, the OPRA was housed within the Department of Administrative Services and 2023-2025 will be the first biennium the Office of the Public Records Advocate is a stand-alone agency. The budget enables the office to continue existing levels of service into the 2023-25 biennium as an independent agency.

REVENUE

As recommended in the Governor's budget, OPRA is funded from an assessment on state agencies. The source of Other Funds received from assessed agencies is a combination of General Fund, Lottery Funds, Other Funds, and Federal Funds.

Oregon Liquor and Cannabis Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	250,165,490	476,284,237	396,490,632
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$250,165,490	\$476,284,237	\$396,490,632
Positions	364	386	397
Full-time Equivalent	361.29	382.16	392.85

OVERVIEW

The Oregon Liquor and Cannabis Commission’s (OLCC) mission is to support businesses, public safety, and community livability through education and the enforcement of liquor and marijuana laws. OLCC is responsible for regulating the sale and service of alcoholic beverages in Oregon. OLCC administers the state's Liquor Control Act and regulates the production, processing, and sale of recreational marijuana in Oregon through the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act. The agency also regulates the production, processing, and sale of medical products sold to Oregon Medical Marijuana Program (OMMP) cardholders in OLCC licensed marijuana retail shops.

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. 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 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 \$396.5 million total funds. This is a 16.8 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The budget supports 397 positions. The decrease is primarily due to the phase-out of one-time costs of the Enterprise Modernization Project, which received revenue bonds and is part of the project associated with the move of the OLCC Warehouse and administrative offices. The Governor’s budget invests in additional staff to ensure OLCC has adequate staffing for licensing and enforcement activities within the distilled spirits program; enhanced IT risk

mitigation activities; appropriate resources for quicker turn around on records requests; and to establish a state marijuana testing reference lab to ensure marijuana lab testing integrity in Oregon. The budget provides for the reauthorization of liquor revenue bonds for the Enterprise Modernization IT Project.

The Governor's budget anticipates additional revenue from the expansion of 10 new retail liquor stores in 2023-25, the regulation of home delivery of alcohol, the extension of the \$0.50 surcharge on the sales of distilled spirits. Additionally, to support addressing the addiction crisis in Oregon, the budget proposes increasing the surcharge from \$0.50 to \$1.00 per bottle.

REVENUE SUMMARY

Alcohol Related Revenues

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.

In January 2023, the commission is expected to vote to extend the \$0.50 surcharge on distilled spirits through June 30, 2025. Based on the current OLCC forecast, this surcharge is expected to generate an additional \$45.2 million in revenue for the General Fund during the 2023-25 biennium. Once the commission has voted to extend the surcharge the amount above will be included in the next state revenue forecast to be published by the Office of Economic Analysis.

The addiction crisis in Oregon has reached historic levels and resources must be prioritized to address the problem. The Governor's budget includes an additional \$0.50 surcharge on the sale of distilled spirits for the period beginning July 1, 2023, estimated to generate an additional \$45.2 million in General Fund revenues.

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. OLCC's Medical Marijuana Regulation program receives a transfer of \$7.0 million from the Marijuana Administrative Fund (tax revenues) to the

Marijuana Regulatory Account to fund the OMMP Medical Marijuana Tracking Program, now administered by OLCC.

AGENCY PROGRAMS

Distilled Spirits

The Distilled Spirits Program makes distilled spirits available for sale by the bottle through liquor stores run by independent, contracted businesspeople (liquor agents), appointed by the liquor commissioners in a competitive process, which balances customer service, access, and revenue generation. The program regulates legal and responsible sales through the liquor stores. In addition, distilled liquor is available for sale in distillery tasting room outlets. Distillery Licensees distribute their products through the warehouse or make direct sales from their Distillery Retail Outlets. The commission does not own the inventory located in Distillery Retail Outlets. The program centrally purchases, warehouses, and distributes distilled spirits to Oregon's liquor stores and oversees the liquor agents. Through oversight of retail operations, the program ensures responsible sales in the liquor stores. In 2023-25, this program will also oversee the development and implementation of plans for constructing a new warehouse and replacing legacy Information Technology (IT) systems.

The Governor's Budget for the Distilled Spirits program is \$93.3 million Other Funds. This is a 37.9 percent increase from the 2021-23 LAB, largely driven by funding for the IT Modernization Project. The budget supports 76 positions.

Public Safety Services

The Public Safety Services Program regulates the manufacture, distribution and sale of alcoholic beverages, and provides management of personnel who oversee the production, processing, and sale of recreational marijuana. This program focuses on ensuring the legal sale of alcohol and marijuana, service of alcohol is to responsible adults and minimizing alcohol and marijuana-related public safety risks. This program implements all fundamental agency responsibilities and strategies related to licensing, education, and enforcement. A primary mission for this work is to prevent the sale of alcohol and marijuana to minors. As of June 1, 2022, OLCC is responsible for the oversight of more than 13,600 in-state alcohol licensees, including nearly 11,200 restaurants, bars, grocery and convenience stores, plus 282 liquor stores, 149 distiller licenses, 98 tasting rooms, and nearly 150,000 alcohol service permittees throughout the state. In addition, the program provides oversight for 2,784 marijuana licenses including producers, processors, wholesalers, retailers, laboratories, and 56,650 marijuana worker permittees. To ensure statewide reach, the program has five regional offices (including its headquarters in Milwaukie) and eight satellite offices.

The Governor's budget for Public Safety Services is \$32.1 million Other Funds. This is a 4.0 percent increase from the 2021-23 LAB. The budget supports 119 positions.

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 \$38.4 million Other Funds. This is a 12.7 percent increase above the 2021-23 LAB. The budget supports 98 positions.

Recreational Marijuana Program

The Recreational Marijuana Program is responsible for enforcing regulations relating to producers, wholesalers, processors, retailers, laboratories, marijuana worker permits, and research certificates with an emphasis on voluntary compliance. The program also manages compliance and enforcement of a product tracking system, which is required to be used by licensees to track all marijuana and marijuana products from plant viability to final sale to the consumer. As of June 1, 2022, the agency regulated 2,784 marijuana licenses and 63,878 marijuana worker permittees.

The Governor's budget for this program is \$27.6 million Other Funds. This is a 12.1 percent increase from the 2021-23 LAB. The increase is due to additional funding for cannabis communication and outreach and to establish a state marijuana testing reference lab to ensure marijuana lab testing integrity in Oregon. The budget supports 83 positions.

Agents Compensation Program

The Agent Compensation Program contains the funds OLCC distributes to liquor agents to operate the stores and a commission for sales in distillery tasting room outlets. OLCC contracts with individual and private businesspeople to operate exclusive and nonexclusive liquor stores and distillery tasting rooms around the state to make distilled spirits available in a managed and socially responsible manner. These independent contractors (called liquor agents) receive funds from which they pay all store expenses. From the net, they fund their own salary and any benefits or retirement savings. Store compensation formulas for liquor stores and distillery agents were put into statute in 2021 and is a variable cost of liquor sales. For the 2023-25 biennium compensation for liquor stores is estimated at 10.11 percent of total sales and compensation for Distillery agents is estimated at 36.00 percent of total sales. Variance in the revenue forecasts will impact the amount of limitation needed to pay liquor and distillery agents.

The Governor's budget for this program is \$198.6 million Other Funds. This is a 19.0 percent increase from the 2023-25 LAB. There are no employees within this program at OLCC, it exists solely for the pass through of payments to store and distillery agents.

Medical Marijuana Program

The Medical Marijuana Program requires medical marijuana grow sites with more than two patients and OMMP processors and retailers to be tracked by OLCC's cannabis tracking system. OLCC is responsible for administering the tracking system and performing inspections to assure OMMP marijuana is properly accounted for. The Governor's budget for this program is \$6.3 million Other Funds, which represents a 1.0 percent increase from the 2021-23 LAB and supports 21 positions.

Capital Improvements

The Capital Improvements program provides for stewardship of OLCC's building and grounds. OLCC owns its main office and distribution center complex on McLaughlin Blvd., in Milwaukie. OLCC's distribution center encompasses the warehouse connected to the main office building and a second warehouse on Millport Road, which was acquired in 2007.

The Governor's budget for this program is \$0.2 million Other Funds. This is a 44.7 percent decrease from the 2021-23 LAB. The decrease is largely due to the phase-out of one-time funding associated with one-time expenditures for a sewer line replacement project in 2021-23. This program does not include positions.

Capital Construction

The OLCC Capital Construction program was created for the 2021-23 biennium, for expenditures associated with the construction of a new warehouse and office facility through the issuance of Article XI-Q General Obligation Bonds. The Governor's budget for this program does not have any funding as the Capital Construction project for the new warehouse and headquarters was approved in 2021-23. The Capital Construction appropriations approved in 2021-23 are phased-out in 2023-25; however, the limitation remains in effect for six years from the date of authorization.

Public Employees Retirement System

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$64,570,045	\$17,250,000	\$0
Lottery Funds	0	19,461,706	22,056,622
Other Funds	199,335,978	167,813,575	163,770,893
Federal Funds	0	0	0
Other Funds (Nonlimited)	11,694,349,081	12,886,613,593	13,523,120,517
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$11,958,255,104	\$13,091,138,874	\$13,708,948,032
Positions	417	423	440
Full-time Equivalent	412.28	421.92	437.57

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, the Individual Account Program, three health insurance programs, Social Security Administration activities, and a deferred compensation program.

GOVERNOR'S BUDGET

The Governor's budget is \$13,708.9 million total funds, which is a 4.7 percent total funds increase from the 2021-23 Legislatively Approved Budget. This includes a 2.4 percent decrease in Limited Other Funds, which support operations and information technology projects associated with Senate Bill 1049 (2019), as well as core retirement benefit system modernization efforts. The decrease is attributed to one-time investments in 2021-23 for Senate Bill 1049 provisions, the modernization efforts to replace the existing legacy core retirement benefit system, an incentive program for school districts, higher education, and local governments to finance their potential future retirement plan shortfalls. Lottery Funds from sports betting increased by 13.3 percent and funds the Employer Incentive Fund program. Nonlimited Other Funds increased by 4.9 percent and pays for benefits to retirees.

The Governor's budget supports 440 positions and includes 20 limited duration positions and funding to complete Senate Bill 1049 provisions. The budget also supports ongoing efforts to modernize the core retirement benefit system, address workload increases due to demographics and system complexity, provide base funding for IT hardware and licensing, improve member education, and recovery of overpayments.

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 fiscal year 2021, 87.8 percent of revenue was from investment earnings, while employers and employees provided 12.0 percent, with the remainder derived from charges for services. Lottery Funds dedicated from sports betting proceeds funds the Employer Incentive Fund program.

AGENCY PROGRAMS

Tier One and Tier Two

In 2021, Active Tier One and Tier Two memberships totaled approximately 66,000 non-retired members and 156,500 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 includes \$11,662.2 million Nonlimited Other Funds expenditures. This is a five percent increase from the 2021-23 Legislatively Approved Budget.

Retirement Health Insurance

PERS serves as a group sponsor providing health insurance services to more than 56,000 retired members and their dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, and 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 includes \$217.3 million Nonlimited Other Funds expenditures, a 41.7 percent decrease from 2021-23 Legislatively Approved Budget. The decrease reflects anticipated premium payment requirements for eligible beneficiaries.

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. In 2021, OPSRP had 162,568 non-retired members, more than either the Tier One or Tier Two plans. This program unit includes \$160.9 million Nonlimited Other Funds expenditures. This is a 46.7 percent increase from the 2021-23 Legislatively Approved Budget. The increase reflects anticipated benefit payments requirements to beneficiaries.

Individual Account Program

The Individual Account Program (IAP) is the defined contribution component of the PERS retirement plan. IAP has no guaranteed payment or rate of return. Until June 30, 2020, IAP required PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. In 2021, a portion of employee contributions to IAP have gone to partially fund an employee's defined benefit or pension plan. The threshold for members redirect may change each January. As of January 2022, the member redirect of contributions applies to employees making \$3,333 per month or more and when the PERS funded status is less than 90 percent. As of December 31, 2021, there were 294,234 active IAP accounts. This program unit includes \$1,482.8 million Nonlimited Other Funds expenditures. This is a 14.2 percent increase from the 2021-23 Legislatively Approved Budget.

Employer Incentive Fund Program

Senate Bill 1566 (2018) established a one-time matching fund for PERS employers to address their Unfunded Actuarial Liabilities (UAL). The state provided up to 25 percent and PERS employers up to 75 percent of the amount employers may apply against their UAL. All PERS entities, including school districts, community colleges, and public universities were eligible to participate in the matching funds program; however, in order to become eligible for matching funds, an employer must have an approved UAL resolution plan.

In the 2022 session, the Legislature allocated \$17.3 million General Fund on a one-time basis to be combined with the forecasted amount of \$19.5 million Lottery Funds from sports betting proceeds, to provide sufficient matching dollars for 44 employers placed on the Employer Incentive Fund (EIF) waitlist cycle for the 2021-23 biennium. The budget was comprised of \$54.0 million totals funds, of which \$37.2 million was one-time funding. The 2023-25 budget is \$22.1 million Lottery Funds from sports betting proceeds with a \$1 placeholder of Other Funds. This is a 59.1 percent decrease from the 2021-23 Legislative Approved Budget.

School District Unfunded Liability Fund Program

In addition to the Employer Incentive Program, Senate Bill 1566 contained a number of provisions to address the UAL. One of the funds established is the School District Unfunded Liability Fund (SDULF). Revenue to fund this program would come from excess proceeds with limitation from the Department of State Lands Legacy Unclaimed Property Trust. During the 2020 Special Session, \$32.9 million in proceeds were transferred from the SDULF to the State School Fund. The School District Unfunded Liability Fund program has a \$0.4 million in its fund account with a \$1 Other Funds expenditure limitation placeholder. The funds current balance is insufficient to provide an offset for the school district side account pool. There are no anticipated transfers for the 2023- 2025 biennium, and the program is expected to sunset in 2027.

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, human resources, procurement, facilities, logistics, and the Strategic and Operational Planning section. The Governor's budget includes \$19.9 million Other Funds and supports 55 positions. The

budget adds four positions to assist with recruitment and with internal and external communication related to beneficiaries benefits.

Financial and Administrative Service Division

The Financial and Administrative Services Division provides comprehensive financial and administrative services to the agency. The division is responsible for billions of dollars of transactions, including the receipt, posting and depositing of contributions, and disbursing benefits. Other fiscal activities include preparation, execution of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, and accounts payable. The Governor's budget includes \$22.5 million Other Funds and supports 34 positions. The Governor's budget provides funding to support expenses for the new PERS Health Insurance Program administrator contract.

Information Services Division

The Information Services Division develops and operates the agency's complex information systems, assists with the agency's co-located data center, and provides technical support to all divisions of the agency. This division also includes the Imaging and Information Management unit within the Business Information and Technology section which maintains records from numerous sources. The Governor's budget includes \$34.4 million Other Funds and supports 89 positions. The Governor's budget adds positions to address existing benefit system maintenance needs, while adding funding to continue work on modernizing the legacy benefits system and provides funding to support hardware replacement and software licensing.

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. It also includes the Oregon Savings Growth Plan and PERS Health Insurance Program. The division processes benefit applications, determines benefit eligibility, reviews disability applications, and calculates and adjusts benefit payments. Their primary point of contact with PERS members and employers is through the call center and correspondence units. The division provides member education through group presentations and assistance with retirement applications.

The Governor' budget includes \$48.9 million Other Funds and 205 positions. The Governor's budget adds resources to address workload and backlogs related to qualifying employment eligibility issues, an increase in the number of eligible workforce retirements, as well as complex qualification rules which staff must address through manual processes.

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 risk, 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 includes \$10.4 million Other Funds, which supports the current program level with 21 positions.

Core Retirement System Applications Division

The Core Retirement System Applications Division includes funding for project costs needed to complete Senate Bill 1049 (2019). This bill included provisions which shift a portion of member contributions from the IAP to the employee pension plan. This is known as member redirect. The Governor's budget for this division is \$27.7 million Other Funds and supports 36 positions, including 20 limited duration positions to complete the Senate Bill 1049 provisions. Separately, this budget includes 16 permanent positions to finalize the planning stages, as well as entering into the process for obtaining an approved solution to replacing the legacy core retirement benefit system.

Oregon Racing Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	5,864,493	7,523,592	7,260,391
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$5,864,493	\$7,523,592	\$7,260,391
Positions	14	15	15
Full-time Equivalent	9.90	10.64	10.64

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, including racing and on- and off-track wagering, 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 for that specific type of wager after management expenses have been deducted. The commission also regulates multi-jurisdictional account wagering hubs licensed in Oregon. By statute, 25 percent of the fees on wagering through these hubs goes to the state General Fund; the remaining 75 percent is used to support racing industry activities, such as the commercial race meet in Grants Pass and the summer race meets in communities throughout the state. The commission’s five-member governing board is appointed by the Governor and confirmed by the Senate, with terms of four years.

The commission oversees horseracing at five county fair race sites, including Union, Grants Pass, Prineville, Tillamook, and Burns. To provide a safe and fair racing environment, the commission oversees licensing of race participants (jockeys, trainers, and owners), pari-mutuel wagering operations, and specific rules on horseracing. The commission also regulates all aspects of on-track and off-site wagering operations, including the simulcast of races and hubs. There are approximately 3,700 licensed race meet participants, nine multi-jurisdictional hubs, and 11 off-track betting locations in Oregon.

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.

GOVERNOR'S BUDGET

The Governor's budget is \$7.3 million total funds. This is a 3.5 percent decrease from the 2021-23 Legislatively Approved Budget. The Governor's budget reduces expenditure limitation to ensure the agency ends the biennium with a sufficient ending balance.

REVENUE

All revenue supporting agency operations is Other Funds derived from live horse racing, simulcast wagering and offtrack betting sites, participation licenses, business licenses, fines and "outs" (where uncollected winning tickets are purged from the system after 90 days and paid to the commission). Revenue derived from fees paid on "handle" (the amount of daily, weekly, monthly, or annual wagering totals) from Oregon licensed Advance Deposit Wagering companies are split between the agency's Racing Development Account (75 percent) and the General Fund (25 percent). These are referred to as hub funds and are used to promote a healthy and stable racing industry in Oregon.

Department of Revenue

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$194,787,706	\$250,139,343	\$236,554,601
Lottery Funds	0	0	0
Other Funds	121,228,801	304,678,451	166,517,726
Federal Funds	0	0	0
Other Funds (Nonlimited)	2,255,000	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$318,271,507	\$554,817,794	\$403,072,327
Positions	1,082	1,127	1,144
Full-time Equivalent	1,007.33	1,061.21	1,079.24

OVERVIEW

The Department of Revenue (DOR) has 58 revenue streams, including 36 tax programs, 11 fee programs, and 11 audit and collection activities. These revenue streams account for more than 97 percent of the state's General Fund revenue. DOR also oversees the county property tax function and collects and distributes taxes and fees for other state agencies and local governments. Through the Other Agency Accounts program, the department serves as a collection agent for money owed to other state agencies. Finally, the department operates two tax relief programs for the elderly and persons with disabilities: the Nonprofit Housing for the Elderly Program and the Senior Citizens' and Disabled Citizens'.

GOVERNOR'S BUDGET

The Governor's budget includes \$403.1 million total funds expenditures for 2023-25 and 1,144 positions, a 27.4 percent decrease from the 2021-23 Legislatively Approved Budget (LAB). The decrease is primarily due to the large amount of one-time funding phasing out of the current budget. The Governor's budget invests in the implementation of the Agricultural Worker Overtime Tax Credit program and strengthening the revenue collection IT systems. This includes modernizing the property tax valuation system, which provides local government with critical information. Other investments include increasing the agency's capacity to break-down barriers to filing taxes through expanded diversity and equity resources for more culturally responsive communications and outreach efforts.

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, document recording fees, 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 other divisions by providing services in the following areas: the Director's Office, Finance (including the accounting, procurement, and budget functions), Communications, Facilities, Project Management, the Disclosure Office, Human Resources, Internal Audits, and Research. These service areas provide critical business support to achieve the agency's mission.

The 2023-25 Governor's budget is \$47.6 million total funds and 83 positions. This is 15.7 percent over the 2021-23 LAB. The budget includes funding for a new internal controls office comprised of compliance, risk, and business continuity functions to improve the security of taxpayers. It also invests in the infrastructure necessary to support diversity, equity, and inclusion work for more culturally responsive communications internal and external to the agency. Lastly, the budget implements a new cost allocation plan designed to utilize the Other Funds resources of the agency more accurately.

Property Tax Division

The Property Tax Division consists of four major program areas, including:

- *County Oversight* – has supervisory authority over Oregon's 36 county assessment and taxation programs in order to achieve uniform tax administration in accordance with the Oregon Constitution.
- *Valuation Section* – appraises all industrial manufacturing properties in the state with a value of \$1 million or more, as well as utility, energy transmission, communication, and transportation property.
- *Forestland Program* – establishes the specially assessed value for approximately 8.1 million acres of forestland.
- *Cadastral Information Systems* – re-maps and provides map conversions to counties on a contractual cost-share basis, and also maintains the maps of 10 counties on a contractual basis.

The 2023-25 Governor's budget is \$67.8 million total funds and 80 positions. This is a 23.6 percent decrease from the 2021-23 LAB. The decrease is primarily due to the large amount of one-time wildfire recovery funding phasing out of the current budget.

Personal Tax and Compliance Division

The Personal Tax and Compliance Division is responsible for administering the Personal Income Tax, which accounts for approximately 92 percent of the state's General Fund. The mission of the division is to improve taxpayer compliance with the programs it administers through taxpayer assistance, education, and enforcement activities. To aid voluntary compliance, the division provides taxpayer

education and assistance programs. The division also provides enforcement and collection services for the TriMet and Lane Transit District Self-Employment taxes.

The Governor's budget for the Personal Tax and Compliance Division is \$63.4 million total funds and 276 positions. This represents a 69.8 percent decrease from the 2021-23 LAB, due to the large phase out of one-time assistance payments. The Governor's budget includes funding and resources to implement the Agricultural Worker Overtime Tax Credit Program.

Business Division

The Business Division generates more than \$22 billion in revenue each biennium through the administration of the taxes imposed on large and small businesses, including Corporation Income and Excise taxes, Employer Income Tax Withholdings, Transit Payroll Taxes, Fiduciary, Inheritance, Cigarette Tax, Other Tobacco Products Tax, and other Special Programs. The division's program responsibility also involves collecting delinquent business taxes, including taxes withheld by employers and sent to the department, corporation taxes, and local transit district taxes. The Governor's budget for the Business Division is \$37.7 million total funds and 138 positions. This is a 1.7 percent increase from the 2021-23 LAB.

Collections Division

The Collections Division was created to centralize debt collection efforts in both the department and the state. The division reflects an overall greater interest in ensuring taxes and debt owed are paid. The division portfolio includes tax collection services and agency debt recovery services through inhouse collections teams. Additionally, the division manages all debt assigned to private collection firms. In Fiscal Year 2022, this division collected more than \$295 million in owed debts. The Governor's budget for the Collection Division is \$52.6 million total funds and 249 positions. This is an increase of 2.4 percent from the 2021-23 LAB.

Corporate Division

The Corporate Division manages the Corporate Activity Tax (CAT) program to fund public education. Proceeds from the tax are deposited into the Fund for Student Success and directly support investments in education. This program unit reports to the Business Division and includes administrative resources to support taxpayers in complying with tax reporting and payment regulations, as well as revenue receipts, which are transferred to the Oregon Department of Education. As of March 2022, over 28,000 taxpayers registered for the CAT and over 21,000 returns were filed in the 2020 tax year. The Governor's budget for the Corporate Division is \$16.4 million Other Funds and 50 positions. This is a 1.3 percent decrease from the 2021-23 LAB.

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 Governor's budget for the Information Technology Services Division consists of \$58.5 million total funds and 245 positions. This is an 8.6 percent increase from the 2021-23 LAB. This budget invests funding into supporting the department's newly modernized tax processing system, GenTax.

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. The Marijuana Program also administers over 92 local marijuana taxes on behalf of local governments. The Governor's budget is \$4.1 million Other Funds, a decrease of 19.2 percent from the 2021-23 LAB and includes 10 positions. The decline is related to the implementation of a new cost allocation plan.

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 is \$3.6 million General Fund for the program, which is a 4.2 percent increase from the 2021-23 LAB.

Senior and Disabled Citizens' Property Tax Deferral

The Property Tax Division 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 lien is released upon repayment of the debt when the property is sold. In the 2021-22 tax year, the department paid approximately \$12.0 million in property tax to counties for over 4,300 seniors and disabled citizens. The Governor's budget includes \$37.0 million Other Funds and eight positions. This is a 4.3 percent increase from the 2021-23 LAB and continues the program at the current level.

Core System Replacement

This program was created to track major information technology projects, such as the multi-biennia effort to replace the legacy tax processing system with a new system called GenTax. While the GenTax project is complete, the system used to estimate property values for local government needs modernization. The system must estimate the Real Market Value for about 4,750 industrial accounts and 600 central assessment companies statewide. The investment in modernizing the property tax valuation system is \$11.6 million General Fund with five positions.

Revenue Clearinghouse

This program unit records all of the non-program specific revenues and transfers for DOR. It does not contain any expenditures or positions.

Capital Debt Service and Related Costs

This program unit includes the total cost of all debt service for the agency. The \$2.7 million total funds Governor's budget represents a 65.9 percent decrease from the 2021-23 LAB. The decrease results from completing principal and interest payments on prior bond projects.

Secretary of State

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25* Agency Request Budget
General Fund	\$14,203,166	\$18,915,145	\$20,740,762
Lottery Funds	0	0	0
Other Funds	64,756,837	79,761,879	96,429,315
Federal Funds	3,982,771	10,497,283	4,589,688
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$82,942,774	\$109,174,307	\$121,759,765
Positions	224	235	268
Full-time Equivalent	223.51	232.96	267.50

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included \$16,638,570 million General Fund, \$96,071,600 Other Funds, and \$4,583,969 Federal Funds, for a total amount of \$117,294,139 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.

The Governor's budget includes two special purpose appropriations within the Emergency Fund related to the Secretary of State's budget. This includes the following:

- *Election Security - \$1.2 million* to address two components of elections oversight to provide fair, accurate, and accountable electoral processes. This includes adding basic capacity to the elections division by adding two Elections Investigators charged with working solely on election law complaints, intake, investigations, resolutions, procedures, and tracking. Additionally, this investment includes funding to pilot risk limiting audits, a federally recognized best practice for

elections administration. The pilot, in coordination with county elections officials, will engage experts in the field to deploy technology necessary to conduct risk limiting audits.

- *Elections Oversight - \$0.6 million* to address new and historical vulnerabilities and capacity issues in the Oregon Elections Division that would directly strengthen the physical and cybersecurity of Oregon's elections on an ongoing basis. This investment includes funding for a Voting Systems Specialist to provide and improve more uniform practices across systems, increase oversight for Oregon elections, and work with vendors and counties to improve integration between systems to reduce workload for counties where possible. The investment also includes funding for an Elections Project Manager to monitor elections threats and false information, serve as a point of contact to Oregon's 36 counties, and recommend communication efforts and approaches directly combatting misinformation.

REQUESTED BUDGET

The Agency Request Budget is \$121.8 million total funds. This is approximately an 11.5 percent increase from the 2021-23 Legislatively Approved Budget. The requested budget funds position reclassifications and adds a total of 39 new positions in the Administrative Services, Audits, Elections, Archives, and Corporation Divisions to enhance the Secretary of State's core functions.

In addition to funding positions, the requested budget funds upgrades to the Secretary of State's system database and security information systems. The requested budget provides funding for application development and replacement of ORESTAR, the system used for campaign finance reporting, and other tasks and activities associated with elections activities. The requested budget shifts funding to support the Help America Vote Act operations from Federal Funds to General Fund. The requested budget supports the transition from the Archives Division's traditional shelving to high density compact shelving and allows them to assess a rate determined by FTE to agencies renting a space within the Archives Building. Additionally, the requested budget includes funding to offset increases in credit card merchant fees to the Corporation Division.

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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$3,899,570	\$4,538,886	\$4,894,113
Lottery Funds	0	0	0
Other Funds	5,834,771	7,429,467	8,172,036
Federal Funds	5,139,478	7,977,520	5,265,613
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$14,873,819	\$19,945,873	\$18,331,762
Positions	40	41	42
Full-time Equivalent	38.47	39.47	39.72

OVERVIEW

The Oregon State Library’s vision is to provide equitable access to library and information services for all Oregonians. The mission is to cultivate, preserve, and deliver library and information services to foster lifelong learning and community engagement. The Oregon State Library provides information services with an average of approximately 30,000 items circulated every month. The library also provides services to over 37,000 state government employees. Additionally, the library circulates digital and Braille formatted materials to over 5,000 print-disabled Oregonians. It provides grants and assistance to help develop and improve library services, and to foster greater cooperation among all of Oregon's libraries. The library is governed by an independent board, consisting of nine members from different areas throughout the state who are appointed by the Governor to serve four-year terms.

GOVERNOR'S BUDGET

The Governor’s budget for the Oregon State Library is \$18.3 million total funds. This is an 8.1 percent decrease from the 2021-23 Legislatively Approved Budget, due to the phase-out of the one-time use of Federal Funds not continuing into 2023-25. The budget supports 42 positions. The budget maintains funding to continue existing operations.

REVENUE SUMMARY

Revenue for the Oregon State Library includes General Fund, which provides 23 percent of the agency’s funding. Other Funds revenues, including assessments on state agencies, provide 51 percent of the funding. Federal Funds from the Library Services and Technology Act provide about 25 percent of available resources.

AGENCY PROGRAMS

Operations

The Operations Division is responsible for administrative functions and program support including strategic leadership, fiscal management, information technology, volunteer coordination, communications, and State Library Board support. The unit includes a biennial budget of \$2.7 million total funds and supports eight positions. The budget represents a 12.4 percent increase from the 2021-23 Legislatively Adopted Budget. The increase is due to providing the agency with sufficient rental limitation based on a December 2022 Emergency Board's action related to 2021-23 rent expenditures.

Library Support and Development

The Library Support and Development Services Division provides consultation services, professional development, statewide library services, and state and federal grant administration to libraries across the state. The division administers state funded *Ready to Read* grants to all officially recognized public libraries in Oregon, which support summer reading and early literacy programs. Additionally, it administers federal grant funding from the Institute of Museum and Library Services Grants to States Program and provides leadership and consulting services to approximately 1,600 public, academic, school, and tribal libraries throughout Oregon. The unit includes a biennial budget of \$7.9 million total funds and supports 10 positions. The budget represents a 25.1 percent decrease from the 2021-23 Legislatively Adopted Budget, due to the phase out of one-time Federal Funds used in 2021-23. The budget maintains existing service levels.

Talking Book and Braille Library

The Talking Book and Braille Library serves Oregonians with print disabilities by providing Braille, audiobooks, descriptive videos, and magazines through the mail and digital download. This is a free service to eligible Oregonians, with over 5,000 active users and an average of approximately 30,000 items circulated every month. The Talking Book and Braille Library is the regional library in Oregon for the Library of Congress' National Library Service (NLS) for the Blind and Print Disabled network. The unit includes a biennial budget of \$2.3 million total funds and supports eight positions. The budget represents a 9.4 percent increase from the 2021-23 Legislatively Adopted Budget, maintaining existing service levels.

Government Information and Library Services

The Government Information and Library Services Division provides library services to state employees including research assistance, professional development, and instruction. The division preserves state agency publications and makes them accessible through the Oregon Digital Collections website. Additionally, it collects and manages print and online resources focused on the research needs of government employees and provides interlibrary loan services to acquire requested resources owned by other libraries. The Governor's budget is \$5.5 million total funds and supports 16 positions. The budget represents an 11.1 percent increase from the 2021-23 Legislatively Adopted Budget, maintaining existing service levels.

Oregon State Treasury

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	\$85,129,096	\$118,930,410	\$130,944,434
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	\$2,900,000	\$2,900,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$85,129,096	\$121,830,410	\$133,844,434
Positions	169	210	228
Full-time Equivalent	165.17	200.36	219.64

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included \$133,606,052 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 is \$133.8 million total funds. This is a 9.9 percent increase over the 2021-23 Legislatively Approved Budget and funds 228 positions. The requested budget accelerates work to complete projects and improve security for IT, reunites more Oregonians with unclaimed assets, improves the resiliency of Treasury’s cash and debt management operations and continues improvements in the Investment Services program.

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, which bank depositories are required to pledge collateral against any public fund 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 are operated with Other Funds derived from fees.

AGENCY PROGRAMS

Oregon Treasury operates five service areas: State and Local Financial Services, Public Savings Services, Investment Services, Trust Property Services, and Administrative Services. A summary of each program unit is included below.

State and Local Government Financial Services

The State and Local Government Financial Services program helps Oregon governments of all sizes manage money efficiently and safely. Treasury enables these activities by providing important financial tools and services to state agencies, public universities, and local governments, which allow governments to do business, stretch tax dollars, and better serve Oregonians.

Public Savings Services

Under Public Savings Services, Oregon Treasury Savings Network oversees several public "defined contribution" investment programs, which advance the connected policy goals of increasing individual savings and quality of life and reducing long-term government costs. Public Savings Services consists of three program units: Oregon 529 College Savings Program, Oregon 529 ABLE program and Oregon Saves program.

Investment Services

Investment Services consists of three program units: Investment Management Program, Investment Operations Program, and Investment Legal & Compliance Program.

Trust Property Services

Trust Property is the depository of record for unclaimed and presumed abandoned property and funds. These unclaimed funds and properties include dormant bank accounts, safe deposit box contents, utility deposits and refunds, insurance dividends, matured insurance policies, securities such as stocks and mutual funds, wages, credit balances, etc.

Administrative Services

Administrative Services is the centralized administrative function for Treasury business units and staff directly supporting the State Treasurer. The program provides the support needed to ensure the State Treasury and all Treasury programs have the administrative infrastructure, operational resources, and technology necessary to fulfill their mission and statutory requirements.

LEGISLATIVE BRANCH AGENCIES

Legislative Program Area Budget

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$138,821,812	\$417,469,739	\$195,790,510
Lottery Funds	0	0	0
Other Funds	80,374,487	38,309,957	13,440,425
Federal Funds	0	0	0
Other Funds (Nonlimited)	12,410,308	1,240,880	1,203,294
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$231,606,607	\$457,020,576	\$210,434,229
Positions	573	590	587
Full-time Equivalent	459.09	476.65	478.35

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 providing administrative services and specialized analysis include the Legislative Administration Committee, Legislative Counsel Committee, Legislative Policy and Research Office, 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 \$210.1 million total funds, which accounts for their current levels of service.

Legislative Administration Committee

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$51,913,161	\$299,311,117	\$72,438,738
Lottery Funds	0	0	0
Other Funds	\$74,923,422	\$30,919,580	\$5,972,200
Federal Funds	0	0	0
Other Funds (Nonlimited)	\$11,917,553	\$458,476	\$396,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$138,754,136	\$330,689,173	\$78,806,938
Positions	79	81	81
Full-time Equivalent	74.42	77.50	78.46

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$72,332,440 General Fund, \$5,972,200 Other Funds and \$396,000 Other Funds Nonlimited for a total funds budget of \$78,700,640 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 \$78.8 million total funds. This is approximately a 76.2 percent reduction from the 2021-23 Legislatively Approved Budget, primarily due to elimination of \$223.3 million General Fund associated with one-time capital construction expenditures. The requested budget allows the committee to continue at existing program levels, absent the capital construction expenditures.

REVENUE SUMMARY

The General Fund supports 92 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$51,890,626	\$69,822,774	\$72,043,802
Lottery Funds	0	0	0
Other Funds	\$1,757	\$147,199	\$173,805
Federal Funds	0	0	0
Other Funds (Nonlimited)	\$85,720	\$150,000	\$150,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$51,978,103	\$70,119,973	\$72,367,607
Positions	335	336	333
Full-time Equivalent	253.53	254.77	253.77

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$71,915,858 General Fund, \$173,805 Other Funds and \$150,000 Other Funds Nonlimited for a total funds budget of \$72,239,663 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.

The Legislature meets in a longer session every odd-numbered year and enacts a biennial budget. 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.

REQUESTED BUDGET

The Agency Request Budget is \$72.4 million total funds. This is a 3.2 percent increase from the 2021-23 Legislatively Approved Budget and funds 333 positions. The requested budget allows the assembly to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 99.6 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$605,922	\$914,197	\$1,137,503
Lottery Funds	0	0	0
Other Funds	\$1,367	\$7,604	\$7,604
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$607,289	\$921,801	\$1,145,107
Positions	2	3	3
Full-time Equivalent	2.00	2.75	3.00

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$1,104,609 General Fund and \$7,604 Other Funds for a total funds budget of \$1,112,213 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 \$1.1 million total funds. This is a 24.2 percent increase from the 2021-23 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$14,863,657	\$19,023,789	\$19,828,459
Lottery Funds	0	0	0
Other Funds	1,142,918	2,206,065	2,275,376
Federal Funds	0	0	0
Other Funds (Nonlimited)	407,035	632,404	657,294
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$16,413,610	\$21,862,258	\$22,761,129
Positions	62	64	64
Full-time Equivalent	55.08	57.00	57.58

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$19,795,825 General Fund, \$2,275,376 Other Funds and \$657,294 Other Funds Nonlimited for a total funds budget of \$22,728,495 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.

REQUESTED BUDGET

The Agency Request Budget is \$22.8 million total funds. This is a 4.1 percent increase from the 2021-23 Legislatively Approved Budget and funds 64 positions. The requested budget allows the committee to continue at existing program levels.

REVENUE SUMMARY

General Fund supports 87 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.

Legislative Fiscal Office

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$5,523,827	\$8,629,206	\$9,056,315
Lottery Funds	0	0	0
Other Funds	\$4,305,023	\$5,029,509	\$5,011,440
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$9,828,850	\$13,658,715	\$14,067,755
Positions	27	27	27
Full-time Equivalent	25.77	27.00	27.00

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$9,046,017 General Fund and \$5,011,440 Other Funds for a total funds budget of \$14,057,457 in her budget as a placeholder.

OVERVIEW

The Legislative Fiscal Office (LFO) is a permanent, non-partisan legislative service agency. During sessions, the office provides budget analysis on introduced bills and amendments. The office also provides research and analysis to members, legislative staff and other stakeholders about the budget process, state expenditures, program administration, agency organization and current budget issues. Additionally, the office:

- makes recommendations and works with the Legislative Assembly to balance the state’s biennial budget, including evaluating the fiscal impact of all legislative measures.
- 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.

REQUESTED BUDGET

The Agency Request Budget is \$14.1 million total funds. This is a three percent increase from the 2021-23 Legislatively Approved Budget and funds 27 positions. The requested budget enables LFO to continue existing levels of service.

REVENUE SUMMARY

The General Fund supports 64 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$11,030,524	\$16,233,694	\$17,642,567
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	\$11,030,524	\$16,233,694	\$17,642,567
Positions	61	72	72
Full-time Equivalent	41.29	50.63	51.54

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$17,591,946 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. 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 \$17.6 million total funds. This is an 8.7 percent increase from the 2021-23 Legislatively Approved Budget and funds 72 positions. The requested budget supports the office at existing levels of service.

REVENUE SUMMARY

The Legislative Policy and Research Office is completely supported by General Funds.

Legislative Revenue Office

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$2,994,095	\$3,534,962	\$3,643,126
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	\$2,994,095	\$3,534,962	\$3,643,126
Positions	7	7	7
Full-time Equivalent	7.00	7.00	7.00

*The Governor makes no recommendation on this budget because it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$3,640,803 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. LRO staff provides research for other members, representatives, and committees upon request. Additionally, staff prepare research reports and write 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.

REQUESTED BUDGET

The Agency Request Budget is \$3.6 million total funds. This is a three percent increase from the 2021-23 Legislatively Approved Budget and funds seven positions. The requested budget enables LRO to continue existing levels of service.

REVENUE SUMMARY

The Legislative Revenue Office is completely supported by General Fund.

JUDICIAL BRANCH AGENCIES

Judicial Branch Summary

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25* Agency Request Budget
General Fund	\$868,761,202	\$964,444,179	\$1,598,518,174
Lottery Funds	0	0	0
Other Funds	124,773,375	300,096,655	246,263,252
Federal Funds	1,009,969	1,782,035	1,584,283
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$994,544,546	\$1,266,322,869	\$1,846,365,709
Positions	2,025	2,107	2,339
Full-time Equivalent	1,904.97	2,027.98	2,273.33

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$1,139,632,214 General Fund, \$246,263,252 Other Funds, and \$1,584,283 Federal Funds for total funds of \$1,387,479,749 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

The Oregon Judicial Department requested a budget designed to improve the public’s experience when seeking justice in the courts. Highlights of the Chief Justice’s Requested Budget for the Judicial Department include:

- Increased court access and assistance for self-represented litigants, including translation services, facilitation resources, and direct customer service,
- Technology improvements to provide online resources and remote proceedings to connect courts and better serve rural communities and vulnerable populations,
- Increased funding for Legal Aid programs dedicated to providing better outcomes for vulnerable Oregonians,

- New circuit court judgeships and support staffing to alleviate heavy caseloads in Clackamas, Douglas, Jackson, Josephine, Lane, and Washington counties, and
- Expansion of the family treatment court model statewide to ensure better outcomes for children and families.

The Public Defense Services Commission requested a budget focused on three key areas: capacity and compensation, modernization and cultural maturity, and infrastructure investments. Highlights within the budget include:

- Addition of 36 positions – attorneys, investigators, and paralegals – to establish a state public defense team, deployable across the state to add capacity in overloaded locations, and ensure individuals have timely access to legal services,
- Expansion of the Parent Child Representation Program into the 18 remaining counties to achieve positive outcomes for children and families in juvenile dependency and termination of parental rights cases,
- Increased provider payments intended to increase attorney compensation levels and bring staffing parity across the public defense system,
- Investments in program design, research, and caseload modeling to develop an outcome-based program delivery model and strengthen the system infrastructure.

The Commission on Judicial Fitness Determination requested a budget intended to maximize efficiencies by implementing a case management system.

The total requested Judicial Branch budget represents a 45.8 percent increase in total funds and a 65.7 percent increase in General Fund support compared to the 2021-23 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 of \$1,387.5 million total funds, including \$1,139.6 million General Fund.

Oregon must urgently address the lack of available public defense services. Solutions to this public safety issue will require sustained attention of all three branches of government, collaboration and an openness to new ways of providing this critical service. Not one Oregonian facing a criminal charge should be without an attorney. The failure of the legal system to function properly creates harm and further injustice for the accused, survivors of crime and the general public.

The Governor's budget includes a Special Purpose Appropriation of \$40 million for the Oregon Public Defense Services Commission to create a state employee trial level public defense services legal team to address the urgent growing need for public defense representation including for cases deriving from the *Ramos/Watkins* decision.

Oregon Judicial Department

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$515,362,621	\$626,674,030	\$770,276,268
Lottery Funds	0	0	0
Other Funds	111,158,222	281,646,988	228,326,136
Federal Funds	1,009,969	1,782,035	1,584,283
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$627,530,812	\$910,103,053	\$1,000,186,687
Positions	1,934	1,993	2,172
Full-time Equivalent	1,817.99	1,919.92	2,108.34

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$656,474,179 General Fund, \$228,326,136 Other Funds and \$1,584,283 Federal Funds for total funds of \$886,384,598 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 unified 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 Judicial Department includes:

- Operations of the Oregon Supreme Court, the 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 trial courts, located in every county, rule on a full range of cases, including criminal, civil, juvenile, and domestic relations.
- Administration of mandated payments for the cost of jurors, transcripts in certain civil appeals, Americans with Disabilities Act compliance, and court provision of interpreters.

- Administration of centralized management and support functions, such as 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, which 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 \$1,000.2 million total funds. It includes \$770.3 million General Fund (including General Fund debt service), \$228.3 million Other Funds and \$1.6 million Federal Funds. This requested budget includes all programs and all policy packages submitted for legislative consideration and supports 2,172 positions.

The department's requested budget continues a long-range plan to meet minimum security standards in all circuit courts and provides funding for courthouse improvement and replacement projects throughout the state. Additionally, the requested budget includes judicial compensation and benefit adjustments to improve retention and recruitment, as well as increased funding for juror compensation to eliminate financial barriers to service. The requested budget also includes additional judges, staff, and technology investments to improve timely services to the public and eliminate barriers to 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 are also generated by the Judicial Department 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$268,383	\$330,499	\$423,620
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	\$268,383	\$330,499	\$423,620
Positions	1	1	1
Full-time Equivalent	0.50	0.50	0.75

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$313,084 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, which includes censure, suspension, or removal of a judge from the bench.

REQUESTED BUDGET

The budget requested by the Commission on Judicial Fitness and Disability is \$0.4 million General Fund. The Commission is requesting a 28.2 percent increase from the 2021-23 Legislatively Approved Budget which includes two policy packages investing in increased leadership FTE and a case management system. The remaining budgetary increase is attributable to standard inflation, statewide price list adjustments, and Personal Services increases.

REVENUE SUMMARY

The Commission on Judicial Fitness and Disability's entire budget is funded with General Fund.

Public Defense Services Commission

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Agency Request Budget
General Fund	\$353,130,198	\$337,439,650	\$827,818,286
Lottery Funds	0	0	0
Other Funds	13,615,153	18,449,667	17,937,116
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$366,745,351	\$355,889,317	\$845,755,402
Positions	90	113	166
Full-time Equivalent	86.48	107.56	164.24

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$482,844,951 General Fund and \$17,937,116 Other Funds for a total amount of \$500,782,067 in her budget as a placeholder.

OVERVIEW

The Public Defense Services Commission is the judicial branch agency responsible for establishing and maintaining a public defense system. Their primary charge is to establish “a public defense system that ensures the provision of public defense services in the most cost-efficient manner consistent with the Oregon Constitution, the United States Constitution and Oregon and national standards of justice.”

The Public Defense Services Commission governs the Office of Public Defense Services, which consists of the following divisions:

- *Executive Division* – contains the core agency leadership team and provides agency governance.
- *Appellate Division* – provides direct legal services for representation on criminal and juvenile appeals.
- *Trial Criminal Division* – provides contracted legal services for adult trial cases.
- *Juvenile Division* – provides contracted legal representation for parents, children, and youth in juvenile dependency and delinquency court proceedings.
- *Compliance, Audit, and Performance Division* – provides internal monitoring and evaluation capacity to improve administration, monitoring, evaluation, and support for legal services.
- *Administrative Services Division* – contains the operational support functions including budget, finance, contracting, information technology, and human resources.

Additionally, the agency contains funding to pay reasonable and necessary expenses in support of public defense client cases and expenses mandated by the courts.

Oregon must urgently address the lack of available public defense services. Solutions to this public safety issue will require sustained attention of all three branches of government, collaboration and an openness to new ways of providing this critical service. Not one Oregonian facing a criminal charge should be without an attorney. The failure of the legal system to function properly creates harm and further injustice for the accused, survivors of crime and the general public.

The Governor's budget includes a Special Purpose Appropriation of \$40 million for the Oregon Public Defense Services Commission to create a state employee trial level public defense services legal team to address the urgent growing need for public defense representation including for cases deriving from the Ramos/Watkins decision.

REQUESTED BUDGET

The budget requested by the Public Defense Service Commission is \$845.8 million total funds. This includes \$827.8 million General Fund and \$17.9 million Other Funds. The Commission is requesting a 137.7 percent increase from the 2021-23 Legislatively Approved Budget, which would include 166 positions.

The Commission's requested budget includes the following:

- Increases provider payments to gain additional public defender capacity statewide and ensure adequate compensation for public defenders.
- Adjusts caseload standards to reduce public defender caseloads and increase support staff to better manage workloads.
- Creates a team of state-employed public defenders with specialized case expertise to lend support to areas where local expertise may not exist and with enough flexibility to be deployable to areas where unrepresented clients need public defenders.
- Continues the expansion of the Parent Child Representation Program to all remaining counties to expand the high-quality legal representation for parents, children, and youth in juvenile court proceedings.
- Establishes performance, financial, and caseload standards across the delivery system.
- Expands internal capacity to enhance operational areas, including data collection, technology support, and human resources.

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. Additionally, the commission receives Title IV-E Federal Funds, transferred as Other Funds from the Oregon Department of Human Services.

EMERGENCY BOARD

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
General Fund	\$0	\$469,778,807	\$622,013,901
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	\$469,778,807	\$622,013,901
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 \$622.0 million for the Emergency Fund. The components of this are described below.

GENERAL PURPOSE

The Governor's budget proposes \$50 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.

SPECIAL PURPOSE APPROPRIATIONS

The Governor's budget sets aside \$320 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. An additional Special Purpose Appropriation (SPA) of \$130 million is established for additional state employee compensation to support agency recruitment and retention efforts. The Governor's Budget also includes a \$65 million SPA to cover bargained compensation changes for represented non-state employee home care workers and personal support workers. The Governor's budget also includes a SPA of \$40 million for the Oregon Public Defense Services Commission to create a state employee trial level public defense services legal team to address the urgent growing need for public defense representation including for cases deriving from the Ramos/Watkins decision.

A separate \$15.2 million SPA is included 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.

Two SPA's are included for the Oregon Secretary of State; \$1.2 million is provided for elections security and public education and \$0.6 million is provided for elections oversight.

STATE AND LOCAL SHARED SERVICES

Budget Overview

The Governor believes that solutions to Oregon's most complex problems require a shared focus and better results at every level of government. State services that benefit local governments and state funding of locally administered programs are important for providing services to Oregonians. The most significant 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. During the 2019 Legislative Session, the Legislature passed House Bill 3427, referred to as the Student Success Act, which created a Corporate Activity Tax (CAT) dedicated to school funding. As part of the legislation that created the CAT, and effective the beginning of tax year 2020, the Legislature reduced Oregon's first three income tax brackets from five percent, 7 percent, and 9 percent, to 4.75 percent, 6.75 percent, and 8.75 percent, respectively.

The Governor recognizes the importance of working with local governments to identify priorities, resolve problems, and pursue opportunities together. The Governor's budget seeks to cultivate collaborative approaches to allocating state resources for critical services to Oregonians at both state and local levels of government. Coordinated efforts address common goals in the state and result in good inter-governmental partnerships.

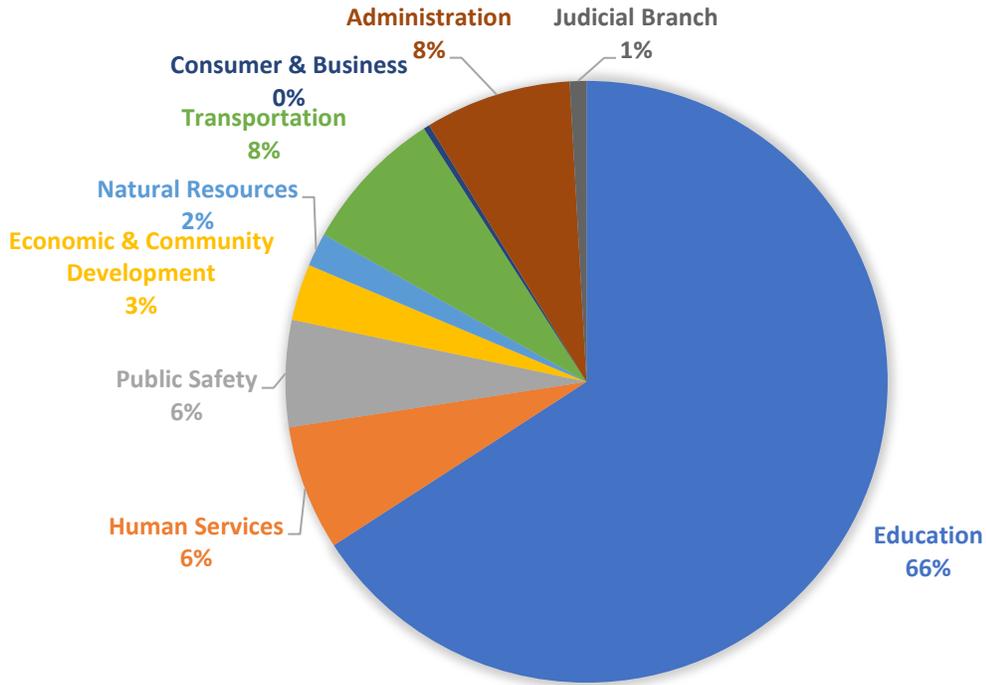
There are three primary types of shared services between state and local government:

- 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; and
- Services delivered by state agencies that benefit local governments, for example, directly funding local infrastructure projects.

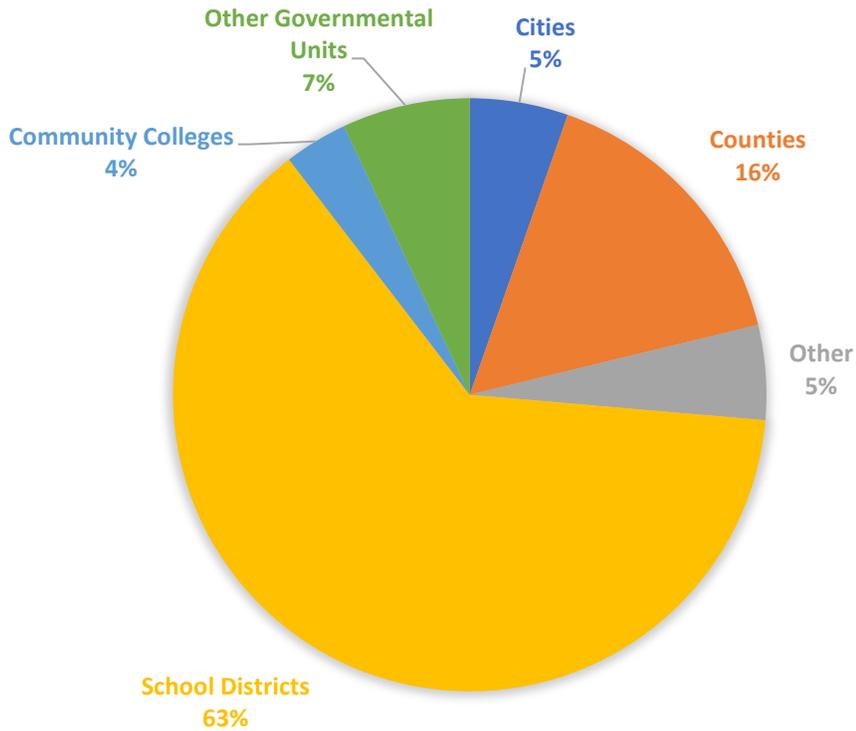
Resources to non-governmental units, individuals and tax relief are not included in this section.

The 2023-25 Governor's budget contains \$23,266 million total funds in state and local shared services (see charts on the next page for specific program area distributions).

2023-25 STATE AND LOCAL SHARED SERVICES BY PROGRAM AREA (\$23,266 MILLION)



2023-25 STATE AND LOCAL SHARED SERVICES BY RECIPIENT (\$23,266 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 eight percent of total shared services. Agency budgets apportion \$1,829 million total funds to local government. Examples of shared services include:

- *Department of Administrative Services.* The department administers a number of funds distributed to cities and counties in Oregon. In the 2023-25 biennium, transfers of revenue total more than \$323 million. The support includes cigarette, marijuana, tobacco and amusement tax revenues received from the Department of Revenue, as well as 14 percent of liquor revenues and seven percent of beer and wine taxes from the Oregon Liquor and Cannabis 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 and Cannabis Commission.* A portion of the privilege tax revenue is transferred to local governments, 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. Twenty percent of net liquor revenues from sales, license fees, civil penalties, fines, and miscellaneous revenues are distributed to cities based on population, 10 percent to counties based on population, and 14 percent to cities based on a revenue sharing distribution formula.
- *Department of Revenue.* The Department of Revenue distributes over a billion dollars to local governments from a variety of resources. The department 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.* The State Library provides resources to local governments in the form of Library Services and Technology Act competitive grants totaling approximately \$1.1 million Federal Funds. These grants are distributed to city, county and other libraries across the state. In addition, \$1.6 million 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 three percent of total shared services and \$705 million total funds. Agencies in this area help provide economic and cultural enhancement. Examples of shared services include:

- *Oregon Business Development Department.* The department through its Infrastructure program assists communities to 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. Local infrastructure projects are funded through technical assistance, grants, loans and bond financing supported by Other Funds, Lottery Funds, and Federal Funds. 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).

- *Housing and Community Services Department.* The department provides approximately \$84.2 million to local government. The department collaborates with community development corporations, community action agencies, housing authorities, local non-profits, and local governments, and school districts to expand affordable housing, revitalize rural, and distressed communities and provide utility assistance to households with low income. In addition, local government and community partners are critical to effectively respond to the Homelessness State of Emergency and deliver outcomes that support the Governor's executive order.
- *Department of Veterans' Affairs.* The Department of Veterans Affairs budget includes a total of \$10.9 million for 36 county veterans' service organizations in a service-delivery partnership with counties. The department's budget also includes \$0.4 million in Veteran Education Bridge Grant funding to ensure Oregon veterans seeking higher education can bridge any unexpected gaps in federal education funding; and \$1.0 million to continue the Campus Veteran Resource 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 66 percent, or \$15,321 million, of 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 tax growth and required the state to replace property tax revenues lost by schools. The Oregon Legislature, in the 2019 Legislative Session, passed House Bill 3427 referred to as the Student Success Act, which in turn created the Corporate Activity Tax (CAT). The CAT funding created through this bill is a 0.57 percent tax on commercial activity in Oregon above one million dollars, which is dedicated to funding schools and early learning programs. Some examples of shared services are:

- *Department of Education.* Approximately 95 percent of the budget for the department 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.
- *Department of Early Learning and Care.* 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. The department distributes \$423.9 million in Special Payments to local school districts, counties, community colleges and other governmental units.
- *Higher Education Coordinating Commission.* Support for community colleges and local workforce programs is included in the Higher Education Coordinating Commission. 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; grants for AmeriCorps programs, 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 seven percent of total shared services. Human Services agencies provide \$1,564 million total funds to local governments. Some examples of these services are:

- *Department of Human Services.* 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. The department distributes \$792.8 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.* The Oregon 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. The department distributes \$447 million for addiction and mental health programs and \$248 million for public health services.

Natural Resources Program Area

The Natural Resources Program Area represents two percent of total shared services. Agencies apportion \$420 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 shared services include:

- *Department of Environmental Quality.* The department 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.
- *Department of Agriculture.* The department coordinates with the Oregon Watershed Enhancement Board (OWEB) 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.

- Forestry Department. 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 Energy. The department provides for the coordination of emergency response activities for the Hanford and Columbia Generating Station, and for assistance in evaluating energy facility siting applications.
- Department of Land Conservation and Development. Through its Grants program unit, the department 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. 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. The Marine Board serves 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. 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.

Ballot Measure 76, which was approved in 2010, provides the department with 7.5 percent of net Lottery proceeds for state parks, beaches, historic sites, and recreation areas of which 12 percent of the received funding is required to be provided to local and county governments through grants. For the 2023-25 biennium, the department expects to transfer 25 percent of the received funds as the provision in Measure 76 specifying the required amount doubles to 25 percent if the net lottery proceeds exceed the 50 percent growth of the 2009-11 biennium.

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:

- 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 six percent of all shared services with local government, or \$1,333 million total funds. County grants for Community Corrections fund 20 percent of the total. Agencies in the public safety area are responsible for ensuring the safety of Oregon's people, property and natural resources through trained National Guard and law enforcement units. It also includes prosecution and incarceration of juveniles and adults who committed offences. Some examples of shared services are:

- *Criminal Justice Commission*. The budget includes \$74.4 million General Fund for distribution to counties to fund specialty court and Justice Reinvestment grants. The agency also provides grants via the Illegal Marijuana Market Enforcement Grant Program to local law enforcement agencies for the staffing and equipment needed to combat illegal marijuana growing and distribution.
- *Department of Corrections*. The budget includes \$262.5 million total funds to support county community corrections programs, which supervise individuals with state felony offences who are on parole, probation, and post-prison supervision, and for management of individuals with felony offenses sentenced to incarceration for 12 or fewer months.
- *Department of Justice*. The department expects to distribute about \$20.2 million total funds to cities and counties for crime victim assistance. These funds come from the Criminal Fines Account and penalties levied against defendants who were found guilty of committing certain crimes by the courts. 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 \$25.6 million total funds to counties to fund District Attorney (DA) costs of the Child Support Program.

- *Oregon Department Emergency Management (ODEM)*. The 9-1-1, federal grants for emergency planning and management, homeland security, and hazard mitigation are distributed from the department. As a result, the department's total funding for local government is \$284.9 million for counties and \$301.6 million for cities.
- *Oregon Youth Authority*. The Oregon Youth Authority provides funds to juvenile departments to purchase services designed to prevent youth from re-offending and to provide focused gang-related programs. The amount is \$26.4 million General Fund.
- *Department of Public Safety Standards and Training*. The department 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 budget covers continued provision of these services, at no cost to the sending governments or students. In addition, the department administers the federally funded High Intensity Drug Trafficking Area funding, which is used to provide support for a variety of law enforcement initiatives aimed at targeting and disrupting drug trafficking activities in Oregon and Idaho.

Transportation Program Area

The Transportation Program Area distributions make up eight percent of total shared services, or \$1,809 million total funds.

- *Department of Transportation*. Through *ConnectOregon*, 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 seniors and people with disabilities. Finally, cities and counties receive revenue for rail, roads, bridges, culvert, and 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*. 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

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 by specified program revenues. The state can also issue appropriation credits, including Certificates of Participation (COPs) authorized in ORS Chapter 283 and appropriation bonds, which were authorized by Senate Bill 856 (2003). Though neither of these programs are currently in use, both appropriation bonds 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. As of January 1, 2021, the most recent certification, the statewide RMV was \$823.7 billion. Most constitutionally authorized general obligation bond programs have an issuance ceiling based on a percentage of RMV, ranging from approximately 0.2 to 8.0 percent as shown in Table B. On June 30, 2022, the total general obligation debt was approximately \$6.8 billion. Of the outstanding general obligation debt, 65 percent is General Fund supported and 35 percent is self-supporting, as debt service is paid from various program revenues rather than from General Fund revenues.

The state works to structure the repayment of outstanding general obligation debt conservatively. As of June 30, 2022, approximately 43 percent of the existing outstanding general obligation debt matures in five years, with the entire debt maturing in 30 years. The current maturity structure is affected most significantly after fiscal year 2027, when required principal payments for existing pension obligation bonds end. Principal and interest payments for the next 30 years are shown in Table D.

CURRENT 2021-23 BIENNIUM ISSUANCE

The state is expecting to issue approximately \$1.5 billion of General Fund general obligation bonds during the 2021-23 biennium. This represents a \$677.8 million increase over the 2019-21 biennium. The net increase is primarily driven by an increase in the amount of general obligation bonds issued. These increases are highest in Article XI-G used to acquire, construct, improve, and repair higher education institutions or community colleges; XI-P used to provide matching funds to finance capital costs of school districts; and XI-Q used to finance state-owned or state-operated capital assets. The amount of bonds expected to be issued in 2021-23 by bond program is shown in Table A.

HIGHLIGHTS OF RECOMMENDED 2023-25 BIENNIUM ISSUANCE AUTHORITY

Each biennium, the Governor recommends the maximum amount of debt state agencies may issue, as required by ORS 286A.035. When determining the prudent debt capacity for the biennium, the Governor's budget takes into consideration debt capacity limits as recommended by the State Debt Policy Advisory Commission (SDPAC) for both General Fund supported debt and Lottery Revenue bonds, as well as any capacity carryforward to determine total available capacity. For the 2023-25 biennium, the Governor's budget includes authority to issue \$1.7 billion of General Fund supported debt and \$521.4 million of Lottery Funds supported debt. The Governor's recommendation for bond issuance authority for all programs is presented in Table A.

The state's capacity to issue General Fund supported debt is higher than the prior biennium due to improved long-term growth estimates for General Fund revenue and the impact of lower debt service requirements after the Pension Obligation Bonds are paid off in fiscal year 2027. Additionally, the capacity to issue Lottery Bonds is higher than the prior biennium, due to a rebound in Lottery Revenues related to video lottery sales. Below are some highlights of projects recommended for bond financing with General Fund and Lottery Funds supported debt.

- A significant investment of \$1 billion to help meet affordable housing needs through the Local Innovation and Fast Track (LIFT), permanent supportive housing and affordable housing preservation programs.
- Over \$340 million in investments in grant programs administered by the Oregon Business Development Department supporting economic development, including \$100 million for Child Care Facility Capacity grants.
- Project funding of \$100 million to be used for creating Community Acute Psychiatric Facility Capacity.
- Nearly \$200 million to state agencies for capital construction projects, including funding for deferred maintenance.

In addition to the General Fund supported and Lottery Bond projects described above, the bond bill also includes amounts for self-supporting projects and bond programs. The recommended budget includes an additional \$1.8 billion in authorization for the Oregon Housing and Community Services revenue bond programs, including the Single-Family and Multi-Family Housing program and Housing Development bond program. A full list of authorizations by bond program is included in Table A.

CREDIT RATING CONSIDERATIONS

The State of Oregon continues to be regarded by the capital markets as a well-managed issuer of debt, with current ratings of the state's general obligation debt of AA+, Aa1, and AA+ by S&P Global Ratings, Moody's Investors Service, and Fitch Ratings, respectively. 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 moderate unfunded pension liabilities. 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. Interest rates increased significantly during fiscal year 2022, ending the year with a 3.40 percent rate for the 20-year Oregon Bond Index for Aa-rated debt issues. Prior to the interest rate increases, the state had 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 on June 30, 2022.

GENERAL OBLIGATION AUTHORIZATIONS – GENERAL FUND AND SPLIT SUPPORT

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. Outstanding bonds were issued to finance highway improvement projects. As of June 30, 2022, \$26.7 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, which 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 on June 30, 2022, was \$924.8 million of which \$554.0 million relates to public universities, \$219.6 million relates to community colleges, and \$151.2 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, 2022, \$21.4 million in Pollution Control bonded debt was outstanding; of this, \$12.2 million (57 percent) was self-supported and \$9.2 million (43 percent) was General Fund supported.

Under the Constitution, \$8.2 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 40 percent of outstanding bonds are General Fund supported while the remaining 60 percent are supported from project revenue streams. On June 30, 2022, outstanding bonds totaled \$94.9 million. Of the total \$94.9 million (60 percent) is self-supported and \$38.0 million (40 percent) was General Fund supported. Due to a history of loan defaults, this program has needed additional General Fund to cover a portion of self-supporting debt service.

Oregon Opportunity Bonds – Article XI-L. This article authorizes bonds to finance capital costs of 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 \$21.2 million as of June 30, 2022.

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, 2022, \$334.7 million in XI-M (public education buildings) and \$81.0 million in XI-N (emergency service buildings) bonds were outstanding.

Pension Obligation Bonds – Article XI-O. Article XI-O permits the state to incur debt to finance its pension liabilities. 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, 2022, \$1.1 billion remains outstanding. Of this amount, \$689.1 million (64 percent) is considered self-supporting debt and \$387.6 million (36 percent) is considered General Fund supported debt. The state does not currently anticipate issuing new 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. On June 30, 2022, \$252.9 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. On June 30, 2022, \$2.6 billion in XI-Q bonds were outstanding, of which \$2.4 billion (90 percent) is General Fund supported and \$263.1 million (10 percent) is self-supporting debt.

FULLY SELF-SUPPORTING AUTHORIZATIONS

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. On June 30, 2022, the Department of Veterans' Affairs had \$324.6 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, 2022, \$999.1 million of debt was outstanding.

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, 2022, approximately \$25.5 million of debt was outstanding.

ACTIVE REVENUE BOND AUTHORIZATIONS

Single-Family and Multi-Family Housing. The Oregon Housing and Community Services Department 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, 2022, \$866.4 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 367.665, 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 \$3.7 billion. On June 30, 2022, approximately \$2.3 billion of bonds were outstanding, or about 53 percent of all direct revenue-bonded debt.

Tollway Project Revenue Bonds. The Oregon Department of Transportation may issue tollway project revenue bonds for the purposes of financing tollway projects, under ORS 383.200, and pursuant to ORS Chapter 286A. These bonds are not general obligation bonds and are payable solely from the revenues described in ORS 383.009, 383.205, and 383.235. Revenue generated from the sale of tollway project revenue bonds are subject to Article IX, Section 3a of the Oregon Constitution, and must be used for qualifying purposes. ODOT currently has no outstanding tollway project revenue bonds, but an authorization of \$700 million is included in the recommended budget for the 2023-25 biennium.

Grant Anticipation Revenue Vehicle Bonds. The Oregon Department of Transportation may issue grant anticipation revenue bonds for the purposes of financing highway improvement projects that are qualifying projects for which the department may use federal transportation funds, under ORS 367.161 to ORS 367.181. Issuance of grant anticipation revenue bonds are subject to the provisions of ORS Chapter 286A, are not general obligation bonds, and are payable from federal transportation funds, or funds affirmatively pledged at the time of issuance from the State Highway Fund. ODOT currently has no outstanding grant anticipation revenue bonds, but an authorization of \$300 million is included in the recommended budget for the 2023-25 biennium.

Business Development Department Bond Bank. The Oregon Business Development Department 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, 2022, was \$54.5 million.

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, 2022, was \$1.2 billion, or about 26 percent of all direct revenue-bonded debt.

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 bonds do 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 service requirements. As of June 30, 2022, \$1.8 billion in bonds were outstanding.

Housing Development Bonds – ORS 456.692. Oregon Housing and Community Services Department is authorized to issue conduit revenue bonds for the Housing Development Program. This multi-family 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. Like 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 \$949.5 million as of June 30, 2022.

Industrial Development Bonds – ORS 285B.320 to 285B.371. The Oregon Business Development Department is authorized to issue conduit revenue bonds for the Industrial Development Bonds 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 the bonds are issued. As of June 30, 2022, \$518.9 million of bonds were outstanding.

Beginning and Expanding Farmer Loan Program – ORS 285B.320 to 285B.371. The Oregon Business Development Department 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 were no bonds outstanding as of June 30, 2022, but an authorization of \$2 million is included in the recommended budget for the 2023-25 biennium.

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, they 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, 2022, \$90.2 million in COPs remained outstanding.

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 2023-25 are projections of agency needs, subject to change in the future. In the January 2023 SDPAC report, the debt capacity estimate was \$5.8 billion General Fund supported debt and \$1.5 billion Lottery debt for the six-year period 2023-25 through 2027-29.

The estimates in Table F reflect changes in debt capacity based on the December 2022 revenue forecast using the SDPAC model, applying a smoothed approach over the six-year period. For the 2023-25 biennium, the recommended debt capacity is \$1.9 billion for General Fund supported debt and \$506.4 million for Lottery Funds supported debt.

Net tax supported debt includes three components: 1) General Fund supported debt; 2) Lottery Revenue Bond program; and 3) certain 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 net tax supported bond capacity is limited by Oregon law and in Article XI, Section 7 of the Constitution. The SDPAC also does not provide capacity estimates 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 2024 and 2025 as shown in the chart below. Projected volume cap authorizations for each calendar year are calculated at a rate of \$120 (per IRS guidance) multiplied by the estimated Oregon population as of July 1, 2021. 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 PAB Committee.

Allocation Type	CY 2024	CY 2025
Housing and Community Services Department	450,000,000	450,000,000
Beginning and Expanding Farmer Loan Program (OBDD)	1,000,000	1,000,000
Private Activity Bond Committee	58,538,600	58,538,600
Total	\$ 509,538,600	\$ 509,538,600

Table A. Recommended Bond Issuance Authorization

Program Designation	2019-21 Actual New Money Issuance	2021-23 Estimated New Money Issuance	Recommended 2023-25 Maximum Limit
General Obligation Bonds (Constitutional Authority)			
General Fund Obligations			
HECC Public Universities (Art. XI-G)	39,020,000	42,840,000	-
HECC Community Colleges (Art. XI-G)	17,735,000	77,160,000	16,750,000
Department of Environmental Quality (Art. XI-H)	2,030,000	4,500,000	-
Business Development Department (Art. XI-M)	74,640,000	48,785,000	100,885,000
Business Development Department (Art. XI-N)	12,565,000	18,470,000	50,570,000
Department of Education (Art. XI-P)	90,140,000	126,090,000	161,260,000
Department of Administrative Services (Art. XI-Q)	630,719,843	1,226,850,000	1,353,755,732
Total General Fund Obligations	866,849,843	1,544,695,000	1,683,220,732
Dedicated Fund Obligations			
Department of Veterans' Affairs (Art. XI-A)	53,828,672	130,227,662	109,023,670
Higher Education Coordinating Commission (Art. XI-F(1))	-	114,505,000	8,315,000
Department of Environmental Quality (Art. XI-H)	10,000,000	20,000,000	20,000,000
Housing and Community Services Department (Art. XI-I(2))	-	-	50,000,000
Department of Administrative Services (Art. XI-Q)	23,425,157	297,332,000	116,959,178
Total Dedicated Fund Obligations	87,253,829	562,064,662	304,297,848
TOTAL ALL GENERAL OBLIGATION BONDS	\$ 954,103,672	\$ 2,106,759,662	\$ 1,987,518,580
Revenue Bonds			
Direct Revenue Bonds			
Housing & Community Services Single/Multi-Family Housing	84,253,382	130,000,000	500,000,000
Department of Transportation Highway User Tax	240,000,000	240,000,000	360,000,000
Department of Transportation Tollway Project Revenue	-	-	700,000,000
Department of Transportation Grant Anticipation Revenue Vehicle	-	-	300,000,000
Business Development Department Oregon Bond Bank	-	21,605,000	30,000,000
Department of Administrative Services Lottery Revenue Bonds	-	426,430,000	521,390,003
Total Direct Revenue Bonds	324,253,382	818,035,000	2,411,390,003
Pass-Through Revenue Bonds			
Business Development Dept Industrial Development Bonds	110,000,000	80,000,000	600,000,000
Business Development Beginning & Expanding Farmer Loans	-	-	2,000,000
Oregon Facilities Authority	144,819,230	200,000,000	1,000,000,000
Housing Development Bonds	656,693,015	1,300,000,000	1,300,000,000
Total Pass-Through Revenue Bonds	911,512,245	1,580,000,000	2,902,000,000
TOTAL ALL REVENUE BONDS	\$ 1,235,765,627	\$ 2,398,035,000	\$ 5,313,390,003
Certificates of Participation & Other Financing Agreements			
Department of Administrative Services	\$ 4,002,872	\$ 30,000,000	\$ 100,000,000

Amounts do not include refundings.

Table B. Outstanding Bonds and Authorizations

Purpose/Department	Constitutional or Statutory Provision	% Real Market Value {1}
General Obligation Bonds		
<i>General Fund Supported</i>		
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 (43% of total)	Article XI-H/ORS 468.195	1.0000%
Alternate Energy Project Bonds (40% of total)	Article XI-J	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 (36% of total)	Article XI-O	1.0000%
School District Capital Costs	Article XI-P	0.5000%
State Real and Personal Property (90% of total)	Article XI-Q	1.0000%
Total General Fund Supported		
<i>Self-Supporting</i>		
Veterans' Welfare Bonds	Article XI-A	8.0000%
Higher Education Facility Projects	Article XI-F(1)	0.7500%
Pollution Control Bonds (57% 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 (60% of total)	Article XI-J	0.5000%
Pension Obligation Bonds (64% of total)	Article XI-O	1.0000%
State Real and Personal Property (10% 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 Tollway Project	ORS 383.200	
ODOT Grant Anticipation Revenue Vehicle	ORS 367.161-181	
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	
Multi-family Housing Programs (OHCS)	ORS 456.692	
Industrial Development Revenue Bonds (OBDD)	ORS Chapter 285B	
Beginning & Expanding Farmer Loans (OBDD)	ORS 285A.420-435	
Total Conduit Revenue Bonds		
Appropriation Credits		
Certificates of Participation (COP)	ORS Chapter 283 & 286A	
Oregon Appropriation Bonds	SB 856 - 2003 Legislature	
Total Appropriation Credits		

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, 2021 RMV was \$823,693,769,305.

2. The State of Oregon may not incur indebtedness exceeding \$50,000 without a constitutional amendment approved by the voters.

Table B. Outstanding Bonds and Authorizations (continued)

Constitutional Debt Limit {1}{2}	Statutory Debt Limit	Amount Outstanding {3}	Authorization Remaining
50,000	-	-	50,000
,236,937,693		26,665,000	8,210,272,693
,355,406,540		-	12,355,406,540
,544,425,817		-	1,544,425,817
,177,703,270		924,820,000	5,252,883,270
,541,883,208	119,600,000	9,199,850	3,532,683,358
,647,387,539		37,964,000	1,609,423,539
,118,468,847	203,175,000	21,195,000	4,097,273,847
,647,387,539		334,675,000	1,312,712,539
,647,387,539		81,005,000	1,566,382,539
,965,297,569		387,594,000	2,577,703,569
,118,468,847		252,875,000	3,865,593,847
,413,243,924		2,367,535,500	5,045,708,424
		4,443,528,350	50,970,519,980
,895,501,544		324,565,000	65,570,936,544
,177,703,270		999,065,000	5,178,638,270
,695,054,485	140,400,000	12,195,150	4,682,859,335
,355,406,540		-	12,355,406,540
,118,468,847		25,520,000	4,092,948,847
,471,081,308		56,946,000	2,414,135,308
,271,640,124		689,056,000	4,582,584,124
823,693,769		263,059,500	560,634,269
		2,370,406,650	99,438,143,236
		\$ 6,813,935,000	\$ 150,408,663,216
	2,500,000,000	866,380,000	1,633,620,000
	3,720,000,000	2,337,715,000	1,382,285,000
		-	-
		-	-
	200,000,000	-	200,000,000
		54,520,000	-
		1,168,795,000	-
		\$ 4,427,410,000	N/A
		1,844,624,005	-
		949,504,691	-
		518,935,255	-
		-	-
		\$ 3,313,063,951	N/A
		90,220,000	-
	431,560,000	-	431,560,000
		\$ 90,220,000	\$ 431,560,000

3 Excludes refunded and defeased bonds.

4 XI-G outstanding amount includes \$554 M for Public Universities, \$219.6 M for Community Colleges and \$151.2 M 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, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Gross General Obligation (GO) Debt {1}	\$ 6,061,050,579	\$ 6,431,005,504	\$ 6,479,421,539	\$ 6,722,860,187	\$ 6,813,935,000
Revenue Supported GO Debt	\$ 2,885,026,397	\$ 2,682,610,185	\$ 2,611,108,408	\$ 2,395,385,033	\$ 2,370,406,650
Net GO Debt	\$ 3,176,024,182	\$ 3,748,395,319	\$ 3,868,313,131	\$ 4,327,475,154	\$ 4,443,528,350
Population {2}	4,176,095	4,214,664	4,243,791	4,266,584	4,294,500
Gross Debt per Capita	\$1,451	\$1,526	\$1,527	\$1,576	\$1,587
Net Debt per Capita	\$761	\$889	\$912	\$1,014	\$1,035
Real Market Value [RMV] {3}	\$ 620,909,716,704	\$ 676,875,118,712	\$ 715,796,909,641	\$ 756,746,704,516	\$ 823,693,769,305
Gross Debt as Percent of RMV	0.98%	0.95%	0.91%	0.89%	0.83%
Net Debt as Percent of RMV	0.51%	0.55%	0.54%	0.57%	0.54%
Total Personal Income {4}	\$ 198,957,532,000	\$ 211,541,630,000	\$ 222,256,958,000	\$ 241,790,308,000	\$ 261,546,508,000
Revenue Supported GO Debt as Percent of Total Personal Income	1.45%	1.27%	1.17%	0.99%	0.91%
Net GO Debt as Percent of Total Personal Income	1.60%	1.77%	1.74%	1.79%	1.70%

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, 2022.
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, 2021. 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
2023	520,335,000	285,584,424	805,919,424
2024	539,620,000	262,751,026	802,371,026
2025	545,550,000	239,066,842	784,616,842
2026	574,750,000	214,565,489	789,315,489
2027	593,935,000	188,398,836	782,333,836
2028	325,185,000	160,760,008	485,945,008
2029	323,715,000	148,762,329	472,477,329
2030	316,235,000	136,453,841	452,688,841
2031	304,675,000	124,326,342	429,001,342
2032	298,615,000	112,141,518	410,756,518
2033	290,285,000	99,929,956	390,214,956
2034	294,715,000	87,699,254	382,414,254
2035	286,920,000	75,278,456	362,198,456
2036	275,735,000	63,177,973	338,912,973
2037	254,340,000	51,915,029	306,255,029
2038	227,175,000	41,609,823	268,784,823
2039	223,040,000	32,291,859	255,331,859
2040	173,810,000	23,590,408	197,400,408
2041	148,970,000	17,004,792	165,974,792
2042	112,815,000	10,991,343	123,806,343
2043	63,305,000	6,642,123	69,947,123
2044	47,420,000	4,372,677	51,792,677
2045	25,065,000	2,613,186	27,678,186
2046	17,495,000	1,702,259	19,197,259
2047	13,550,000	996,469	14,546,469
2048	5,915,000	522,156	6,437,156
2049	4,585,000	316,294	4,901,294
2050	3,320,000	166,325	3,486,325
2051	2,160,000	68,513	2,228,513
2052	700,000	10,575	710,575
TOTAL	\$ 6,813,935,000	\$ 2,393,710,124	\$ 9,207,645,124

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

<i>Description</i>	<i>2019-21 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
General Fund Supported		
Human Services, Dept. of	21,294,016	-
Administrative Svcs, Dept of	6,468,193	419,256
Oregon Business Development Department	54,470,249	-
Justice, Dept of	15,650,365	-
Revenue, Dept of	14,287,394	-
Legislative Administration Committee	15,842,657	211,010
Judicial Dept	19,262,851	-
Military Dept, Oregon	11,317,429	662,300
Police, Dept of State	356,348	-
Emergency Management, Oregon Dept of	-	-
Public Safety Standards & Training, Dept of	9,357,606	-
Veterans' Affairs, Oregon Dept of	358,145	-
Corrections, Dept of	112,417,939	9,127,295
Environmental Quality, Dept of	6,336,036	-
Oregon Youth Authority	11,151,773	-
Oregon Health Authority	58,090,324	4,773,170
Higher Education Coordinating Commission	218,504,943	-
Education, Dept of	31,114,252	-
Forestry, Dept of	16,418,414	15,151,858
Parks & Recreation Dept	-	-
Fish & Wildlife, Oregon Dept of	1,640,306	-
Transportation, Oregon Dept of	25,176,333	3,239,256
Housing & Community Svcs Dept	23,043,266	-
Total General Fund Supported	\$672,558,839	\$33,584,145

<i>2021-23 Leg Approved Budget</i>		<i>2023-25 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>
23,452,205	-	13,718,450	-
7,828,488	-	5,614,990	-
74,053,211	-	103,371,404	-
8,323,075	-	908,250	-
6,507,679	-	2,582,420	-
26,887,744	-	25,467,420	-
26,053,320	-	43,253,780	-
13,493,465	-	14,162,352	-
2,674,818	-	21,294,737	-
1,576,705	-	4,841,640	-
9,107,640	-	8,773,470	-
371,660	-	372,670	-
105,180,474	115,880	106,156,905	56,380
6,048,591	-	8,529,380	-
14,880,399	-	22,655,912	-
60,402,266	-	62,023,304	-
263,774,106	-	328,700,292	-
46,715,272	-	64,206,661	-
16,142,720	14,588,750	15,853,084	14,594,170
2,232,560	-	9,070,940	-
2,085,829	-	2,968,441	-
18,371,213	2,088,190	16,930,280	-
69,307,754	-	155,800,792	-
\$805,471,194	\$16,792,820	\$1,037,257,574	\$14,650,550

<i>Description</i>	<i>2019-21 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
Lottery Funds Supported		
Administrative Svcs, Dept of	18,496,970	-
Oregon Business Development Department	45,764,617	-
Veterans' Affairs, Oregon Dept of	-	-
Energy, Dept of	3,023,362	-
Oregon Health Authority	-	-
Higher Education Coordinating Commission	45,022,422	-
Education, Dept of	692,867	-
Forestry, Dept of	2,543,445	-
Parks & Recreation Dept	2,297,543	-
Water Resources Dept	7,563,185	-
Transportation, Oregon Dept of	114,671,355	-
Housing & Community Svcs Dept	21,752,234	-
Total Lottery Funds Supported	\$261,828,000	-

Other Funds Supported

Human Services, Dept. of	-	-
Administrative Svcs, Dept of	481,115,180	1,439,112
Oregon Business Development Department	43,421,577	-
Justice, Dept of	-	-
Revenue, Dept of	4,261,116	-
Legislative Administration Committee	11,679,315	-
Judicial Dept	9,390,816	-
Military Dept, Oregon	4,118,091	-
Police, Dept of State	148,824	-
Public Safety Standards & Training, Dept of	31,898,399	-
Veterans' Affairs, Oregon Dept of	158,245,678	-

<i>2021-23 Leg Approved Budget</i>		<i>2023-25 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>
22,975,355	-	47,431,606	-
42,985,875	-	47,504,550	-
499,184	-	551,000	-
3,022,570	-	1,439,160	-
-	-	3,976,940	-
44,119,189	-	45,130,470	-
-	-	3,481,660	-
2,564,210	-	2,557,080	-
3,326,852	-	4,145,780	-
9,499,510	-	15,073,140	-
121,144,419	-	136,144,810	-
25,224,730	-	28,443,620	-
\$275,361,894	-	\$335,879,816	-

2,056,766	-	-	-
487,974,787	-	538,187,444	-
12,315,994	-	13,779,447	-
157,430	-	2,508,271	-
1,340,120	-	113,110	-
627,061	-	-	-
274,570	-	-	-
100,910	-	-	-
-	-	-	-
-	-	-	-
136,662,331	-	108,100,000	-

<i>Description</i>	<i>2019-21 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
Other Funds Supported		
Corrections, Dept of	213,332,754	58,721
Energy, Dept of	66,627,841	-
Environmental Quality, Dept of	21,239,442	-
Oregon Youth Authority	406,225	-
Oregon Health Authority	219,405,544	214,434
Higher Education Coordinating Commission	998,331,114	1,514,303
Education, Dept of	28,815	-
Forestry, Dept of	603,207	351,215
Parks & Recreation Dept	33,022	-
Fish & Wildlife, Oregon Dept of	1,836,410	-
Water Resources Dept	3,703	-
Transportation, Oregon Dept of	1,717,340,643	85,562
Oregon Liquor & Cannabis Comm	-	-
Housing & Community Svcs Dept	372,784,053	-
Total Other Funds Supported	\$4,356,251,769	\$3,663,347
Federal Funds Supported		
Corrections, Dept of	242,755	242,755
Oregon Health Authority	887,859	887,859
Higher Education Coordinating Commission	4,156,091	157,502
Transportation, Oregon Dept of	20,029,515	-
Total Federal Funds Supported	\$25,316,220	\$1,288,116
Grand Total Debt Service Requirements	\$5,315,954,828	\$38,535,608

<i>2021-23 Leg Approved Budget</i>		<i>2023-25 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>
805,870	-	-	-
34,031,300	-	28,230,578	-
13,650,055	-	21,071,800	-
1,137,980	-	-	-
-	-	-	-
193,816,057	-	205,927,900	-
234,015	-	-	-
637,324	-	1,302,753	-
-	-	-	-
1,837,010	-	1,833,610	-
-	-	-	-
401,157,671	-	381,283,133	-
4,399,567	-	23,413,754	-
367,545,389	-	324,175,922	-
\$1,660,762,207	-	\$1,649,927,722	-
-	-	-	-
-	-	-	-
4,008,154	-	4,008,153	-
20,679,380	-	18,764,647	-
\$24,687,534	-	\$22,772,800	-
\$2,766,282,829	\$16,792,820	\$3,045,837,912	\$14,650,550

Table F. Capital Financing Six-Year Forecast Summary

General Fund Supported Debt	General Fund Repayment Source		
NET TAX-SUPPORTED DEBT PROGRAMS	2023-25	2025-27	2027-29
SDPAC Estimated New Debt Capacity	1,938,794,014	1,938,794,014	1,938,794,014
Projected Debt Capacity Carryforward Added Back	80,349,784	335,922,976	894,716,990
Estimated Debt Capacity as Adjusted	2,019,143,798	2,274,716,990	2,833,511,004
GENERAL OBLIGATION BONDS			
Art. XI-G Higher Education & Community Colleges			
Capital Construction - Public Universities	-	100,000,000	100,000,000
Capital Construction - Community Colleges	16,750,000	75,000,000	75,000,000
Art. XI-H Pollution Control (GF Supported Portion)			
Grants and loans	-	5,000,000	5,000,000
Art. XI-M & XI-N Seismic Rehabilitation			
Grants and Loans	151,455,000	150,000,000	150,000,000
Art. XI-P School Districts Capital Costs			
Grants and Loans	161,260,000	150,000,000	15,000,000
Art. XI-Q State Property (GF Supported Portion)			
Capital Construction	1,310,575,822	868,318,794	772,948,268
Equipment and Technology	43,180,000	31,681,206	29,585,788
Less Total General Obligation Bonds (GF Portion)	1,683,220,822	1,380,000,000	1,147,534,056
Less Certificates of Participation (GF Supported)	-	-	-
Remaining Estimated General Fund Debt Capacity	\$ 335,922,976	\$ 894,716,990	\$ 1,685,976,948

Lottery Revenue Bond Program	Lottery Funds Repayment Source		
NET TAX-SUPPORTED DEBT PROGRAMS	2023-25	2025-27	2027-29
SDPAC Estimated New Debt Capacity	506,432,975	506,432,975	506,432,975
Projected Debt Capacity Adjustments	24,445,000	9,487,972	-
Estimated Debt Capacity as Adjusted	530,877,975	515,920,947	506,432,975
LOTTERY REVENUE BONDS			
Department of Administrative Services Grants and Loans	521,390,003	515,920,947	506,432,975
Less Total Lottery Revenue Bonds	521,390,003	515,920,947	506,432,975
Remaining Estimated Lottery Funds Debt Capacity	\$ 9,487,972	\$ -	\$ -

Transportation Department Bonds	Other Funds Repayment Source		
OTHER NET TAX-SUPPORTED DEBT PROGRAMS	2023-25	2025-27	2027-29
GENERAL OBLIGATION BONDS			
Debt Capacity - General Obligation Art. XI, Section 7	8,210,272,693	8,210,272,693	8,210,272,693
Department of Transportation Capital Construction	-	-	-
Remaining transportation general obligation capacity	8,210,272,693	N/A	N/A
REVENUE BONDS			
Debt Capacity Limited by Statute	1,582,285,000	982,285,000	982,285,000
Transportation Highway User Tax Capital Construction	600,000,000	-	-
Transportation Infrastructure Fund Grants and Loans	-	-	-
Less Total Transportation Revenue Bonds	600,000,000	N/A	N/A
Remaining Transportation Revenue Debt Capacity	\$ 982,285,000	N/A	N/A

Debt Issuance Forecast	Other Funds Repayment Source		
	NON TAX-SUPPORTED DEBT PROGRAMS	2023-25	2025-27
GENERAL OBLIGATION BONDS			
Art. XI-A Veterans' Welfare			
Grants and loans	109,023,670	100,000,000	100,000,000
Art. XI-F(1) Higher Education Facilities			
Capital Construction	8,315,000	25,000,000	25,000,000
Art. XI-H Pollution Control (Other Funds Supported Portion)			
Grants and loans	20,000,000	10,000,000	10,000,000
Art. XI-I(2) Elderly and Disabled Housing			
Grants and loans	50,000,000	50,000,000	50,000,000
Art. XI-Q State Property (Other Funds Supported Portion)			
Capital Construction	63,559,178	50,000,000	50,000,000
Equipment and Technology	53,400,000	-	-
Total General Obligation Bonds	304,297,848	235,000,000	235,000,000
REVENUE BONDS			
Single and Multi-family Housing			
Grants and loans	500,000,000	500,000,000	500,000,000
Business Development Department Oregon Bond Bank			
Grants and loans	30,000,000	30,000,000	30,000,000
Oregon Department of Transportation Tollway Project			
Revenue Bonds	700,000,000		
Oregon Department of Transportation Grant Anticipation			
Revenue Vehicle	300,000,000		
Total Revenue Bonds	1,530,000,000	530,000,000	530,000,000
Total Non Tax-Supported Debt Forecast	\$ 1,834,297,848	\$ 765,000,000	\$ 765,000,000

Capital Projects

Capital Projects include land, building and major facility renovations, additions, or improvement projects. There are two categories of Capital Projects: Capital Improvements and Major Construction/Acquisition. Capital Improvements have a total project cost less than \$1 million and funding will be included in the agency's operating budget. Major Construction/Acquisition projects have a total budget of \$1 million or more and must build, acquire, adapt, replace or change the use or function of a facility. Major Construction/Acquisition projects are considered Capital Construction projects for budgeting and accounting purposes and receive a six-year limitation. Capital Construction projects are presented in appropriation bills separate from an agency's budget bill and must receive approval by the Legislature before spending begins.

The recommended Capital Construction projects for the 2023-25 biennium 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.

The following tables show the Capital Construction projects proposed by the Governor for the 2023-25 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 Plans

2023-25 PROGRAM AREA FUNDING REQUEST SUMMARY

Program Area	General Fund	Other Funds	Federal Funds	Total Funds
Education	-	212,750,000	-	212,750,000
Human Services	-	8,000,000	-	8,000,000
Public Safety	-	167,971,539	-	167,971,539
Economic and Community Development	-	900,000,000	-	900,000,000
Natural Resources	-	9,000,000	-	9,000,000
Transportation	-	39,251,825	11,266,419	50,518,244
Administration	-	49,750,000	-	49,750,000
Total	\$ -	\$ 1,386,723,364	\$ 11,266,419	\$ 1,397,989,783

2023-25 RECOMMENDED CAPITAL CONSTRUCTION PROJECTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	208,200,000	-	208,200,000
Total Higher Education Coordinating Commission	-	208,200,000	-	208,200,000
Education, Department of				
Oregon School for the Deaf Capital Improvements	-	4,550,000	-	4,550,000
Total Education, Department of	-	4,550,000	-	4,550,000
Education	-	\$ 212,750,000	-	\$ 212,750,000
Human Services				
Health Authority, Oregon				
Junction City Single Unit Remodel	-	5,000,000	-	5,000,000
OSH Asset & Equipment Replacement	-	3,000,000	-	3,000,000
Total Health Authority, Oregon	-	8,000,000	-	8,000,000
Human Services	-	\$ 8,000,000	-	\$ 8,000,000
Public Safety				
Military Department, Oregon				
Salem Owen Summers Building Service Life Extension	-	2,909,970	-	2,909,970
McMinnville Armory Service Life Extension & Emergency Enhancements	-	6,329,665	-	6,329,665
Newport Armory Service Life Extension	-	5,327,482	-	5,327,482
Total Military Department, Oregon	-	14,567,117	-	14,567,117
State Police, Oregon				
Central Point Office Expansion	-	15,000,000	-	15,000,000
Springfield Forensic Lab & Medical Examiners Office	-	21,320,000	-	21,320,000
Springfield Patrol Area Command Office	-	7,278,186	-	7,278,186
Total State Police, Oregon	-	43,598,186	-	43,598,186
Corrections, Department of				
Camera System	-	8,500,000	-	8,500,000
Capital Improvement and Renewal	-	70,000,000	-	70,000,000
Radio System	-	12,900,000	-	12,900,000
Transportation Headquarters	-	7,156,236	-	7,156,236
Total Corrections, Department of	-	98,556,236	-	98,556,236
Oregon Youth Authority				
Oak Creek - New School and Vocational Education Facility	-	4,000,000	-	4,000,000
Rogue Valley Living Unit Renovation	-	4,500,000	-	4,500,000
Capital Improvements - All Facilities	-	2,750,000	-	2,750,000
Total Oregon Youth Authority	-	11,250,000	-	11,250,000
Public Safety	-	\$ 167,971,539	-	\$ 167,971,539
Housing & Community Services Dept				
LIFT/Permanent Supportive Housing Programs	-	900,000,000	-	900,000,000
Total Housing & Community Services Dept	-	900,000,000	-	900,000,000
Economic & Community Development	-	\$ 900,000,000	-	\$ 900,000,000
Natural Resources				
Fish & Wildlife, Oregon Department of				
Capital Improvement and Renewal	-	5,000,000	-	5,000,000
Total Fish & Wildlife, Oregon Department of	-	5,000,000	-	5,000,000
Forestry, Oregon Department of				
Klamath Facility Replacement	-	1,500,000	-	1,500,000
Santiam Facility Replacement	-	2,500,000	-	2,500,000
Total Fish & Wildlife, Oregon Department of	-	4,000,000	-	4,000,000
Natural Resources	-	\$ 9,000,000	-	\$ 9,000,000
Transportation				
Aviation, Department of				
Aurora Airport Obstruction Removal & Easement	-	154,000	1,386,000	1,540,000
Aurora Airport runway 17-354 Rehab	-	275,000	2,475,000	2,750,000
Chiloquin Airport Obstruction Removal	-	132,000	1,188,000	1,320,000
Cottage Grove Airport EA & Apron Rehab	-	164,389	1,479,500	1,643,889
Lebanon Airport Taxiway Reconstruct/Drain	-	526,436	4,737,919	5,264,355
Total Aviation, Department of	-	1,251,825	11,266,419	12,518,244
Transportation, Oregon Department of				
Maintenance Station Improvements	-	38,000,000	-	38,000,000
Total Transportation, Oregon Department of	-	38,000,000	-	38,000,000
Transportation	-	\$ 39,251,825	\$ 11,266,419	\$ 50,518,244

2023-25 RECOMMENDED CAPITAL CONSTRUCTION PROJECTS (CONTINUED)

Administration

Administrative Services, Department of				
Various Deferred Maintenance Projects	-	15,500,000	-	15,500,000
Construction Project Planning	-	3,500,000	-	3,500,000
Gender Neutral Facilities & Mother's Rooms	-	6,500,000	-	6,500,000
Building Automation Systems	-	5,000,000	-	5,000,000
Security & Systems Investment/Upgrades	-	2,500,000	-	2,500,000
Portfolio Repositioning	-	11,250,000	-	11,250,000
Climate Adaptation & Net Zero Solutions	-	2,000,000	-	2,000,000
Capitol Mall Medium Voltage Design	-	500,000	-	500,000
Parking Lot/EV Charging Stations	-	3,000,000	-	3,000,000
Total Administrative Services, Department of	-	49,750,000	-	49,750,000
Administration	-	\$ 49,750,000	-	\$ 49,750,000
GRAND TOTAL 2023-25 BIENNIUM	-	\$ 1,386,723,364	\$ 11,266,419	\$ 1,397,989,783

2025-27 ESTIMATED CAPITAL CONSTRUCTION REQUIREMENTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	611,346,994	-	611,346,994
Community Colleges Capital Construction	-	75,000,000	-	75,000,000
Total Higher Education Coordinating Commission	-	686,346,994	-	686,346,994
Education	-	\$ 686,346,994	-	\$ 686,346,994
Public Safety				
Military Department, Oregon				
Boardman Multipurpose Machine Gun Range	-	-	16,500,000	16,500,000
Lebanon Armed Forces Reserve Center	-	6,250,000	25,000,000	31,250,000
Woodburn Armory Service Life Extension	-	8,329,150	-	8,329,150
La Grande Armory Service Life Extension	-	6,779,440	-	6,779,440
Warrenton Armory Service Life Extension	-	5,777,000	-	5,777,000
Total Military Department, Oregon	-	27,135,590	41,500,000	68,635,590
Oregon Youth Authority				
Tillamook New Gymnasium	-	10,131,396	-	10,131,396
MacLaren Gatehouse Renovation and Expansic	-	27,402,268	-	27,402,268
Deferred Maintenance	-	7,575,579	-	7,575,579
Total Oregon Youth Authority	-	45,109,243	-	45,109,243
Public Safety	-	\$ 72,244,833	\$ 41,500,000	\$ 113,744,833
Natural Resources				
Fish & Wildlife, Oregon Department of				
Deferred Maintenance	-	5,000,000	-	5,000,000
Total Fish & Wildlife, Oregon Department of	-	5,000,000	-	5,000,000
Natural Resources	-	\$ 5,000,000	-	\$ 5,000,000
Administration				
Administrative Services, Department of				
Seismic Renovations	-	99,475,000	-	99,475,000
Total Administrative Services, Department of	-	99,475,000	-	99,475,000
Administration	-	\$ 99,475,000	-	\$ 99,475,000
GRAND TOTAL 2025-27 BIENNIUM	-	\$ 858,066,827	\$ 41,500,000	\$ 899,566,827

Note: Funding in the Governor's budget includes only those items identified in the capital construction bill. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2025-27; they are not yet recommended in the capital construction bill.

2027-29 ESTIMATED Capital CONSTRUCTION REQUIREMENTS

Description	General Fund	Other Funds	Federal Funds	Total
Education				
Higher Education Coordinating Commission				
Public Universities Capital Construction	-	561,846,994	-	561,846,994
Community Colleges Capital Construction	-	75,000,000	-	75,000,000
Total Higher Education Coordinating Commission	-	636,846,994	-	636,846,994
Education	-	\$ 636,846,994	-	\$ 636,846,994
Public Safety				
Military Department, Oregon				
Redmond Readiness Center	-	5,500,000	22,000,000	27,500,000
Hermiston Armory Service Life Extension	-	10,916,000	-	10,916,000
Bend Armory Service Life Extension	-	17,598,000	-	17,598,000
Prineville Armory Service Life Extension	-	7,932,000	-	7,932,000
Total Military Department, Oregon	-	41,946,000	22,000,000	63,946,000
Oregon Youth Authority				
Eastern Oregon Construct New School	-	12,926,398	-	12,926,398
Camp Florence Renovate and Expansion	-	8,974,862	-	8,974,862
Tillamook New Admin and Visitation Building	-	8,279,214	-	8,279,214
MacLaren New Gymnasium	-	12,926,268	-	12,926,268
Deferred Maintenance	-	8,030,114	-	8,030,114
Total Oregon Youth Authority	-	30,180,474	-	30,180,474
Veterans' Affairs, Department of				
Salem Chiller Replacement	-	1,355,000	-	1,355,000
TD HVAC Replacement	-	1,225,000	-	1,225,000
Total Veterans' Affairs, Department of	-	1,355,000	-	1,355,000
Public Safety	-	\$ 73,481,474	\$ 22,000,000	\$ 95,481,474
Natural Resources				
Fish & Wildlife, Oregon Department of				
Deferred Maintenance	-	5,000,000	-	5,000,000
Total Fish & Wildlife, Oregon Department of	-	5,000,000	-	5,000,000
Natural Resources	-	\$ 5,000,000	-	\$ 5,000,000
Administration				
Administrative Services, Department of				
Renovations with Seismic Upgrades	-	75,000,000	-	75,000,000
Total Administrative Services, Department of	-	75,000,000	-	75,000,000
Administration	-	\$ 75,000,000	-	\$ 75,000,000
GRAND TOTAL 2027-29 BIENNIUM	-	\$ 790,328,468	\$ 22,000,000	\$ 812,328,468

Note: Funding in the Governor's Budget includes only those items identified in the capital construction bill. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2027-29; they are not yet recommended in the capital construction bill.

REVENUES

Revenue Summary

Current Law Projection

The Department of Administrative Services Office of Economic Analysis projects General Fund revenue of \$25,017.4 million for the 2023-25 biennium. A beginning balance of \$3,862.0 million is anticipated for the new biennium, after a transfer of \$278.6 million is made to the Rainy Day Fund.

Personal income tax makes up the largest share of the General Fund. It accounts for about 86 percent of projected revenues. Corporate income taxes are about eight percent of the total revenue amount. Other sources make up the remainder. The largest of the other sources are interest earnings, insurance taxes, state court fees, estate taxes, and liquor apportionment transfer.

Personal income tax revenues in the 2023-25 Current Law Forecast total \$21,491.5 million, and corporate income tax revenues are expected to be \$1,876.2 million for the biennium.

State Lottery revenues for the biennium are forecasted to be \$1,778.8 million. The anticipated beginning balance is \$71.3 million. Interest on the Education Stability Fund and Economic Development Fund provide an additional \$69.3 million of resources.

Dedicated distributions for the Education Stability Fund, the Parks and Natural Resources Fund, county economic development, collegiate athletics and scholarships, employer incentive fund, county fairs, veterans, outdoor education, and problem gambling treatment will total \$792.3 million. Funds dedicated for debt service on Lottery bonds and other legislatively adopted allocations will total \$234.3 million. In addition to these distributions, \$892.8 million will be available for allocation to education and economic development activities in the 2023-25 biennium.

Governor's Recommended Revenue Changes

The budget includes a \$13.4 million reduction for extending personal income tax credits that are scheduled to sunset in 2023-25. See the Tax Expenditure Report for a full list of sunset dates.

The Governor's budget includes the extension of the surcharge on distilled spirits of \$0.50 that was recently adopted by the Oregon Liquor and Cannabis Commission. In addition to extending the surcharge, the Governor proposes to increase the surcharge from \$0.50 per bottle to \$1.00 per bottle beginning July 1, 2023. Combined, these actions are anticipated to generate an estimated \$90.5 million in revenues dedicated to the General Fund. Additionally, the budget recognizes revenue to the General Fund of \$8.2 million from the expansion of retail liquor stores and the development of a regulatory system for the home delivery of alcohol.

At the end of the 2021-23 biennium, Oregon is well positioned with the combined balance in the Rainy Day Fund and the Education Stability Fund projected to be \$2,039.9 million, which equates to 6.7 percent of the General Fund expenditures included in the Governor's budget. The Governor's budget proposes to retain the balances in these two accounts at the levels they will achieve at the end of the

2021-23 biennium, but repurposes the projected new deposits, which would otherwise occur during 2023-25 into critical investments to position Oregon for the future.

Specifically for the Rainy Day Fund, the Governor's budget proposes to reallocate projected interest earnings of \$118.7 million and the anticipated deposit of \$358.3 million to serve Oregonians. The December 2022 quarterly economic and revenue forecast indicates moneys available to the state's General Fund for the 2023-25 biennium will be at least three percent less than appropriations from the from the state's General Fund for the current biennium. Approval by three-fifths of the members serving in each house of the Legislative Assembly is required.

Included in the budget is a transfer to the General Fund in the amount of \$90.0 million from the Public Employees' Revolving Fund, an adjustment to the 2023-25 General Fund beginning balance to reflect reversions from 2021-23 of \$1,082.3 million and the unexpended Emergency Fund balance of \$77.1 million.

Tax Expenditure Report

Summary of the 2023-25 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 2023-25 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, 138 relate to property taxes and 184 relate to income taxes. The remaining 46 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		Revenue Impact	
		2023-25	2021-23	2023-25	2023-25
Income	184	\$23,495.9	\$15,250.7	\$16,966.0	
Property	138	\$18,400.0	\$11,185.0	\$11,961.3	
All Other State Taxes with Expenditures	46	\$8,771.6	\$122.9	\$123.6	
All Taxes		\$50,667.5	\$26,558.6	\$29,050.9	

Tax Expenditures Scheduled for Sunset in 2023-25

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

1.403	Opportunity Grant Fund Contributions	ORS 315.643	Sunsets 12-31-2023
	Governor's Recommendation: Extend sunset.		
1.439	Fish Screening Devices	ORS 315.138	Sunsets 1-1-2024
	Governor's Recommendation: Extend sunset.		

Property Tax

2.012	Construction in Process in an Enterprise Zone <i>Governor's Recommendation: Extend sunset.</i>	ORS 285C.170	Partial Sunset 6-30-2025
2.013	Enterprise Zone Businesses <i>Governor's Recommendation: Extend sunset.</i>	ORS 285C.175	Partial Sunset 6-30-2025
2.014	Long Term Rural Enterprise Zone (Property Tax) <i>Governor's Recommendation: Extend sunset.</i>	ORS 285C.409	Sunsets 6-30-2025
2.017	New Industrial Property in Rural Areas <i>Governor's Recommendation: Extend sunset.</i>	Ore. Laws 2016 c.112, 2018 c.111 §15, and 2019 c.575	Sunsets 1-1-2024
2.022	Transfer of Cemetery Land for Low-Income Housing <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.158	Sunsets 6-30-2024
2.024	Federal Land Under Recreation Facility <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.182	Sunsets 6-30-2024
2.033	Food Processing Equipment <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.455	Sunsets 6-30-2025
2.049	Cooperative Providing Heat by Combustion of Biomass <i>Governor's Recommendation: Extend sunset.</i>	ORS 308.521	Sunsets 6-30-2025

All Other Taxes

2.101	Cap on Central Assessment for Certain Companies <i>Governor's Recommendation: Extend sunset.</i>	ORS 308.674	Sunsets 6-30-2025
2.103	Certain Single-Unit Housing <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.664	Sunsets 12-31-2024
2.120	Surviving Spouse of Public Safety Officer <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.295	Sunsets 6-30-2024
2.129	Historic Property <i>Governor's Recommendation: Extend sunset.</i>	ORS 358.505	Sunsets 6-30-2024

Schedule I – Summary of General Fund Revenues by Major Source

	2019-21 Actuals	2021-23 Current Estimates	Percent of Total	2023-25 Current Law Forecast	Percent of Total	2023-25 Governor's Budget	Change from Current Law or Other Adjustment
Taxes							
Personal Income Taxes	\$20,006,624,000	\$23,895,001,000	84.9%	\$21,491,483,000	85.9%	\$21,478,133,000	(\$13,350,000) (1)
Corporate Excise and Income Taxes	1,966,912,000	2,540,126,000	9.0%	1,876,210,000	7.5%	1,876,210,000	0
Insurance Taxes	159,164,000	135,100,000	0.5%	135,078,000	0.5%	135,078,000	0
Estate Taxes	524,066,000	496,612,000	1.8%	534,639,000	2.1%	534,639,000	0
Cigarette Taxes	55,120,000	46,480,000	0.2%	43,078,000	0.2%	43,078,000	0
Other Tobacco Products Taxes	61,294,000	62,031,000	0.2%	63,698,000	0.3%	63,698,000	0
Other Taxes	998,000	1,900,000	0.0%	1,786,000	0.0%	1,786,000	0
Fines and Fees							
State Court Fees	118,345,000	112,028,000	0.4%	136,595,000	0.5%	136,595,000	0
Secretary of State Corporation Fees	81,870,000	84,848,000	0.3%	86,002,000	0.3%	86,002,000	0
Criminal Fines and Assessments	23,340,000	9,312,000	0.0%	21,354,000	0.1%	22,459,600	1,105,600 (2)
Securities Fees	25,815,000	28,255,000	0.1%	27,631,000	0.1%	27,631,000	0
Charges for Services	11,478,000	12,746,000	0.0%	12,746,000	0.1%	12,746,000	0
Sales Income	340,926,000	357,571,000	1.3%	370,147,000	1.5%	466,484,429	96,337,429 (3)
Interest Earnings	92,920,000	189,984,000	0.7%	205,000,000	0.8%	205,000,000	0
Other	11,498,000	14,490,000	0.1%	12,000,000	0.0%	12,000,000	0
One-time Transfers	174,204,542	153,358,000	0.5%	0	0.0%	566,933,905	566,933,905 (4)
Total General Fund Revenues	\$23,654,574,542	\$28,139,842,000	100.0%	\$25,017,447,000	100.0%	\$25,668,473,934	\$651,026,934

Explanation of Recommended Changes:

- (1) Includes a \$13.3 million reduction for extending personal income tax credits that are scheduled to sunset in 2023-25. See the Tax Expenditure Report for a full list of sunset dates.
- (2) Represents program cost changes in agencies that receive a portion of CFA revenue. These changes increase CFA revenue to be deposited in the General Fund in 2023-25.
- (3) Includes a \$90.5 million increase for the extension of the surcharge on distilled spirits and for increasing the surcharge from \$0.50 per bottle to \$1.00 per bottle beginning July 1, 2023 and extending through June 30, 2023, \$8.2 million from the expansion of retail liquor stores and the development of a regulatory system for the home delivery of alcohol, and a reduction of \$2.4 million for investments at OLCC, which have a corresponding adjustment to the amount of liquor revenue transfers to the General Fund.
- (4) Includes transfers to the General Fund in the amount of \$90 million from the Public Employees' Revolving Fund and transfer of \$476.9 million from the Rainy Day Fund representing anticipated 2023-25 interest earnings and new deposits.

*Percentages do not foot due to rounding.

GENERAL FUND SUMMARIES

CASH BALANCES

	2023-25 GOVERNOR'S BUDGET
BEGINNING BALANCE*	\$ 4,944,259,828
CURRENT REVENUES	<u>25,668,473,934</u>
TOTAL AVAILABLE RESOURCES	\$ 30,612,733,762
LESS: EXPENDITURES	<u>(30,302,561,710)</u>
BALANCES CARRIED FORWARD	<u>\$ 310,172,052</u>

GENERAL FUND REVENUES BY MAJOR SOURCE

	2019-21 ACTUALS	2021-23 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2023-25 GOVERNOR'S BUDGET	% CHANGE (EST/GB)
TAXES	\$22,774,178,000	\$27,177,250,000	19.3%	\$24,132,622,000	-11.2%
FINES AND FEES	249,370,000	234,443,000	-6.0%	272,687,600	16.3%
CHARGES FOR SERVICES	11,478,000	12,746,000	11.0%	12,746,000	0.0%
SALES INCOME	340,926,000	357,571,000	4.9%	466,484,429	30.5%
INTEREST EARNINGS	92,920,000	189,984,000	104.5%	205,000,000	7.9%
OTHER	11,498,000	14,490,000	26.0%	12,000,000	-17.2%
ONE-TIME TRANSFERS	<u>11,498,000</u>	<u>153,358,000</u>	1233.8%	<u>566,933,905</u>	100.0%
TOTAL **	<u>\$ 23,491,868,000</u>	<u>\$ 28,139,842,000</u>	19.8%	<u>\$ 25,668,473,934</u>	-8.8%

* Beginning Balance include projected General Fund reversions of \$1,082.3 million and unexpended emergency fund balance.

** Does not foot due to rounding.

SUMMARY OF GENERAL FUND EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	3,627,982,852	3,817,363,165	5%	5,337,589,156	40%
Services & Supplies	1,727,133,925	2,274,586,656	32%	2,314,502,025	2%
Capital Outlay	56,020,592	268,116,786	379%	34,560,591	-87%
Special Payments	15,920,328,508	20,695,493,216	30%	21,578,652,364	4%
Debt Service	673,344,282	805,471,194	20%	1,037,257,574	29%
Capital Improvement *	(2,657,119)	(5,668,389)	113%	(5,906,764)	4%
Capital Construction *	-	(223,081,000)	100%	-	-100%
TOTAL	\$22,004,810,159	\$27,861,031,017	27%	\$30,302,561,710	9%

* For information only; amounts are included in appropriate categories above.

SUMMARY OF GENERAL FUND EXPENDITURES BY PROGRAM AREA

<i>Program Area</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	10,693,327,602	11,814,736,262	10%	12,631,073,921	7%
Human Services	6,066,852,114	8,633,145,451	42%	10,782,888,396	25%
Public Safety	2,786,721,584	2,327,189,797	-16%	3,298,848,619	42%
Economic & Community Development	506,379,235	1,230,227,364	143%	821,730,368	-33%
Natural Resources	341,342,830	885,138,649	159%	457,157,273	-48%
Transportation	63,541,007	76,759,967	21%	19,378,686	-75%
Consumer & Business Services	15,070,004	55,860,145	271%	31,047,049	-44%
Administration	523,992,769	986,280,657	88%	303,363,785	-69%
Legislative Branch *	138,821,812	417,469,739	201%	195,427,498	-53%
Judicial Branch *	868,761,202	964,444,179	11%	1,139,632,214	18%
Miscellaneous Programs	-	469,778,807	100%	622,013,901	32%
TOTAL	\$22,004,810,159	\$27,861,031,017	27%	\$30,302,561,710	9%

* 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, administration, and public safety program areas. Lottery Funds make up 5.7 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 \$1,778.8 million. The Governor's budget anticipates a beginning balance of \$71.3 million Lottery Funds, which is the current law forecast. Interest on the Economic Development Fund and the Education Stability Fund provide an additional \$69.3 million of resources.

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 proposed changes in the Governor's budget:

- Local Government. Counties receive 2.5 percent of video poker proceeds, a total of \$60.9 million for the 2023-25 biennium.
- Education. The Education Stability Fund receives 18 percent of total transfers. A total of \$320.2 million is expected to be deposited in the Education Stability Fund in the 2023-25 biennium. Of this amount, 10 percent is dedicated to the Oregon Growth Account. The remaining 90 percent, or \$288.2 million, will be available for the support of general education in Oregon.
- Education. Outdoor School Measure 98 (2016) dedicates Lottery Funds to increase access to outdoor school for Oregon children. The Governor's budget includes \$56.6 million for this purpose.
- Education. The Sports Lottery Account receives one percent of total transfers to fund sports programs at public universities. The Governor's budget includes \$17.8 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 \$26.7 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 \$266.8 million in the 2023-25 biennium. The Oregon Constitution requires 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 \$17.8 million in the 2023-25 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.
- *Unfunded PERS Liabilities.* Proceeds of Sports Betting lottery proceeds are statutorily dedicated to the Employer Incentive Fund at the Public Employees Retirement System (PERS). Funds are used as matching contributions for PERS employers payments made toward the unfunded actuarial liabilities associated with public employee pensions. The Governor’s budget includes \$21.7 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.

At the end of the 2021-23 biennium, Oregon is well positioned with the combined balance in the Rainy Day Fund and the Education Stability Fund projected to be \$2,039.9 million, which equates to 6.7 percent of the General Fund expenditures included in the Governor’s budget. The Governor’s budget proposes to retain the balances in these two accounts at the levels they will achieve at the end of the 2021-23 biennium but repurposes the projected new deposits that would otherwise occur during 2023-25 into critical investments to position Oregon for the future.

Specifically for the Education Stability Fund, the Governor’s budget reallocates \$288.2 million in projected new Lottery Funds deposits from the Education Stability Fund to the Higher Education Coordinating Commission to support Oregon Opportunity Grants and Public Universities. The December 2022 quarterly economic and revenue forecast indicates moneys available to the state’s General Fund for the 2023-25 biennium will be at least three percent less than appropriations from the state’s General Fund for the current biennium. Approval by three-fifths of the members serving in each house of the Legislative Assembly is required.

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

	2023-25 CURRENT LAW			2023-25 GOVERNOR'S BUDGET		
	GENERAL	LOTTERY	TOTAL	GENERAL	LOTTERY	TOTAL
BEGINNING CASH BALANCES*	\$3,861,967,056	\$71,331,661	\$ 3,933,298,717	\$ 4,944,259,828	\$161,679,135	\$ 5,105,938,963
AVAILABLE REVENUES**	\$25,017,447,000	\$1,466,989,026	26,484,436,026	25,668,473,934	\$1,755,159,181	27,423,633,115
TOTAL RESOURCES	\$ 28,879,414,056	\$ 1,538,320,687	\$ 30,417,734,743	\$ 30,812,733,762	\$1,916,838,316	\$32,529,572,078
LESS EXPENDITURES	(30,302,561,710)	(1,845,151,366)	(32,147,713,076)	(30,302,561,710)	(1,845,151,366)	(32,147,713,076)
PROJECTED CASH BALANCE	\$ (1,423,147,654)	\$ (306,830,679)	\$ (1,729,978,333)	\$ 310,172,052	\$ 71,686,950	\$ 381,859,002
NET CHANGE IN PROJECTED ENDING BALANCE				\$ 1,733,319,706	\$ 378,517,629	\$ 2,111,837,335

*Beginning General Fund cash balances include an anticipated appropriation to the Rainy Day Fund at the end of the 2021-23 biennium per the December 2022 forecast by the Office of Economic Analysis. The Governor's budget includes projected General Fund reversions of \$1,062.3 million and the unexpended emergency fund balance of \$77.1 million. For Lottery Funds, the Governor's budget anticipates a beginning balance of \$161.7 million, which includes the current law forecast plus anticipated carry-forwards.

**Available Lottery revenue includes interest on the Education Stability Fund and but does not include revenues from video lottery which is transferred to counties or the Education Stability Fund. For 2021-23 Governor's budget a series of adjustments are made to available resources as detailed in the Revenue Summary and Lottery Funds sections.

Non-General Fund Summaries

CASH BALANCES

	2023-25 GOVERNOR'S BUDGET
BEGINNING BALANCES	\$ 112,302,504,714
CURRENT REVENUES	<u>100,622,567,464</u>
TOTAL RESOURCES AVAILABLE	\$ 212,925,072,178
LESS: TRANSFERS TO OTHER GOVERNMENTS EXPENDITURES *	<u>(2,044,762,415)</u> <u>(85,113,287,940)</u>
BALANCES CARRIED FORWARD	<u>\$ 125,767,021,823</u>

NON-GENERAL FUND REVENUES BY MAJOR SOURCE

	2019-21 ACTUALS	2021-23 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2023-25 GOVERNOR'S BUDGET	% CHANGE (LAB/GB)
TAXES	\$ 7,121,323,741	\$ 12,476,228,665	75.2%	\$ 15,717,114,043	26.0%
FEDERAL FUNDS	34,385,157,684	40,472,526,907	17.7%	37,129,873,429	-8.3%
FEDERAL FUNDS AS OTHER FUNDS	967,337,892	1,855,379,862	91.8%	2,600,629,128	40.2%
DONATIONS AND CONTRIBUTIONS	6,187,254,273	6,205,585,723	0.3%	9,311,844,707	50.1%
OTHER	4,657,355,259	5,144,060,233	10.5%	4,613,156,139	-10.3%
BOND SALES	4,372,335,217	3,735,694,741	-14.6%	3,420,668,493	-8.4%
INTEREST EARNINGS	22,406,146,304	10,139,589,125	-54.7%	15,614,398,849	54.0%
LIQUOR AND OTHER SALES INCOME	784,462,775	808,812,292	3.1%	930,365,846	15.0%
LOAN REPAYMENTS	929,277,690	639,791,509	-31.2%	643,133,458	0.5%
LOTTERY DISTRIBUTIONS	1,201,751,414	1,735,906,280	44.4%	1,778,828,118	2.5%
CHARGES FOR SERVICES	4,195,594,120	5,958,312,743	42.0%	6,595,495,924	10.7%
LICENSES AND FEES	1,960,742,793	2,136,904,898	9.0%	2,267,059,330	6.1%
TOTAL **	<u>\$ 89,168,739,162</u>	<u>\$ 91,308,792,978</u>	<u>2.4%</u>	<u>\$ 100,622,567,464</u>	<u>10.2%</u>

* Excludes Non-Add expenditures.

** Does not include beginning balance.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	4,777,013,567	6,922,657,175	45%	5,964,587,691	-14%
Services & Supplies	6,850,640,273	10,177,524,133	49%	9,206,233,126	-10%
Capital Outlay	484,291,978	1,410,210,027	191%	1,464,684,823	4%
Special Payments	58,196,078,987	71,798,847,822	23%	66,473,210,115	-7%
Debt Service	4,645,253,062	1,956,803,481	-58%	2,004,572,185	2%
Nonlimited Budget *	(29,994,140,391)	(25,904,420,511)	-14%	(23,276,774,902)	-10%
Capital Improvement	(33,476,028)	(50,038,585)	49%	(57,190,920)	14%
Capital Construction	(865,604,837)	(1,669,345,895)	93%	(1,397,989,783)	-16%
TOTAL **	\$74,953,277,867	\$92,266,042,638	23%	\$85,113,287,940	-8%

* 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

<i>Program Area</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	5,637,348,080	8,807,275,476	56%	7,924,412,688	-10%
Human Services	31,529,341,909	40,890,460,305	30%	41,508,743,460	2%
Public Safety	1,895,403,120	3,509,599,365	85%	2,406,813,538	-31%
Economic & Community Development	13,312,141,047	11,903,811,075	-11%	8,532,601,582	-28%
Natural Resources	1,727,020,778	2,468,466,196	43%	2,513,629,979	2%
Transportation	5,328,414,479	5,211,547,781	-2%	5,752,845,457	10%
Consumer & Business Services	828,680,922	915,319,231	10%	992,545,374	8%
Administration	14,476,359,393	18,218,133,682	26%	15,219,204,608	-16%
Legislative Branch *	92,784,795	39,550,837	-57%	14,643,719	-63%
Judicial Branch *	125,783,344	301,878,690	140%	247,847,535	-18%
TOTAL **	\$74,953,277,867	\$92,266,042,638	23%	\$85,113,287,940	-8%

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule II – Other Funds and Lottery Funds Revenue by Source

Description	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
Taxes			
Corporate Activity Tax	1,372,630,989	2,332,431,360	2,577,106,000
Gross Receipts Business Taxes/Fees	6,055,704	5,800,000	6,190,686
Employment Taxes	98,395,687	2,501,718,079	4,879,732,790
Workers Comp Insurance Taxes	155,806,685	145,595,676	206,613,129
Other Employer -Employee Taxes	138,598,347	1,402,051,324	1,557,555,620
Cigarette Taxes	412,282,111	634,797,000	609,100,000
Other Tobacco Products Taxes	64,099,723	75,500,000	116,500,000
Marijuana Taxes	359,295,968	339,482,486	351,551,000
Amusement Taxes	-	3,890,000	4,052,345
Insurance Taxes	-	639,302,438	759,138,676
Eastern Oregon Severance Taxes	-	20,260	31,914
Western Oregon Severance Taxes	-	970,000	1,135,910
Other Severance Taxes	-	100,000	33,478
Forest Protection Taxes	53,299,080	136,593,757	136,593,757
Motor Fuels Taxes	1,222,542,471	1,415,484,523	1,368,350,366
Weight-Mile Taxes	801,920,902	858,141,782	980,864,085
Privilege Taxes	26,073,514	84,172,692	125,436,718
Other Selective Taxes	1,943,819,573	1,459,795,921	1,606,097,005
Other Taxes	466,502,987	440,381,367	431,030,564
Total Taxes	\$7,121,323,741	\$12,476,228,665	\$15,717,114,043
Licenses and Fees			
Business Lic and Fees	488,757,137	477,944,481	518,959,438
Non-business Lic. and Fees	91,511,458	91,991,977	98,428,095
Municipal Court Fines	-	1,000,000	-
State Court Fees	12,304,768	16,141,663	11,881,668
Hunter and Angler Licenses	120,620,994	126,580,794	127,095,663
Commercial Fish Lic and Fees	10,537,363	10,804,906	10,917,583
Public Utilities Fees	166,463,064	177,302,618	190,187,975
Power and Water Fees	9,648,233	11,077,688	12,209,436
Fire Marshal Fees	32,144,084	35,253,489	40,100,869
Park User Fees	55,213,508	61,432,776	66,403,628
Vehicle Licenses	785,693,736	919,982,540	953,530,830
Drivers Licenses	81,312,194	99,865,085	127,400,421
Transportation Lic and Fees	106,536,254	107,526,881	109,943,724
Total Licenses and Fees	\$1,960,742,793	\$2,136,904,898	\$2,267,059,330

Description	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
Federal Funds as Other Funds			
Federal Revenues	965,460,750	1,853,670,340	2,598,919,606
Federal Revenues - Svc Contracts	1,877,142	1,709,522	1,709,522
Total Federal Funds as Other Funds	\$967,337,892	\$1,855,379,862	\$2,600,629,128
Charges for Services			
Central Service Charges	4,500,000	4,500,000	4,500,000
Charges for Services	1,084,849,285	1,236,730,644	1,397,879,164
Admin and Service Charges	3,074,098,275	4,696,424,814	5,165,757,237
Care of State Wards	32,146,560	20,957,285	27,359,523
Total Charges for Services	\$4,195,594,120	\$5,958,612,743	\$6,595,495,924
Fines, Rents and Royalties			
Fines and Forfeitures	209,284,119	219,702,273	193,015,577
Rents and Royalties	132,833,832	158,621,492	171,846,562
Total Fines, Rents and Royalties	\$342,117,951	\$378,323,765	\$364,862,139
Bond Sales			
General Fund Obligation Bonds	1,071,504,206	2,274,275,745	2,102,623,696
Dedicated Fund Oblig Bonds	98,215,000	485,652,783	283,286,410
Lottery Bonds	11,465,210	375,276,150	474,758,387
Revenue Bonds	500,306,350	600,076,908	560,000,000
Refunding Bonds	2,690,844,451	413,155	-
Total Bond Sales	\$4,372,335,217	\$3,735,694,741	\$3,420,668,493
Interest Earnings			
Interest Income	\$22,406,146,304	\$10,139,589,125	\$15,614,398,849
Sales Income			
Sales Income	72,500,129	26,881,598	15,257,163
Liquor Sales	455,288,679	505,092,849	639,881,750
Pari-Mutuel Receipts	4,586,193	4,972,212	4,712,778
State Forest Lands Sales	246,604,630	262,589,125	259,237,647
Common School Lands Sales	5,483,144	9,276,508	11,276,508
Total Sales Income	\$784,462,775	\$808,812,292	\$930,365,846
Donations and Contributions			
Donations	30,018,563	46,800,234	41,843,691

Description	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
Grants (Non-Fed)	23,527,986	22,502,170	25,930,586
Retirement System Contribution	6,133,707,724	6,136,283,319	9,244,070,430
Total Donations and Contributions	\$6,187,254,273	\$6,205,585,723	\$9,311,844,707
Loan Repayment			
Loan Repayments	305,629,323	201,515,785	197,412,789
Housing Div Loan Repayments	372,692,281	315,637,341	321,650,417
Veterans Loan Repayments	187,211,163	80,000,000	80,000,000
Sr Citizen Prop Tax Repayments	63,744,923	42,638,383	44,070,252
Total Loan Repayment	\$929,277,690	\$639,791,509	\$643,133,458
Insurance Premium			
Insurance Premiums	\$63,250,940	\$83,002,020	\$65,147,533
Other			
Other Revenues	\$4,251,986,368	\$4,682,734,448	\$4,183,146,467
Federal Funds Revenue			
Federal Funds	\$330,375	-	-
Lottery Distributions	\$1,201,751,414	\$1,735,906,280	\$1,778,828,118
Total Transfers In/Out	\$2,028,300,274	\$3,128,827,339	(\$149,070,490)
Total Other Funds and Lottery Funds Revenue	56,811,881,752	53,965,393,410	63,343,623,545
Total Non Add Expenditures	868,952,902	1,038,171,612	1,127,961,790
Revised Total w/ NonAdd Exp Removed	55,942,928,850	52,927,221,798	62,215,661,755

Schedule III – Receipts from the Federal Government

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
EDUCATION			
Department of Early Learning and Care	-	-	382,393,708
Education, Dept of	1,927,655,522	3,392,615,167	2,749,962,390
Higher Education Coordinating Commission	85,996,197	155,694,206	160,309,894
EDUCATION TOTAL	\$2,013,651,719	\$3,548,309,373	\$3,292,665,992
HUMAN SERVICES			
Commission for the Blind	16,379,029	17,612,064	18,847,749
Human Services, Dept. of	8,889,670,232	11,359,676,823	11,392,402,228
Oregon Health Authority	13,662,961,299	17,858,430,523	19,050,361,507
HUMAN SERVICES TOTAL	\$22,569,010,560	\$29,235,719,410	\$30,461,611,484
PUBLIC SAFETY			
Corrections, Dept of	5,540,000	4,734,976	300,000
Criminal Justice Comm, Oregon	13,920,222	4,736,711	5,650,000
Department of the State Fire Marshal	-	-	599,795
Emergency Management, Oregon Dept of	-	702,235,505	1,048,364,272
Justice, Dept of	188,996,995	187,675,747	220,823,033
Military Dept, Oregon	705,254,646	472,098,831	141,681,008
Oregon Youth Authority	28,843,022	37,034,286	38,132,598
Police, Dept of State	9,808,085	16,583,246	14,113,696
Public Safety Standards & Training, Dept of	7,755,645	8,020,835	7,623,049
PUBLIC SAFETY TOTAL	\$960,118,615	\$1,433,120,137	\$1,477,287,451
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	6,676,498,124	1,397,778,588	244,841,203
Housing & Community Svcs Dept	305,324,547	885,035,310	649,271,681
Oregon Business Development Department	40,100,306	82,434,648	133,695,451
Veterans' Affairs, Oregon Dept of	1,472,893	1,630,911	3,881,025
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	\$7,023,395,870	\$2,366,879,457	\$1,031,689,360
NATURAL RESOURCES			
Agriculture, Oregon Dept of	12,048,375	18,786,306	19,011,179
Energy, Dept of	3,162,364	3,429,163	3,396,585
Environmental Quality, Dept of	22,622,120	30,425,768	32,178,886

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
NATURAL RESOURCES			
Fish & Wildlife, Oregon Dept of	116,489,428	162,464,470	171,903,072
Forestry, Dept of	22,479,259	41,861,643	48,941,119
Geology & Mineral Industries, Dept of	3,859,582	5,765,844	5,519,902
Land Conservation & Development, Dept of	4,477,272	6,748,006	7,662,988
Lands, Dept of State	1,823,336	2,758,773	3,000,000
Marine Board, Oregon State	5,632,857	6,659,930	6,974,348
Parks & Recreation Dept	9,478,840	22,854,464	22,542,959
Water Resources Dept	533,042	737,366	703,315
Watershed Enhancement Board, Oregon	32,063,007	48,251,444	53,398,495
NATURAL RESOURCES TOTAL	\$234,669,482	\$350,743,177	\$375,232,848
TRANSPORTATION			
Aviation, Dept of	7,796,670	10,147,359	20,720,214
Transportation, Oregon Dept of	121,162,066	146,720,006	210,263,947
TRANSPORTATION TOTAL	\$128,958,736	\$156,867,365	\$230,984,161
CONSUMER & BUSINESS SERVICES			
Consumer and Business Svcs, Dept of	111,992,829	123,505,942	135,542,861
Labor & Industries, Bureau of	1,123,600	1,745,124	2,225,124
Public Utility Commission	839,599	1,219,585	1,213,146
CONSUMER & BUSINESS SERVICES TOTAL	\$113,956,028	\$126,470,651	\$138,981,131
ADMINISTRATION			
Administrative Svcs, Dept of	1,327,956,994	3,244,567,632	114,353,354
Oregon Liquor & Cannabis Comm	1,181,080	-	-
Secretary of State	6,109,153	90,150	20,000
State Library	5,139,478	7,977,520	5,265,613
ADMINISTRATION TOTAL	\$1,340,386,705	\$3,252,635,302	\$119,638,967

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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JUDICIAL BRANCH

Judicial Dept	1,009,969	1,782,035	1,782,035
JUDICIAL BRANCH TOTAL	\$1,009,969	\$1,782,035	\$1,782,035

NET FEDERAL GOVERNMENT RECEIPTS	\$34,385,157,684	\$40,472,526,907	\$37,129,873,429
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All Funds Summary

CASH BALANCES

	2023-25 GOVERNOR'S BUDGET
BEGINNING BALANCES	\$ 117,246,764,542
CURRENT REVENUES:	
GENERAL FUND	25,668,473,934
OTHER AND LOTTERY FUNDS	63,492,694,035
FEDERAL FUNDS	<u>37,129,873,429</u>
SUBTOTAL	<u>126,291,041,398</u>
TOTAL RESOURCES AVAILABLE	\$243,537,805,940
LESS: TRANSFERS TO OTHER GOVERNMENTS	
OTHER AND LOTTERY FUNDS	(1,935,968,230)
FEDERAL FUNDS	<u>(108,794,185)</u>
SUBTOTAL	<u>(2,044,762,415)</u>
EXPENDITURES *	
GENERAL FUND	(30,302,561,710)
LOTTERY FUNDS	(1,845,151,366)
OTHER FUNDS	(47,034,493,692)
FEDERAL FUNDS	<u>(36,233,642,882)</u>
SUBTOTAL	<u>(115,415,849,650)</u>
BALANCES CARRIED FORWARD	<u><u>\$126,077,193,875</u></u>

REVENUES BY MAJOR SOURCE

	2019-21 ACTUALS	2021-23 LEGISLATIVELY APPROVED	% CHANGE (ACT/LAB)	2023-25 GOVERNOR'S BUDGET	% CHANGE (EST/GB)
TAXES	\$ 29,895,501,741	\$ 39,653,478,665	32.6%	\$39,849,736,043	0.5%
FEDERAL FUNDS	34,385,157,684	40,472,526,907	17.7%	37,129,873,429	-8.3%
FEDERAL FUNDS AS OTHER FUNDS	967,337,892	1,855,379,862	91.8%	2,600,629,128	40.2%
DONATIONS AND CONTRIBUTIONS	6,187,254,273	6,205,585,723	0.3%	9,311,844,707	50.1%
OTHER	4,668,853,259	5,158,550,233	10.5%	4,625,156,139	-10.3%
BOND SALES	4,372,335,217	3,735,694,741	-14.6%	3,420,668,493	-8.4%
INTEREST EARNINGS	22,499,066,304	10,329,573,125	-54.1%	15,819,398,849	53.1%
LIQUOR AND OTHER SALES INCOME	1,125,388,775	1,166,383,292	3.6%	1,396,850,275	19.8%
LOAN REPAYMENTS	929,277,690	639,791,509	-31.2%	643,133,458	0.5%
LOTTERY DISTRIBUTIONS	1,201,751,414	1,735,906,280	44.4%	1,778,828,118	2.5%
CHARGES FOR SERVICES	4,207,072,120	5,971,058,743	41.9%	6,608,241,924	10.7%
LICENSES, FINES AND FEES	1,960,742,793	2,136,904,898	9.0%	2,267,059,330	6.1%
ONE-TIME TRANSFERS	<u>5,020,000</u>	<u>284,241,000</u>	5562.2%	<u>8,209,830</u>	-97.1%
TOTAL **	<u><u>\$ 112,404,759,162</u></u>	<u><u>\$ 119,345,074,978</u></u>	6.2%	<u><u>\$125,459,629,723</u></u>	5.1%

* Excludes Non-Add expenditures.

** Does not include beginning balance.

All Funds Expenditures by Category and Program Area

EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	8,404,996,419	10,740,020,340	28%	11,302,176,847	5%
Services & Supplies	8,577,774,198	12,452,110,789	45%	11,520,735,151	-7%
Capital Outlay	540,312,570	1,678,326,813	211%	1,499,245,414	-11%
Special Payments	74,116,407,495	92,494,341,038	25%	88,051,862,479	-5%
Debt Service	5,318,597,344	2,762,274,675	-48%	3,041,829,759	10%
Nonlimited Budget *	(29,994,140,391)	(25,904,420,511)	-14%	(23,276,774,902)	-10%
Capital Improvement	(36,133,147)	(55,706,974)	54%	(63,097,684)	13%
Capital Construction	(865,604,837)	(1,892,426,895)	119%	(1,397,989,783)	-26%
TOTAL **	\$96,958,088,026	\$120,127,073,655	24%	\$115,415,849,650	-4%

* 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.

EXPENDITURES BY PROGRAM AREA

<i>Program Area</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2023-25 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	16,330,675,682	20,622,011,738	26%	20,555,486,609	-0%
Human Services	37,596,194,023	49,523,605,756	32%	52,291,631,856	6%
Public Safety	4,682,124,704	5,836,789,162	25%	5,705,662,157	-2%
Economic & Community Development	13,818,520,282	13,134,038,439	-5%	9,354,331,950	-29%
Natural Resources	2,068,363,608	3,353,604,845	62%	2,970,787,252	-11%
Transportation	5,391,955,486	5,288,307,748	-2%	5,772,224,143	9%
Consumer & Business Services	843,750,926	971,179,376	15%	1,023,592,423	5%
Administration	15,000,352,162	19,204,414,339	28%	15,522,568,393	-19%
Legislative Branch *	231,606,607	457,020,576	97%	210,071,217	-54%
Judicial Branch *	994,544,546	1,266,322,869	27%	1,387,479,749	10%
Miscellaneous Programs	-	469,778,807	100%	622,013,901	32%
TOTAL **	\$96,958,088,026	\$120,127,073,655	24%	\$115,415,849,650	-4%

* 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

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
PROGRAM AREA: EDUCATION			
Department of Early Learning and Care			
General Fund Appropriation	-	-	560,227,774
Other Funds Revenues	-	-	971,952
Charges for Services	-	-	
Fines and Forfeitures	-	-	262,500
Grants (Non-Fed)	-	-	3,313,589
Other Revenues	-	-	444,294,413
Federal Funds	-	-	382,393,708
Transfers In	-	-	
Other Funds	-	-	36,747,214
All Funds Available for Exp	-	-	1,428,211,150
All Expenditures	-	-	560,227,774
General Fund	-	-	
Other Funds	-	-	456,090,126
Federal Funds	-	-	378,442,816
Total Expenditures	-	-	1,394,760,716
Ending Balance	-	-	29,499,542
Other Funds	-	-	
Federal Funds	-	-	3,950,892
Education, Dept of			
Beginning Balance			
Lottery Funds	6,830	-	-
Other Funds	160,924,126	274,753,665	274,753,665
Federal Funds	2	-	-
Beginning Balance Adjustment			
Other Funds	-	242,475,288	361,195,834

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: EDUCATION

Education, Dept of

General Fund Appropriation	8,457,027,336	9,155,162,920	9,578,295,881
Lottery Funds	8,405	-	-
Interest Income			
Other Funds Revenues			
Business Lic and Fees	18,450	-	-
Charges for Services	5,489,318	906,521	906,521
Fines and Forfeitures	314,427	971,952	-
Rents and Royalties	320,206	1,910,846	1,910,846
General Fund Obligation Bonds	117,879,341	148,000,000	308,365,000
Lottery Bonds	-	-	15,195,149
Interest Income	3,446,485	-	-
Sales Income	269,043	525,000	525,000
Donations	92,333	1,639,014	17,500
Grants (Non-Fed)	2,264,420	8,059,614	2,130,000
Loan Repayments	1,563,219	-	-
Other Revenues	242,031,095	38,976,816	43,887,733
Federal Funds	1,940,777,330	3,414,121,355	2,762,892,612
Transfers In	731,145,164	650,508,965	399,110,719
Lottery Funds			
Other Funds	3,423,769,578	4,626,214,392	4,585,917,229
Transfers Out			
Other Funds	(1,407,592,618)	(1,725,761,676)	(1,518,995,925)
Federal Funds	(13,121,808)	(21,506,188)	(12,930,222)
All Funds Available for Exp	13,666,632,682	16,816,958,484	16,803,177,542
All Expenditures	8,538,385,764	9,155,162,920	9,578,295,881
General Fund			
Lottery Funds	731,160,397	650,508,965	399,110,719

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: EDUCATION

Education, Dept of

All Expenditures			
Other Funds	1,752,902,605	3,487,416,617	3,323,334,955
Federal Funds	1,578,937,990	3,392,608,708	2,077,959,996
Total Expenditures	<u>12,601,386,756</u>	<u>16,685,697,210</u>	<u>15,378,701,551</u>
Reversions	81,358,428	-	-
Ending Balance	2	-	-
Lottery Funds			
Other Funds	797,886,818	131,254,815	752,473,597
Federal Funds	348,717,534	6,459	672,002,394

Higher Education Coordinating Commission

Beginning Balance	11,984,500	29,445,780	29,445,780
Lottery Funds			
Other Funds	36,339,674	1,868,855	12,241,631
Federal Funds	1,218,366	-	-
Beginning Balance Adjustment			
Lottery Funds	22,611	67,517	-
Other Funds	8,029,740	-	129,235,767
Federal Funds	816,931	-	-
General Fund Appropriation	2,158,565,086	2,657,846,371	2,490,039,798
Lottery Funds	57,831	-	-
Interest Income			
Other Funds Revenues			
Business Lic and Fees	1,366,992	-	-
Non-business Lic. and Fees	-	506,457	506,457
Charges for Services	2,800,677	2,853,596	3,024,916
Admin and Service Charges	1,936,990	1,356,021	1,247,899
General Fund Obligation Bonds	281,043,651	696,608,358	398,054,890

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: EDUCATION

Higher Education Coordinating Commission

Other Funds Revenues

Dedicated Fund Oblig Bonds	-	-	8,315,000
Refunding Bonds	750,465,000	-	-
Interest Income	107,142,462	82,512	82,512
Sales Income	25,687,183	-	-
Donations	15,636,465	15,794,061	16,367,388
Grants (Non-Fed)	89,000	1,322,820	1,322,820
Loan Repayments	90,388,296	-	-
Other Revenues	2,268,200	40,413,588	33,951,735

Federal Funds	86,020,049	155,964,206	160,579,894
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Transfers In	150,216,720	133,137,911	474,935,997
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Lottery Funds			
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Other Funds	51,358,207	214,354,871	30,004,040
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Transfers Out			
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Lottery Funds	(5,663,748)	-	-
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Other Funds	(78,291)	-	(277,136)
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Federal Funds	(23,852)	(270,000)	(270,000)
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All Funds Available for Exp	3,778,430,371	3,951,352,924	3,788,809,388
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All Expenditures	2,154,941,838	2,657,846,371	2,490,039,798
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General Fund			
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Lottery Funds	141,833,001	139,873,506	486,222,079
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Other Funds	1,336,582,733	967,104,147	628,361,866
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Federal Funds	87,525,171	155,561,389	160,293,295
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Total Expenditures	3,720,882,743	3,920,385,413	3,764,917,038
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Reversions	(3,623,248)	-	-
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: EDUCATION

Higher Education Coordinating Commission

Ending Balance			
Lottery Funds	14,784,913	22,777,702	18,159,698
Other Funds	37,881,642	8,056,992	5,716,053
Federal Funds	1,257,825	132,817	16,599

Teacher Standards & Practices Comm

Beginning Balance			
Other Funds	3,800,631	3,577,894	3,611,340
Beginning Balance Adjustment			
Other Funds	-	225,197	1,600,936
General Fund Appropriation	-	4,905,708	2,510,468
Other Funds Revenues	7,392,753	10,994,056	8,655,985
Business Lic and Fees			
Admin and Service Charges	756,327	624,834	1,329,163
Interest Income	49,441	40,000	-
Other Revenues	9	-	-
Transfers In			
Other Funds	2,518,552	1,514,989	4,300,000
Transfers Out			
Other Funds	-	(1,514,989)	-
All Funds Available for Exp	14,517,713	20,367,689	22,007,892
All Expenditures	-	1,726,971	2,510,468
General Fund			
Other Funds	8,406,183	14,202,144	14,596,836
Total Expenditures	8,406,183	15,929,115	17,107,304
Ending Balance	-	3,178,737	-
General Fund			

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: EDUCATION

Teacher Standards & Practices Comm

Ending Balance			
Other Funds	6,111,530	1,259,837	4,900,588

PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

Beginning Balance			
Other Funds	626,342	-	-
Beginning Balance Adjustment			
Other Funds	391,815	-	-
General Fund Appropriation	6,404,463	5,658,523	7,255,754
Other Funds Revenues			
Sales Income	21,373	16,739	16,739
Other Revenues	329,619	1,062,584	1,118,658
Federal Funds	16,330,607	17,612,064	18,847,749
Transfers In			
Other Funds	917,022	-	-
Federal Funds	6,045,546	-	-
Transfers Out			
Other Funds	(851,924)	-	-
Federal Funds	(5,997,124)	-	-
All Funds Available for Exp	<u>24,217,739</u>	<u>24,349,910</u>	<u>27,238,900</u>
All Expenditures			
General Fund	6,140,868	5,788,243	7,255,754
Other Funds	1,268,014	1,083,040	1,134,262
Federal Funds	16,379,029	17,994,237	18,809,642

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

Total Expenditures	23,787,911	24,865,520	27,199,658
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Reversions	(263,595)	-	-
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Ending Balance			
General Fund	-	(129,720)	-
Other Funds	166,233	(3,717)	1,135
Federal Funds	-	(382,173)	38,107

Human Services, Dept. of

Beginning Balance			
Other Funds	8,304,337	1,729,767	1,690,049

Beginning Balance Adjustment			
General Fund	1	-	-
Other Funds	-	-	15,470,000

General Fund Appropriation	3,721,468,665	4,807,184,398	5,343,817,382
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Other Funds Revenues			
Other Selective Taxes	116,381,077	149,242,048	161,000,928
Business Lic and Fees	9,640,327	2,848,813	2,848,813
Non-business Lic. and Fees	16,439	-	-
Charges for Services	181,343	349,760	349,760
Admin and Service Charges	209,830,776	-	-
Care of State Wards	8,420,620	16,331,150	22,544,168
Fines and Forfeitures	4,009,269	-	-
General Fund Obligation Bonds	31,790,000	-	-
Interest Income	4,517,789	237,515	237,515
Sales Income	5,900	-	-
Donations	144,735	-	-
Grants (Non-Fed)	419,511	-	-

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: HUMAN SERVICES

Human Services, Dept. of

Other Funds Revenues

Other Revenues	100,437,556	508,365,286	473,076,739
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Federal Funds

	8,934,472,243	11,374,261,227	11,408,983,992
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Transfers In

Other Funds	265,160,762	299,861,245	378,196,714
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Federal Funds	-	1,813,619	-
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Transfers Out

Other Funds	(2,317,601)	(10,844,421)	(11,466,920)
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Federal Funds	(46,636,190)	(16,398,023)	(16,581,764)
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All Funds Available for Exp

	13,366,247,559	17,134,982,384	17,780,167,376
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All Expenditures

General Fund	3,637,247,990	4,807,184,398	5,343,817,382
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Other Funds	751,048,822	942,725,953	1,022,662,167
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Federal Funds	8,887,835,974	11,359,676,823	11,392,402,228
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Total Expenditures

	13,276,132,786	17,109,587,174	17,758,881,777
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Reversions

	(84,220,676)	-	-
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Ending Balance

Other Funds	5,894,018	25,395,210	21,285,599
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Federal Funds	79	-	-
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Long Term Care Ombudsman

Beginning Balance

Other Funds	298,519	222,593	250,310
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Beginning Balance Adjustment

Other Funds	-	101,010	-
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: HUMAN SERVICES

Long Term Care Ombudsman

General Fund Appropriation	7,633,542	11,164,278	11,934,035
Other Funds Revenues	26	-	-
Interest Income			
Donations	6,000	7,500	6,000
Transfers In			
Other Funds	974,221	1,022,345	743,099
All Funds Available for Exp	<u>8,912,308</u>	<u>12,517,726</u>	<u>12,933,444</u>
All Expenditures			
General Fund	7,496,334	11,164,278	11,934,035
Other Funds	930,428	1,166,468	903,651
Total Expenditures	<u>8,426,762</u>	<u>12,330,746</u>	<u>12,837,686</u>
Reversions	(137,208)	-	-
Ending Balance			
Other Funds	348,338	186,980	95,758

Oregon Health Authority

Beginning Balance	605,066	-	-
Lottery Funds			
Other Funds	346,959,129	2,192,230,821	2,192,230,821
Beginning Balance Adjustment			
Lottery Funds	(542,351)	-	-
Other Funds	1	(1,816,074,830)	(1,838,030,686)
General Fund Appropriation	2,466,696,946	3,804,926,153	5,415,491,546

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: HUMAN SERVICES

Oregon Health Authority

Lottery Funds			
Interest Income	60,053	-	-
Other Funds Revenues			
General Fund Revenues	-	-	90,000,000
Personal Income Taxes	-	37,200,000	37,200,000
Other Selective Taxes	1,558,431,925	1,294,406,098	1,433,235,092
Other Taxes	-	-	37,000,000
Business Lic and Fees	21,824,791	17,388,400	17,388,400
Non-business Lic. and Fees	12,484,000	12,297,950	12,297,950
Charges for Services	20,070,881	23,117,699	22,994,778
Admin and Service Charges	2,385,179,270	4,184,913,290	4,497,266,204
Care of State Wards	21,742,626	2,369,042	2,369,042
Fines and Forfeitures	6,043,317	1,140,607	1,140,607
Rents and Royalties	152,400	-	-
General Fund Obligation Bonds	-	7,992,750	8,140,000
Lottery Bonds	-	-	100,947,376
Refunding Bonds	232,954,693	-	-
Interest Income	11,393,517	4,976,604	4,976,604
Sales Income	8,383,023	9,797,241	9,797,241
Grants (Non-Fed)	3,664,056	108,333	108,333
Other Revenues	2,763,552,453	2,953,357,722	2,024,085,395
Federal Funds	13,686,025,293	17,877,270,589	19,070,427,989
Transfers In	27,776,367	19,670,002	26,543,282
Lottery Funds			
Other Funds	1,370,831,652	2,091,299,289	1,790,273,649
Federal Funds	114,000	-	-
Transfers Out			
Lottery Funds	(10,603,015)	-	-
Other Funds	(160,821,399)	(1,313,452)	(181,346,441)
Federal Funds	(23,177,994)	(18,840,066)	(20,066,482)

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: HUMAN SERVICES

Oregon Health Authority

All Funds Available for Exp	24,749,800,700	32,698,234,242	34,754,470,700
All Expenditures	2,412,898,628	3,804,926,153	5,415,491,546
General Fund			
Lottery Funds	17,296,110	19,670,002	26,543,282
Other Funds	8,191,650,197	10,689,713,259	9,995,926,721
Federal Funds	13,662,933,335	17,858,430,523	19,050,361,507
Total Expenditures	24,284,778,270	32,372,739,937	34,488,323,056
Reversions	(53,798,318)	-	-
Ending Balance	10	-	-
Lottery Funds			
Other Funds	411,196,138	325,494,305	266,147,644
Federal Funds	27,964	-	-

Psychiatric Security Review Board

Beginning Balance	1	-	-
Other Funds			
General Fund Appropriation	3,220,660	4,082,379	4,389,679
All Funds Available for Exp	3,220,661	4,082,379	4,389,679
All Expenditures	3,068,294	4,082,379	4,389,679
General Fund			
Total Expenditures	3,068,294	4,082,379	4,389,679

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: HUMAN SERVICES

Psychiatric Security Review Board

Reversions	(152,366)	-	-
Ending Balance	1	-	-
Other Funds			

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

Beginning Balance			
Other Funds	12,811,713	9,131,119	9,131,119
Federal Funds	1,784	-	-
Beginning Balance Adjustment			
Other Funds	6,913,163	-	97,772,018
Federal Funds	1	-	-
General Fund Appropriation	1,925,643,661	1,108,497,939	2,046,404,280
Other Funds Revenues	9,754	-	-
Non-business Lic. and Fees			
Federal Revenues	269,448	155,683	292,838
Charges for Services	11,434,295	22,081,585	8,734,581
Admin and Service Charges	4,652,789	1,487,897	5,048,700
Fines and Forfeitures	779,196	650,908	845,328
Rents and Royalties	329,094	342,972	357,662
General Fund Obligation Bonds	47,077,032	87,225,000	99,645,000
Revenue Bonds	-	1,034,567	-
Refunding Bonds	207,260,000	-	-
Interest Income	293,615	904,535	95,816
Sales Income	3,827,436	3,022,939	4,147,011
Donations	191,141	698,522	196,293
Grants (Non-Fed)	384,017	440,666	-

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Other Funds Revenues			
Other Revenues	4,216,643	9,989,672	4,493,909
Federal Funds	5,540,000	4,734,976	300,000
Transfers In	101,548	-	-
General Fund			
Other Funds	36,443,128	978,071,771	10,335,142
Federal Funds	101,548	-	-
Transfers Out			
General Fund	(101,548)	-	-
Other Funds	(7,474,837)	(2,072,998)	(4,124,209)
Federal Funds	(101,548)	-	-
All Funds Available for Exp	2,260,603,073	2,226,397,753	2,283,675,488
All Expenditures	1,917,054,868	1,108,497,939	2,046,404,280
General Fund			
Other Funds	310,789,463	1,100,946,425	183,800,887
Federal Funds	2,871,833	4,734,976	300,000
Total Expenditures	2,230,716,164	2,214,179,340	2,230,505,167
Reversions	(8,588,793)	-	-
Ending Balance	18,628,164	12,218,413	53,170,321
Other Funds			
Federal Funds	2,669,952	-	-
Criminal Justice Comm, Oregon			
Beginning Balance	1,689,790	5,039,443	7,064,914
Other Funds			
Federal Funds	807,277	4,375,261	5,338,464

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Criminal Justice Comm, Oregon

Beginning Balance Adjustment			
Lottery Funds	-	39,935	-
General Fund Appropriation	79,372,798	126,488,341	88,141,274
Other Funds Revenues	637,708	890,000	660,000
Fines and Forfeitures			
Interest Income	21,639	46,750	10,000
Other Revenues	197,355	100,000	-
Federal Funds	13,920,222	4,736,711	5,650,000
Transfers In	555,000	578,865	603,177
Lottery Funds			
Other Funds	14,005,241	43,000,000	6,750,000
Transfers Out			
Lottery Funds	(39,935)	(39,935)	-
All Funds Available for Exp	111,167,095	185,255,371	114,217,829
All Expenditures	76,462,411	126,488,341	88,141,274
General Fund			
Lottery Funds	515,065	578,865	603,177
Other Funds	9,572,951	47,413,825	13,357,681
Federal Funds	9,233,567	5,680,710	9,308,883
Total Expenditures	95,783,994	180,161,741	111,411,015
Reversions	(2,910,387)	-	-
Ending Balance	6,978,782	1,662,368	1,127,233
Other Funds			
Federal Funds	5,493,932	3,431,262	1,679,581

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Department of the State Fire Marshal

General Fund Appropriation	-	-	85,548,169
Other Funds Revenues	-	-	96,000
Business Lic and Fees	-	-	
Fire Marshal Fees	-	-	1,883,800
Charges for Services	-	-	545,000
Fines and Forfeitures	-	-	36,370
Interest Income	-	-	200,000
Other Revenues	-	-	405,769
Federal Funds	-	-	599,795
Transfers In	-	-	91,697,490
Other Funds	-	-	
Transfers Out	-	-	(36,852,259)
Other Funds	-	-	
All Funds Available for Exp	-	-	144,160,134
All Expenditures	-	-	85,548,169
General Fund	-	-	
Other Funds	-	-	36,243,306
Federal Funds	-	-	599,795
Total Expenditures	-	-	122,391,270
Ending Balance	-	-	21,768,864
Other Funds	-	-	

District Attorneys

General Fund Appropriation	14,332,414	15,155,109	16,012,033
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

District Attorneys

All Funds Available for Exp	14,332,414	15,155,109	16,012,033
All Expenditures General Fund	13,843,569	15,155,109	16,012,033
Total Expenditures	13,843,569	15,155,109	16,012,033

Reversions

(488,845) - -

Emergency Management, Oregon Dept of

Beginning Balance			
Other Funds	-	-	14,739,263
Beginning Balance Adjustment			
Other Funds	-	500,000	16,500,000
General Fund Appropriation	-	30,488,049	28,391,058
Other Funds Revenues	-	5,105,000	10,000,000
General Fund Obligation Bonds			
Other Revenues	-	166,504	369,142
Federal Funds	-	702,435,505	1,048,586,343
Transfers In			
Other Funds	-	97,088,071	174,081,552
Transfers Out			
Other Funds	-	(227,453)	(477,878)
Federal Funds	-	(200,000)	(222,071)
All Funds Available for Exp	-	835,355,676	1,291,967,409

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Emergency Management, Oregon Dept of

All Expenditures

General Fund	-	30,488,049	28,391,058
Other Funds	-	94,495,733	176,459,113
Federal Funds	-	702,235,505	1,048,329,448
Total Expenditures	-	827,219,287	1,253,179,619
Ending Balance	-	8,136,389	38,752,966
Other Funds			
Federal Funds	-	-	34,824

Justice, Dept of

Beginning Balance

Other Funds	129,680,444	51,718,555	50,420,591
Federal Funds	411,778	-	-

Beginning Balance Adjustment

Other Funds	-	-	30,286,569
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General Fund Appropriation

	117,790,118	184,833,758	153,963,853
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Other Funds Revenues

General Fund Revenues	50,547	-	-
Business Lic and Fees	10,584,107	7,601,001	7,952,500
Federal Revenues	10,596,399	12,556,000	13,876,000
Charges for Services	212,307,152	328,152,539	481,526,848
Admin and Service Charges	35,844,811	-	-
Fines and Forfeitures	26,820,333	739,377	739,377
General Fund Obligation Bonds	-	5,000,000	5,000,000
Dedicated Fund Oblig Bonds	-	-	21,520,000
Interest Income	276,465	183,760	113,361
Sales Income	68,296	20,050	20,050
Donations	68,829	3,180	3,180
Other Revenues	14,960,526	31,363,346	35,506,189

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Military Dept, Oregon

Other Funds Revenues|

Rents and Royalties	2,246,964	2,927,633	3,772,682
General Fund Obligation Bonds	21,991,825	20,370,000	14,810,000
Refunding Bonds	3,840,000	-	-
Interest Income	581,028	141,600	40,200
Sales Income	56,776	10,000	296,905
Donations	5,103	200,000	-
Other Revenues	466,648	5,123,552	11,500

Federal Funds	707,612,658	474,975,105	144,513,943
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Transfers In

Other Funds	176,757,851	80,684,818	8,010,801
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Transfers Out

Other Funds	(39,057,006)	(290,926)	-
Federal Funds	(2,358,012)	(2,876,274)	(2,832,935)

All Funds Available for Exp	926,397,867	636,812,935	225,422,925
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All Expenditures

General Fund	38,356,386	47,887,886	40,982,089
Other Funds	144,620,215	109,234,352	35,997,289
Federal Funds	705,254,646	472,064,408	141,610,047

Total Expenditures	888,231,247	629,186,646	218,589,425
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Reversions	(638,087)	-	-
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Ending Balance

General Fund	-	(2,793,445)	-
Other Funds	37,528,533	10,385,311	6,762,539
Federal Funds	-	34,423	70,961

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Oregon Youth Authority

Beginning Balance			
Other Funds	871,255	344,557	344,557
Federal Funds	1,319,249	-	-
General Fund Appropriation	329,686,394	272,742,971	381,297,981
Other Funds Revenues			
Charges for Services	468,776	79,375	80,356
Admin and Service Charges	198,052	-	-
Care of State Ward	1,983,314	2,257,093	2,446,313
Rents and Royalties	22,327	-	-
General Fund Obligation Bonds	6,359,080	40,917,551	25,380,562
Interest Income	34,238	1,137,980	-
Sales Income	572,120	254,283	254,283
Donations	31,443	-	-
Grants (Non-Fed)	281,024	-	-
Other Revenues	389,464	2,612,056	2,865,437
Federal Funds	-	37,034,286	38,132,598
Transfers In			
Other Funds	4,767,239	107,513,898	2,157,933
Federal Funds	28,843,022	-	-
Transfers Out			
Other Funds	(328,284)	-	-
All Funds Available for Exp	375,498,713	464,894,050	452,960,020
All Expenditures			
General Fund	323,457,915	272,742,971	381,297,981
Other Funds	14,348,925	154,772,236	33,092,781
Federal Funds	28,864,429	37,034,286	38,064,774

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PROGRAM AREA: PUBLIC SAFETY

Oregon Youth Authority

Total Expenditures	366,671,269	464,549,493	452,455,536
Reversions	(6,228,479)	-	-
Ending Balance	1,301,123	344,557	436,660
Other Funds			
Federal Funds	1,297,842	-	67,824

Parole & Post Prison Supervision, State Board of

Beginning Balance	37,699	35,637	35,637
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	(7,301)	(3,514)
General Fund Appropriation	8,669,440	11,629,057	13,298,851
Other Funds Revenues			
Fines and Forfeitures	334	5,500	1,000
Sales Income	1,963	6,500	404
Transfers In			
Other Funds	16,904	-	-
All Funds Available for Exp	8,726,340	11,669,393	13,332,378
All Expenditures			
General Fund	8,664,534	11,629,057	13,298,851
Other Funds	23,999	12,184	12,696
Total Expenditures	8,688,533	11,641,241	13,311,547
Reversions	(4,906)	-	-

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

Parole & Post Prison Supervision, State Board of

Ending Balance			
Other Funds	32,901	28,152	20,831

Police, Dept of State

Beginning Balance			
Lottery Funds	170,083	-	-
Other Funds	31,428,470	19,993,491	27,051,471
Federal Funds	263,528	250,000	-
Beginning Balance Adjustment			
Lottery Funds	-	1,400,000	-
Other Funds	-	8,863,571	2,500,000
General Fund Appropriation	288,427,648	520,359,047	436,035,561

Other Funds Revenues

Business Lic and Fees	2,070,023	3,008,612	3,014,842
Non-business Lic. and Fees	3,553,371	1,379,019	2,836,116
Fire Marshal Fees	1,761,573	1,815,905	-
Charges for Services	40,122,242	40,326,840	63,835,581
Admin and Service Charges	44,716	-	36,000
Fines and Forfeitures	171,423	35,019	-
Rents and Royalties	25,251	25,332	25,332
General Fund Obligation Bonds	-	111,635,000	44,115,000
Interest Income	14,823	-	-
Sales Income	23,112	22,707	18,178
Donations	19,626	-	-
Other Revenues	1,219,441	2,830,675	2,992,068

Federal Funds	9,808,085	16,583,246	14,113,696
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Transfers In

Lottery Funds	9,022,903	10,318,542	10,561,965
Other Funds	271,460,880	162,480,012	74,821,726

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PROGRAM AREA: PUBLIC SAFETY

Police, Dept of State

Transfers In			
Federal Funds	282,349	236,202	-
Transfers Out			
Other Funds	(78,931,254)	(31,361,182)	(22,009,707)
Federal Funds	(282,349)	(236,202)	-
All Funds Available for Exp	<u>580,675,944</u>	<u>869,965,836</u>	<u>659,947,829</u>
All Expenditures			
General Fund	282,653,128	520,359,047	436,035,561
Lottery Funds	7,447,482	11,317,795	10,561,965
Other Funds	230,979,130	306,746,354	177,578,220
Federal Funds	6,768,347	16,833,246	14,113,696
Total Expenditures	<u>527,848,087</u>	<u>855,256,442</u>	<u>638,289,442</u>

Reversions	(5,774,520)	-	-
Ending Balance			
Lottery Funds	1,745,504	400,747	-
Other Funds	42,004,567	14,308,647	21,658,387
Federal Funds	3,303,266	-	-

Public Safety Standards & Training, Dept of

Beginning Balance			
Other Funds	11,871,789	6,034,453	10,035,491
Federal Funds	22,087	-	-
Beginning Balance Adjustment			
Other Funds	-	(3,291,410)	(2,703,598)
General Fund Appropriation	9,357,609	9,107,640	8,773,470

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PROGRAM AREA: PUBLIC SAFETY

Public Safety Standards & Training, Dept of

Other Funds Revenues

Business Lic and Fees	2,384,451	2,593,570	3,954,860
Charges for Services	62,122	182,304	182,304
Admin and Service Charges	25,742	21,000	21,000
Fines and Forfeitures	19,629	30,000	30,000
Rents and Royalties	1,116,070	1,213,224	1,546,395
Refunding Bonds	32,010,000	-	-
Interest Income	8,929	3,000	3,000
Donations	-	2,000	8,848
Other Revenues	551,740	5,500	5,500

Federal Funds	7,922,476	8,166,947	7,769,161
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Transfers In

Other Funds	41,608,529	53,692,943	49,820,099
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Transfers Out

Other Funds	(409,803)	(561,044)	(503,646)
Federal Funds	(166,831)	(146,112)	(146,112)

All Funds Available for Exp	106,384,539	77,054,015	78,796,772
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All Expenditures

General Fund	9,357,606	9,107,640	8,773,470
Other Funds	79,458,542	56,806,356	60,223,167
Federal Funds	7,756,112	8,018,038	7,623,049

Total Expenditures	96,572,260	73,932,034	76,619,686
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Reversions	(3)	-	-
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Ending Balance

Other Funds	9,790,656	3,119,184	2,177,086
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PROGRAM AREA: PUBLIC SAFETY

Public Safety Standards & Training, Dept of

Ending Balance			
Federal Funds	21,620	2,797	-

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

Beginning Balance			
Other Funds	524,162,443	3,613,671,996	5,690,360,508
Federal Funds	1,099,256,679	-	-
Beginning Balance Adjustment			
Other Funds	2,571,757,648	5,300,000	-
General Fund Appropriation	9,787,440	48,765,505	-
Other Funds Revenues			
General Fund Revenues	-	97,417,423	-
Employment Taxes	98,395,687	2,501,718,079	4,879,732,790
Non-business Lic. and Fees	-	-	70,000
Charges for Services	37,409,788	71,372,763	81,547,061
Fines and Forfeitures	16,195,228	25,129,867	35,906,206
Rents and Royalties	730,734	-	-
Interest Income	-	127,815,000	161,456,845
Other Revenues	867,887	30,722,700	30,000,000
Federal Funds	6,669,068,584	1,391,778,588	238,841,203
Transfers In			
Other Funds	2,961,584,813	5,281,260,661	2,995,688,836
Federal Funds	7,526,551,716	6,000,000	6,000,000
Transfers Out			
Other Funds	(2,954,271,788)	(5,488,674,015)	(3,009,098,292)
Federal Funds	(7,519,122,176)	-	-

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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

All Funds Available for Exp	11,042,374,683	7,712,278,567	11,110,505,157
All Expenditures			
General Fund	8,227,171	48,765,505	-
Other Funds	2,974,249,589	5,344,508,882	3,067,195,914
Federal Funds	7,755,893,391	1,391,778,588	243,456,448
Total Expenditures	10,738,370,151	6,785,052,975	3,310,652,362

Reversions	(1,560,269)	-	-
Ending Balance			
Other Funds	282,582,851	921,225,592	7,798,468,040
Federal Funds	19,861,412	6,000,000	1,384,755

Housing & Community Svcs Dept

Beginning Balance			
Other Funds	488,344,856	514,815,086	704,469,822
Beginning Balance Adjustment			
Lottery Funds	32,584	44,174	-
Other Funds	-	10,816,307	29,609,614
General Fund Appropriation	331,045,629	908,982,969	677,277,683
Lottery Funds			
Interest Income	147,561	-	-
Other Funds Revenues			
Other Selective Taxes	1,361,948	1,527,135	1,923,474
Non-business Lic. and Fees	183,903	191,300	236,476
Public Utilities Fees	71,527,669	96,470,000	90,104,830
Charges for Services	1,219,577	1,315,025	1,707,666
Admin and Service Charges	35,246,942	38,789,319	54,179,937

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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Housing & Community Svcs Dept

Other Funds Revenues

Fines and Forfeitures	113,517	19,350	43,500
General Fund Obligation Bonds	247,910,000	413,490,000	906,170,000
Dedicated Fund Oblig Bonds	-	50,000,000	50,000,000
Lottery Bonds	-	50,780,071	100,947,376
Revenue Bonds	231,405,000	500,000,000	500,000,000
Interest Income	90,883,877	98,487,564	93,521,248
Housing Div Loan Repayments	372,692,281	315,637,341	321,650,417
Other Revenues	160,245	5,553,531	8,844,703

Federal Funds	305,324,547	885,035,310	649,271,681
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Transfers In

Lottery Funds	21,609,182	25,180,556	30,593,961
Other Funds	690,795,793	959,165,932	492,429,619

Transfers Out

Lottery Funds	(37,093)	-	-
Other Funds	(437,794,675)	(404,989,228)	(374,574,977)

All Funds Available for Exp	2,452,173,343	4,471,311,742	4,338,407,030
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All Expenditures

General Fund	326,583,557	908,982,969	677,277,683
Lottery Funds	21,752,234	25,224,730	30,593,961
Other Funds	1,236,332,744	2,034,148,987	2,520,720,558
Federal Funds	305,324,547	885,035,310	533,092,798

Total Expenditures	1,889,993,082	3,853,391,996	3,761,685,000
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Reversions	(4,462,072)	-	-
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Ending Balance

Other Funds	557,718,189	617,919,746	460,543,147
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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Housing & Community Svcs Dept

Ending Balance			
Federal Funds	-	-	116,178,883

Oregon Business Development Department

Beginning Balance			
Lottery Funds	8,049,259	-	-
Other Funds	544,653,522	421,007,536	696,109,117
Federal Funds	13,710,210	12,569,000	12,569,000
Beginning Balance Adjustment			
Lottery Funds	(931,374)	8,810,298	-
Other Funds	33,558,165	26,227,841	364,102,687
Federal Funds	(368,801)	-	-
General Fund Appropriation	180,402,020	263,338,524	134,960,266
Lottery Funds			
Interest Income	850,760	-	-
Other Funds Revenues			
Business Lic and Fees	-	7,500	-
Non-business Lic. and Fees	41	-	-
Charges for Services	746,013	1,302,000	586,400
Rents and Royalties	97,122	100,000	100,000
General Fund Obligation Bonds	131,520,198	443,745,859	151,455,000
Lottery Bonds	-	97,850,786	192,624,011
Revenue Bonds	27,997,204	30,000,000	30,000,000
Refunding Bonds	29,485,701	-	-
Interest Income	40,324,340	34,576,987	37,413,455
Donations	9,763,624	10,337,894	10,338,000
Grants (Non-Fed)	3,000	2,380,000	-
Loan Repayments	70,208,759	78,523,172	73,903,900
Other Revenues	1,864,609	22,054,576	583,000

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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Oregon Business Development Department

Federal Funds	40,100,306	82,434,648	133,695,451
Transfers In			
Lottery Funds	185,017,432	144,641,711	351,408,203
Other Funds	280,132,708	680,615,653	77,257,147
Federal Funds	1,100	-	-
Transfers Out			
Lottery Funds	(80,061,337)	(4,440,944)	-
Other Funds	(91,370,758)	(70,869,746)	(52,417,824)
Federal Funds	(1,100)	-	-
All Funds Available for Exp	<u>1,426,136,566</u>	<u>2,285,213,295</u>	<u>2,214,687,813</u>
All Expenditures			
General Fund	164,411,129	263,338,524	134,960,266
Lottery Funds	105,696,251	148,999,777	351,408,203
Other Funds	523,529,950	1,588,270,739	1,275,427,866
Federal Funds	39,928,523	87,293,606	138,512,869
Total Expenditures	<u>833,565,853</u>	<u>2,087,902,646</u>	<u>1,900,309,204</u>
Reversions	(15,990,891)	-	-
Ending Balance			
Lottery Funds	7,228,489	11,288	-
Other Funds	555,454,298	189,589,319	306,627,027
Federal Funds	13,897,035	7,710,042	7,751,582
Veterans' Affairs, Oregon Dept of			
Beginning Balance			
Lottery Funds	344,574	-	-
Other Funds	142,662,560	131,420,869	131,420,869

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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of

Beginning Balance			
Federal Funds	196,119	-	-
Beginning Balance Adjustment			
Lottery Funds	-	1,735,339	-
General Fund Appropriation	7,948,133	9,140,366	9,492,419
Lottery Funds	125,145	-	-
Interest Income			
Other Funds Revenues			
Business Lic and Fees	144,000	150,000	150,000
Non-business Lic. and Fees	49,768	60,000	60,000
Charges for Services	84,369,717	104,500,000	104,500,000
Admin and Service Charges	3,686,466	3,364,852	3,364,852
Rents and Royalties	1,382,321	1,680,000	1,680,000
Dedicated Fund Oblig Bonds	98,215,000	140,000,000	140,000,000
Lottery Bonds	-	6,113,208	-
Interest Income	29,882,993	50,135,000	50,135,000
Sales Income	2,349	5,000	5,000
Donations	1,586,233	1,250,000	1,250,000
Veterans Loan Repayments	187,211,163	80,000,000	80,000,000
Insurance Premiums	354,744	-	-
Other Revenues	232,005	560,000	560,000
Federal Funds	1,472,893	1,630,911	3,881,025
Transfers In	19,358,970	21,334,795	21,213,654
Lottery Funds			
Other Funds	171,766,329	155,532,772	132,326,849
Transfers Out			
Lottery Funds	(2,068,267)	(1,743,267)	-
Other Funds	(170,703,179)	(155,298,551)	(132,091,193)
Federal Funds	(931,820)	-	-

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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of

All Funds Available for Exp	577,288,216	551,571,294	547,948,475
All Expenditures	7,157,378	9,140,366	9,492,419
General Fund			
Lottery Funds	16,562,491	21,326,867	21,160,199
Other Funds	356,252,699	411,368,075	386,701,489
Federal Funds	592,874	1,628,594	3,881,025
Total Expenditures	380,565,442	443,463,902	421,235,132
Reversions	(790,755)	-	-
Ending Balance	1,197,931	-	53,455
Lottery Funds			
Other Funds	194,589,770	108,105,075	126,659,888
Federal Funds	144,318	2,317	-

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

Beginning Balance	662,846	-	-
Lottery Funds			
Other Funds	39,001,336	33,459,967	33,030,872
Federal Funds	47,854	-	-
Beginning Balance Adjustment			
Lottery Funds	-	1,500,000	-
Other Funds	-	(550,047)	2,945,246
General Fund Appropriation	24,535,085	78,763,099	31,532,966

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PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

Other Funds Revenues

Business Lic and Fees	42,489,414	42,870,085	44,432,831
Federal Revenues - Svc Contracts	940,715	884,522	884,522
Charges for Services	21,121,334	21,323,463	21,878,663
Admin and Service Charges	76,319	76,316	76,316
Fines and Forfeitures	433,142	578,067	578,067
Interest Income	1,143,742	1,018,970	1,018,970
Sales Income	10,626	6,905	6,905
Donations	1,855	-	-
Other Revenues	184,150	678,172	678,172

Federal Funds	13,583,879	20,086,306	20,311,179
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Transfers In

Lottery Funds	9,527,366	10,563,916	8,859,764
Other Funds	17,821,408	56,951,629	17,420,151

Transfers Out

Other Funds	(12,787,176)	(14,480,713)	(12,992,713)
Federal Funds	(1,535,504)	(1,300,000)	(1,300,000)

All Funds Available for Exp	157,258,391	252,430,657	169,361,911
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All Expenditures

General Fund	24,476,536	78,763,099	31,532,966
Lottery Funds	8,674,081	11,588,227	8,802,247
Other Funds	67,997,962	123,504,515	89,856,981
Federal Funds	12,049,488	18,626,329	18,987,748

Total Expenditures	113,198,067	232,482,170	149,179,942
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Reversions	(58,549)	-	-
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

Ending Balance

Lottery Funds	1,516,131	475,689	57,517
Other Funds	42,438,903	19,312,821	20,101,021
Federal Funds	46,741	159,977	23,431

Columbia River Gorge Comm

General Fund Appropriation	1,160,612	1,408,207	2,292,644
All Funds Available for Exp	1,160,612	1,408,207	2,292,644
All Expenditures General Fund	1,125,684	1,408,207	2,292,644
Total Expenditures	1,125,684	1,408,207	2,292,644
Reversions	(34,928)	-	-

Energy, Dept of

Beginning Balance

Lottery Funds	8,871	16,896	16,896
Other Funds	21,658,699	12,362,202	34,462,202
Federal Funds	39,270	29,870	29,870

Beginning Balance Adjustment

Lottery Funds	2,753	(11,551)	(11,551)
Other Funds	2,231,122	4,895,300	29,165,313
Federal Funds	(20,058)	105,075	485,523

General Fund Appropriation	1,940,000	106,945,789	7,825,230
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Energy, Dept of

Lottery Funds

Interest Income 24,495 - -

Other Funds Revenues

Business Lic and Fees 4,924,294 5,280,256 5,280,256
Charges for Services 2,574,081 3,925,174 4,698,894
Admin and Service Charges 13,971,692 15,643,031 16,697,935
Fines and Forfeitures 11,980 9,700 9,700
Refunding Bonds 24,483,571 - -
Interest Income 10,913,311 8,292,768 8,292,768
Loan Repayments 25,366,055 20,150,770 20,150,770
Other Revenues 22,951 344,457 344,457

Federal Funds 4,435,721 4,489,483 4,430,073

Transfers In 2,987,243 3,017,225 1,439,160

Lottery Funds
Other Funds 62,887,917 146,564,742 55,772,117

Transfers Out

Other Funds (59,822,398) (52,004,422) (53,238,629)
Federal Funds (1,273,357) (1,060,320) (1,033,488)

All Funds Available for Exp 117,368,213 278,996,445 134,817,496

All Expenditures

General Fund 1,940,000 106,945,789 7,825,230
Lottery Funds 3,023,362 3,022,570 1,439,160
Other Funds 93,821,386 120,978,415 105,213,917
Federal Funds 3,138,598 3,562,705 3,587,769

Total Expenditures 101,923,346 234,509,479 118,066,076

Ending Balance - - 5,345

Lottery Funds
Other Funds 15,401,889 44,485,563 16,421,866

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Energy, Dept of

Ending Balance

Federal Funds	42,978	1,403	324,209
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Environmental Quality, Dept of

Beginning Balance

Lottery Funds	555,680	-	1,545,250
Other Funds	368,807,147	329,045,991	433,482,647
Federal Funds	37,330	-	-

Beginning Balance Adjustment

Lottery Funds	(394,276)	-	-
Other Funds	(584,691)	-	-
Federal Funds	(32,598)	-	-

General Fund Appropriation	56,574,166	109,846,109	74,648,826
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Other Funds Revenues

General Fund Revenues	3,140,139	1,000,000	1,000,000
Business Lic and Fees	89,832,185	97,418,075	103,834,361
Non-business Lic. and Fees	29,099,070	33,013,930	32,998,220
Municipal Court Fines	-	1,000,000	-
Federal Revenues	42,312,235	63,000,000	103,000,000
Charges for Services	29,959,023	26,224,529	26,802,766
Admin and Service Charges	7,276,602	8,921,564	12,027,839
Fines and Forfeitures	286,693	205,600	225,000
General Fund Obligation Bonds	16,280,000	33,400,000	30,800,000
Dedicated Fund Oblig Bonds	-	-	20,000,000
Interest Income	25,117,641	24,531,747	24,499,349
Loan Repayments	110,101,604	95,000,000	95,000,000
Other Revenues	12,196,164	39,742,886	40,116,422

Federal Funds	26,370,213	34,425,179	36,969,665
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Environmental Quality, Dept of

Transfers In

Lottery Funds	4,767,092	7,813,497	4,909,555
Other Funds	115,528,046	131,308,806	106,583,088

Transfers Out

Other Funds	(88,645,641)	(50,913,436)	(58,979,031)
Federal Funds	(3,748,093)	(3,999,411)	(4,790,779)

All Funds Available for Exp

844,835,731	980,985,066	1,084,673,178
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All Expenditures

General Fund	55,904,792	109,846,109	74,648,826
Lottery Funds	4,927,022	6,263,319	6,448,497
Other Funds	358,688,239	545,838,153	588,689,556
Federal Funds	22,625,396	30,134,046	31,695,309

Total Expenditures

442,145,449	692,081,627	701,482,188
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Reversions	(669,374)	-	-
Ending Balance Lottery Funds	1,474	1,550,178	6,308
Other Funds	402,017,978	287,061,539	382,701,105
Federal Funds	1,456	291,722	483,577

Fish & Wildlife, Oregon Dept of

Beginning Balance

Other Funds

Beginning Balance Adjustment	69,218,587	62,505,145	62,505,145
Lottery Funds	(1)	-	-
Other Funds	-	-	27,344,745

General Fund Appropriation	32,498,172	75,447,796	62,139,233
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Fish & Wildlife, Oregon Dept of

Other Funds Revenues

Business Lic and Fees	13,619,220	-	5,998,770
Non-business Lic. and Fees	93,767	-	-
Hunter and Angler Licenses	120,620,994	126,580,794	127,095,663
Commercial Fish Lic and Fees	10,537,363	10,804,906	10,917,583
Park User Fees	1,802,058	1,044,760	1,423,554
Charges for Services	113,292	24,101,331	20,609,078
Fines and Forfeitures	1,829,415	-	-
Rents and Royalties	1,147,792	475,000	500,000
General Fund Obligation Bonds	-	5,105,000	5,095,000
Interest Income	2,248,616	2,063	-
Sales Income	170,775	3,087,932	3,685,405
Donations	341,529	90,000	1,346,736
Grants (Non-Fed)	8,906,940	-	-
Other Revenues	2,379,984	50,000	12,054,000

Federal Funds	141,293,984	182,414,470	195,903,072
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Transfers In	13,929,200	6,886,581	6,666,899
Lottery Funds			
Other Funds	171,539,578	125,425,104	103,420,201
Federal Funds	6,172	-	-

Transfers Out			
Lottery Funds	(7,085,996)	-	-
Other Funds	(132,015,004)	(67,504,339)	(61,871,566)
Federal Funds	(24,810,728)	(19,950,000)	(24,000,000)

All Funds Available for Exp	428,912,133	536,566,543	560,833,518
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All Expenditures	32,498,158	75,447,796	62,139,233
General Fund			
Lottery Funds	6,843,203	6,886,493	6,666,817
Other Funds	183,332,158	239,225,932	255,447,559

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PROGRAM AREA: NATURAL RESOURCES

Fish & Wildlife, Oregon Dept of

All Expenditures

Federal Funds	116,670,691	162,464,470	171,661,660
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Total Expenditures	<u>339,344,210</u>	<u>484,024,691</u>	<u>495,915,269</u>
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Reversions	(14)	-	-
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Ending Balance	-	88	82
Lottery Funds			
Other Funds	89,567,909	52,541,764	64,676,755
Federal Funds	-	-	241,412

Forestry, Dept of

Beginning Balance

Lottery Funds	1,066,970	-	-
Other Funds	69,930,361	-	-
Federal Funds	11,040,586	-	-

Beginning Balance Adjustment

Lottery Funds	(61,999)	3,890	-
Other Funds	78,015	-	-
Federal Funds	(1,066,468)	-	-

General Fund Appropriation	168,122,949	230,245,653	169,120,333
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Lottery Funds	18,839	-	-
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Interest Income			
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Other Funds Revenues

General Fund Revenues	13,204	-	-
Forest Protection Taxes	53,299,080	136,593,757	136,593,757
Business Lic and Fees	2,640	1,648,779	1,648,779
Non-business Lic. and Fees	911,727	-	-
Park User Fees	157,405	-	-
Charges for Services	128,936,290	61,384,106	61,393,366

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Forestry, Dept of

Other Funds Revenues

Admin and Service Charges	1,667,719	-	-
Fines and Forfeitures	2,741	-	-
Rents and Royalties	14,937,149	15,810,354	16,696,237
General Fund Obligation Bonds	-	6,453,614	11,523,244
Dedicated Fund Oblig Bonds	-	-	25,924,193
Interest Income	509,976	-	-
Sales Income	4,775,986	498,648	498,648
State Forest Lands Sales	246,604,630	262,589,125	259,237,647
Common School Lands Sales	5,450,586	8,276,508	8,276,508
Donations	98,726	320,298	320,298
Grants (Non-Fed)	30,000	-	-
Loan Repayments	81,873	1,673,741	1,758,119
Other Revenues	1,848,785	14,543,135	38,285,974

Federal Funds	41,393,645	41,861,643	48,941,119
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Transfers In

Lottery Funds	2,514,973	2,560,320	2,557,080
Other Funds	129,815,160	97,855,036	98,988,233
Federal Funds	706,569	-	-

Transfers Out

Other Funds	(200,346,430)	(193,681,421)	(205,602,123)
Federal Funds	(19,620,955)	-	-

All Funds Available for Exp	662,920,732	688,637,186	676,161,412
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All Expenditures

General Fund	166,273,229	230,245,653	169,120,333
Lottery Funds	2,543,445	2,564,210	2,557,080
Other Funds	351,944,712	397,503,110	347,242,173
Federal Funds	22,890,433	41,779,100	43,813,031

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Forestry, Dept of

Total Expenditures	543,651,819	672,092,073	562,732,617
Reversions	(1,849,720)	-	-
Ending Balance	995,338	-	-
Lottery Funds			
Other Funds	106,860,911	16,462,570	108,300,707
Federal Funds	9,562,944	82,543	5,128,088

Geology & Mineral Industries, Dept of

Beginning Balance	842,963	980,825	1,692,399
Other Funds			
Federal Funds	(18,311)	-	-
Beginning Balance Adjustment			
Other Funds	-	384,295	-
General Fund Appropriation	5,424,733	6,444,037	9,810,611
Other Funds Revenues	3,157,153	3,739,099	4,725,175
Non-business Lic. and Fees			
Charges for Services	1,369,913	2,126,189	1,671,300
Fines and Forfeitures	3,000	-	19,250
Interest Income	20,194	33,000	9,000
Other Revenues	427,348	-	110,296
Federal Funds	3,859,582	5,765,844	5,519,902
Transfers In	873,904	282,602	457,052
Other Funds			
Transfers Out			
Other Funds	(152,612)	(7,500)	-

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Geology & Mineral Industries, Dept of

All Funds Available for Exp	15,807,867	19,748,391	24,014,985
All Expenditures	4,582,975	6,444,037	9,810,611
General Fund			
Other Funds	5,416,955	6,753,317	6,893,370
Federal Funds	3,867,190	5,765,844	5,519,902
Total Expenditures	13,867,120	18,963,198	22,223,883
Reversions	(841,758)	-	-
Ending Balance	1,124,908	785,193	1,791,102
Other Funds			
Federal Funds	(25,919)	-	-

Land Conservation & Development, Dept of

Beginning Balance	289,842	-	-
Other Funds			
Federal Funds	148,893	-	-
General Fund Appropriation	17,919,643	26,114,458	21,924,348
Other Funds Revenues	47,010	-	-
Business Lic and Fees			
Charges for Services	4,029	50,625	50,625
Interest Income	3,424	1,808	1,808
Grants (Non-Fed)	6,261	-	-
Other Revenues	35,932	504,860	540,732
Federal Funds	4,477,272	6,748,006	7,662,988

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PROGRAM AREA: NATURAL RESOURCES

Land Conservation & Development, Dept of

Transfers In

Other Funds	1,428,177	1,651,143	3,805,333
Federal Funds	198,276	-	-

Transfers Out

Other Funds	(32,110)	-	-
Federal Funds	(177,337)	-	-

All Funds Available for Exp

24,349,312	35,070,900	33,985,834
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All Expenditures

General Fund	17,238,174	26,114,458	21,924,348
Other Funds	1,535,571	1,793,345	3,906,877
Federal Funds	4,647,104	6,748,006	7,662,988

Total Expenditures

23,420,849	34,655,809	33,494,213
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Reversions

(681,469)	-	-
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Ending Balance

Other Funds	246,994	415,091	491,621
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Land Use Board of Appeals

Beginning Balance

Other Funds	32,720	12,215	12,215
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Beginning Balance Adjustment

Other Funds	-	-	37,961
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General Fund Appropriation

2,203,477	2,686,644	2,741,598
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Other Funds Revenues

General Fund Revenues	82,380	138,100	138,100
Rents and Royalties	4,500	-	9,000
Sales Income	10,951	35,000	35,000

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PROGRAM AREA: NATURAL RESOURCES

Land Use Board of Appeals

Other Funds Revenues			
Other Revenues	76	-	500
Transfers In			
Other Funds	25,223	-	-
Transfers Out			
Other Funds	(82,380)	(138,100)	(138,100)
All Funds Available for Exp	<u>2,276,947</u>	<u>2,733,859</u>	<u>2,836,274</u>
All Expenditures			
General Fund	2,095,169	2,686,644	2,741,598
Other Funds	35,842	36,486	38,019
Total Expenditures	<u>2,131,011</u>	<u>2,723,130</u>	<u>2,779,617</u>

Reversions	(108,308)	-	-
Ending Balance			
Other Funds	37,628	10,729	56,657

Lands, Dept of State

Beginning Balance			
Other Funds	1,345,309,699	1,582,734,002	1,680,161,321
Federal Funds	293,099	1,979,184	1,804,002
Beginning Balance Adjustment			
Other Funds	-	-	(274,735)
General Fund Appropriation	-	123,060,000	-
Other Funds Revenues			
Business Lic and Fees	7,000	30,000	25,000
Non-business Lic. and Fees	3,444,311	3,100,000	6,000,000
Federal Revenues	982,080	-	1,000,000

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Lands, Dept of State

Other Funds Revenues

Charges for Services	511,211	750,000	800,000
Admin and Service Charges	272,031	265,000	-
Fines and Forfeitures	334,689	262,000	200,000
Rents and Royalties	10,856,750	17,200,000	15,000,000
Interest Income	67,760,520	55,600,000	80,000,001
Sales Income	26,509	30,000	25,000
Common School Lands Sales	32,558	1,000,000	3,000,000
Donations	-	10,000	-
Grants (Non-Fed)	-	75,000	-
Other Revenues	96,790,194	86,700,000	140,000,000

Federal Funds	1,823,336	2,808,773	3,000,000
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Transfers In

Other Funds	50,639,571	166,249,926	44,896,666
Federal Funds	680	-	-

Transfers Out

Other Funds	(179,450,429)	(173,504,788)	(183,528,871)
Federal Funds	(680)	(50,000)	-

All Funds Available for Exp	1,399,633,129	1,868,299,097	1,792,108,384
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All Expenditures

General Fund	-	123,060,000	-
Other Funds	58,765,005	61,503,610	75,949,192
Federal Funds	1,745,507	2,990,902	2,925,269

Total Expenditures	60,510,512	187,554,512	78,874,461
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Ending Balance

Other Funds	1,338,751,689	1,678,997,530	1,711,355,190
Federal Funds	370,928	1,747,055	1,878,733

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PROGRAM AREA: NATURAL RESOURCES

Marine Board, Oregon State

Beginning Balance			
Other Funds	5,468,799	5,512,330	9,816,710
Federal Funds	23,619	-	-
Other Funds Revenues			
Non-business Lic. and Fees	23,459,865	21,334,337	21,046,895
Fines and Forfeitures	106,575	105,000	94,190
Interest Income	149,698	148,000	123,950
Sales Income	-	6,000	-
Other Revenues	52,189	100,000	147,036
Federal Funds	5,632,857	6,659,930	6,974,348
Transfers In	26,559,410	29,980,242	32,719,913
Other Funds			
Transfers Out			
Other Funds	(17,250,006)	(19,400,242)	(21,719,913)
All Funds Available for Exp	44,198,834	44,445,597	49,203,129
All Expenditures	26,420,794	31,401,106	32,232,841
Other Funds			
Federal Funds	5,656,529	6,659,930	6,974,348
Total Expenditures	32,077,323	38,061,036	39,207,189
Ending Balance	12,121,511	6,384,561	9,995,940
Other Funds			

Parks & Recreation Dept

Beginning Balance	40,682,117	29,198,941	55,718,671
Lottery Funds			
Other Funds	62,956,723	44,211,129	86,840,484
Beginning Balance Adjustment			
Lottery Funds	-	1,634,417	-

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Parks & Recreation Dept

Beginning Balance Adjustment			
Other Funds	-	(4,093,760)	-
General Fund Appropriation	-	2,560,334	9,070,940
Lottery Funds	697,284	906,366	906,366
Interest Income			
Other Funds Revenues			
Non-business Lic. and Fees	1,903,961	2,279,065	2,314,701
Park User Fees	53,254,045	60,388,016	64,980,074
Charges for Services	67,363	-	4,842
Rents and Royalties	1,663,336	-	-
General Fund Obligation Bonds	-	50,750,000	-
Lottery Bonds	-	10,214,553	20,226,700
Interest Income	2,414,598	3,595,572	1,101,267
Sales Income	2,551,746	4,013,400	3,429,747
Donations	673,000	-	-
Grants (Non-Fed)	104,335	-	-
Other Revenues	1,536,846	8,453,208	8,555,069
Federal Funds	9,485,730	22,854,464	22,542,959
Transfers In			
Lottery Funds	92,274,246	133,518,166	137,557,889
Other Funds	58,619,630	57,930,697	77,905,689
Transfers Out			
Lottery Funds	(79,225)	(115,169)	(133,704)
Other Funds	(17,449,655)	(18,916,603)	(36,298,355)
Federal Funds	(6,890)	-	-
All Funds Available for Exp	311,349,190	409,382,796	454,723,339
All Expenditures			
General Fund	-	2,560,334	9,070,940

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Water Resources Dept

Other Funds Revenues

Interest Income	1,342,671	300,000	300,000
Sales Income	254	419	419
Other Revenues	6,656	505,000	15,905,000

Federal Funds	533,042	737,366	703,315
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Transfers In

Lottery Funds	8,458,042	8,414,965	15,073,140
Other Funds	1,664,489	25,137,704	442,382

Transfers Out

Lottery Funds	(1,132,342)	-	-
Other Funds	(4,081,026)	(3,313,559)	(4,170,874)

All Funds Available for Exp	100,714,749	213,615,597	211,986,644
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All Expenditures

General Fund	35,208,113	69,089,805	64,050,544
Lottery Funds	7,563,185	9,499,510	15,073,140
Other Funds	31,072,304	125,596,247	128,691,255
Federal Funds	533,042	737,366	703,315

Total Expenditures	74,376,644	204,922,928	208,518,254
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Reversions	(9,725)	-	-
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Ending Balance

General Fund	-	(1,031,495)	-
Other Funds	26,328,380	9,724,164	3,468,390

Watershed Enhancement Board, Oregon

Beginning Balance

Lottery Funds	12,986,006	-	-
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Watershed Enhancement Board, Oregon

Beginning Balance			
Other Funds	1,116,970	-	-
Beginning Balance Adjustment			
Lottery Funds	14,102,516	3,355,956	9,694,586
Other Funds	-	500,000	14,560,719
General Fund Appropriation	-	52,526,718	2,000,000
Lottery Funds	2,641,514	2,812,000	2,812,000
Interest Income			
Other Funds Revenues			
Donations	463,765	13,457,764	8,557,764
Grants (Non-Fed)	1,016,791	-	-
Other Revenues	-	37,728	37,728
Federal Funds	32,033,007	48,251,444	53,398,495
Transfers In	194,911,792	138,300,776	142,544,463
Lottery Funds			
Other Funds	2,535,433	15,873,574	1,640,740
Federal Funds	30,000	-	-
Transfers Out			
Lottery Funds	(134,941,001)	(43,690,341)	(37,595,590)
Other Funds	(30,000)	-	(800,000)
All Funds Available for Exp	126,866,793	231,425,619	196,850,905
All Expenditures	-	52,526,718	2,000,000
General Fund			
Lottery Funds	88,806,193	94,776,334	106,674,689
Other Funds	4,214,991	29,863,984	23,992,654
Federal Funds	32,063,007	48,251,444	53,398,495

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Watershed Enhancement Board, Oregon

Total Expenditures	125,084,191	225,418,480	186,065,838
Ending Balance	894,634	6,002,057	10,780,770
Lottery Funds			
Other Funds	887,968	5,082	4,297

PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

Beginning Balance			
Other Funds	11,580,382	11,056,196	15,149,537
General Fund Appropriation	-	3,888,794	2,448,406
Other Funds Revenues	1,185,004	1,403,310	1,471,660
Non-business Lic. and Fees			
Charges for Services	42,075	-	42,600
Rents and Royalties	583,933	550,787	761,923
Sales Income	186,734	215,289	220,846
Other Revenues	123,829	101,076	118,041
Federal Funds	7,796,670	10,147,359	20,720,214
Transfers In	22,097,605	12,141,757	18,546,260
Other Funds			
Transfers Out			
Other Funds	(12,204,898)	(1,096,708)	(6,093,078)
All Funds Available for Exp	31,391,334	38,407,860	53,386,409
All Expenditures	-	3,888,794	2,448,406
General Fund			
Other Funds	13,218,939	22,772,182	25,412,958

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PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

All Expenditures			
Federal Funds	7,796,670	10,134,465	20,720,214
Total Expenditures	<u>21,015,609</u>	<u>36,795,441</u>	<u>48,581,578</u>

Ending Balance			
Other Funds	10,375,725	1,599,525	4,804,831
Federal Funds	-	12,894	-

Transportation, Oregon Dept of

Beginning Balance			
Other Funds	772,413,174	671,932,838	274,276,777
Beginning Balance Adjustment			
Lottery Funds	380,198	456,837	-
Other Funds	-	-	9,600,000
General Fund Appropriation	118,926,333	72,871,173	16,930,280
Lottery Funds			
Interest Income	792,378	-	-
Other Funds Revenues			
Gross Receipts Business Taxes/Fees	6,055,704	5,800,000	6,190,686
Motor Fuels Taxes	1,222,542,471	1,415,484,523	1,368,350,366
Weight-Mile Taxes	801,920,902	858,141,782	980,864,085
Other Selective Taxes	77	-	-
Other Taxes	95,819	-	-
Business Lic and Fees	12,295,203	5,559,246	6,687,408
Non-business Lic. and Fees	-	631,171	873,748
Vehicle Licenses	785,693,736	919,982,540	953,530,830
Drivers Licenses	81,312,194	99,865,085	127,400,421
Transportation Lic and Fees	106,536,254	107,526,881	109,943,724
Federal Revenues	910,049,252	1,777,358,657	2,478,282,139
Charges for Services	50,629,413	6,488,122	6,215,281

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

Other Funds Revenues

Admin and Service Charges	2,644,715	3,790,083	4,169,091
Fines and Forfeitures	15,663,323	2,863,752	405,211
Rents and Royalties	8,590,741	2,309,169	2,018,844
Lottery Bonds	-	6,202,928	-
Revenue Bonds	240,904,146	-	30,000,000
Refunding Bonds	1,354,455,707	-	-
Interest Income	32,110,091	32,065,334	12,775,388
Sales Income	27,327,021	14,379,880	5,952,857
Donations	14,220	-	-
Loan Repayments	7,823,946	6,168,102	6,600,000
Other Revenues	15,168,275	11,530,926	12,275,173

Federal Funds	126,657,056	146,720,006	212,632,526
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Transfers In	114,759,938	121,637,582	136,144,810
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Lottery Funds			
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Other Funds	4,030,677,385	3,983,307,823	3,743,345,224
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Federal Funds	2,075,200	-	-
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Transfers Out

Lottery Funds	(761,159)	-	-
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Other Funds	(4,762,798,758)	(4,755,236,821)	(4,616,750,915)
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Federal Funds	(7,570,190)	-	(2,368,579)
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All Funds Available for Exp	6,077,384,765	5,517,837,619	5,886,345,375
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All Expenditures	63,541,007	72,871,173	16,930,280
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General Fund			
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Lottery Funds	114,763,893	122,094,419	136,144,810
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Other Funds	5,071,472,911	4,909,826,709	5,360,372,051
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Federal Funds	121,162,066	146,720,006	210,195,424
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

Total Expenditures	<u>5,370,939,877</u>	<u>5,251,512,307</u>	<u>5,723,642,565</u>
Reversions	(55,385,326)	-	-
Ending Balance	407,462	-	-
Lottery Funds			
Other Funds	650,652,100	266,325,312	162,634,287
Federal Funds	-	-	68,523

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Beginning Balance	2,320,632	1,903,493	1,903,493
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	371,875	1,323,521
Other Funds Revenues			
Business Lic and Fees	2,779,310	2,866,045	2,759,850
Fines and Forfeitures	229,307	130,000	230,000
Interest Income	72,668	55,000	45,000
Sales Income	817	900	800
Other Revenues	1,545	4,000	4,000
Transfers In			
Other Funds	10,567	-	-
All Funds Available for Exp	<u>5,414,846</u>	<u>5,331,313</u>	<u>6,266,664</u>
All Expenditures			
Other Funds	2,578,871	3,263,399	3,346,325
Total Expenditures	<u>2,578,871</u>	<u>3,263,399</u>	<u>3,346,325</u>

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Ending Balance			
Other Funds	2,835,975	2,067,914	2,920,339

Construction Contractors Board

Beginning Balance			
Other Funds	8,496,476	6,271,364	5,557,184
Beginning Balance Adjustment			
Other Funds	-	(1,104,143)	-
Other Funds Revenues			
General Fund Revenues	920,973	1,056,600	916,432
Business Lic and Fees	12,961,313	14,321,292	16,026,520
Fines and Forfeitures	386,133	447,408	411,412
Interest Income	12,842	19,248	3,000
Other Revenues	109,081	125,664	131,199
Transfers In			
Other Funds	62,209	-	-
Transfers Out			
Other Funds	(920,973)	(1,056,600)	(916,432)

All Funds Available for Exp	<u>22,028,054</u>	<u>20,080,833</u>	<u>22,129,315</u>
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All Expenditures			
Other Funds	16,063,383	18,316,626	18,831,054

Total Expenditures	<u>16,063,383</u>	<u>18,316,626</u>	<u>18,831,054</u>
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Ending Balance			
Other Funds	5,964,671	1,764,207	3,298,261

Consumer and Business Svcs, Dept of

Beginning Balance			
Other Funds	353,013,775	389,419,965	381,746,979
Federal Funds	1,614,502	-	-

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Consumer and Business Svcs, Dept of

Beginning Balance Adjustment

Other Funds	-	105,607,108	106,728,492
General Fund Appropriation	1,303,041	12,484,239	-
Other Funds Revenues	192,817,552	167,154,520	167,683,119
General Fund Revenues			
Workers Comp Insurance Taxes	155,806,685	145,595,676	206,613,129
Other Employer -Employee Taxes	138,598,347	128,398,989	135,335,126
Insurance Taxes	-	639,302,438	759,138,676
Other Selective Taxes	253,983,738	-	-
Business Lic and Fees	118,633,203	124,443,966	123,688,949
Fire Marshal Fees	30,382,511	33,437,584	38,217,069
Charges for Services	1,443,849	1,715,456	2,040,929
Admin and Service Charges	2,775,806	2,097,085	2,321,269
Fines and Forfeitures	8,755,793	7,771,219	8,857,524
Interest Income	14,475,657	11,429,320	15,579,007
Other Revenues	986,363	2,584,098	2,119,027
Federal Funds	111,936,043	125,319,561	135,542,861
Transfers In	88,192,473	68,814,924	73,166,274
Other Funds			
Federal Funds	96,776	-	-
Transfers Out			
Other Funds	(412,442,241)	(770,749,042)	(867,630,195)
Federal Funds	(39,990)	(1,813,619)	-
All Funds Available for Exp	1,062,333,891	1,193,013,487	1,291,148,235
All Expenditures	1,268,561	12,557,108	-
General Fund			
Other Funds	514,289,795	562,665,798	603,112,129

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Consumer and Business Svcs, Dept of

All Expenditures			
Federal Funds	112,256,327	121,930,616	135,023,651
Total Expenditures	<u>627,814,683</u>	<u>697,153,522</u>	<u>738,135,780</u>
Reversions	(34,480)	-	-
Ending Balance	-	(72,869)	-
General Fund			
Other Funds	433,133,716	494,357,508	552,493,245
Federal Funds	1,351,012	1,575,326	519,210

Health Related Licensing Boards

Beginning Balance	4,329,405	4,472,972	4,472,972
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	(800,149)	95,611
Other Funds Revenues			
Business Lic and Fees	4,366,042	5,849,573	7,223,807
Non-business Lic. and Fees	1,459,923	2,323,106	2,509,795
Charges for Services	1,836	866	-
Fines and Forfeitures	213,925	87,816	182,443
Interest Income	127,248	211,259	68,024
Other Revenues	117,512	113,438	129,098
Transfers In			
Other Funds	1,608	-	-
Transfers Out			
Other Funds	(119,854)	(75,961)	(87,750)
All Funds Available for Exp	<u>10,497,645</u>	<u>12,182,920</u>	<u>14,594,000</u>
All Expenditures	7,068,455	8,588,557	9,302,439
Other Funds			

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Health Related Licensing Boards

Total Expenditures	7,068,455	8,588,557	9,302,439
Ending Balance		3,594,363	5,291,561
Other Funds	3,429,190		
Labor & Industries, Bureau of			
Beginning Balance	19,946,277	13,153,833	15,369,205
Other Funds			
Federal Funds	1,269,547	174,500	421,500
Beginning Balance Adjustment			
Other Funds	-	1,510,226	1,510,226
General Fund Appropriation	14,585,247	43,003,037	31,047,049
Other Funds Revenues	24,986	-	-
General Fund Revenues			
Business Lic and Fees	5,211,423	3,852,600	5,030,000
Charges for Services	2,884,803	1,377,021	1,100,000
Fines and Forfeitures	401,159	56,000	56,000
Interest Income	343,552	325,000	350,000
Sales Income	717,815	631,000	535,000
Other Revenues	111,549	2,340,000	3,800,000
Federal Funds	1,123,600	1,745,124	2,225,124
Transfers In	260,230	270,809	297,187
Lottery Funds			
Other Funds	11,703,804	15,219,373	15,406,611
Federal Funds	301,796	328,465	318,808
Transfers Out			
Lottery Funds	(112,355)	-	-
Other Funds	(4,784,638)	(5,942,223)	(6,324,526)
Federal Funds	(301,796)	(328,465)	(318,808)

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Labor & Industries, Bureau of

All Funds Available for Exp	53,686,999	77,716,300	70,823,376
All Expenditures	13,801,443	43,003,037	31,047,049
General Fund			
Lottery Funds	147,875	270,809	297,187
Other Funds	12,781,923	17,254,152	19,090,001
Federal Funds	1,305,792	1,903,363	2,039,271
Total Expenditures	28,037,033	62,431,361	52,473,508
Reversions	(783,804)	-	-
Ending Balance	23,778,807	15,268,678	17,742,515
Other Funds			
Federal Funds	1,087,355	16,261	607,353
Licensed Social Workers, Board of			
Beginning Balance	633,965	534,214	555,842
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	224,686	-
Other Funds Revenues			
Business Lic and Fees	1,886,614	1,970,172	2,687,016
Non-business Lic. and Fees	71,345	63,950	124,350
Fines and Forfeitures	1,800	25,000	25,000
Interest Income	20,202	5,000	5,000
Sales Income	4,990	2,000	2,000
Transfers In			
Other Funds	3,468	-	-
Transfers Out			
Other Funds	(21,384)	(22,000)	(22,000)

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Licensed Social Workers, Board of

All Funds Available for Exp	2,601,000	2,803,022	3,377,208
All Expenditures	1,961,260	2,271,967	2,537,750
Other Funds			
Total Expenditures	1,961,260	2,271,967	2,537,750
Ending Balance	639,740	531,055	839,458
Other Funds			

Mental Health Regulatory Agency

Beginning Balance	2,756,957	1,301,658	1,301,658
Other Funds			
Beginning Balance Adjustment			
Other Funds	955,472	811,407	811,407
General Fund Appropriation	-	300,000	-
Other Funds Revenues	4,038,413	4,329,635	4,330,909
Business Lic and Fees			
Non-business Lic. and Fees	141,868	458,021	612,030
Charges for Services	16,092	31,394	29,571
Fines and Forfeitures	230,452	373,314	226,862
Sales Income	451	869	-
Other Revenues	353	-	-
Transfers In			
Other Funds	1,999	-	-
Transfers Out			
Other Funds	(26,404)	(30,974)	(34,981)
All Funds Available for Exp	8,115,653	7,575,324	7,277,456

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Mental Health Regulatory Agency

All Expenditures

General Fund

- 300,000 -

Other Funds

3,920,298 5,186,427 5,695,318

Total Expenditures

3,920,298 5,486,427 5,695,318

Ending Balance

4,195,355 2,088,897 1,582,138

Other Funds

Nursing, Board of

Beginning Balance

Other Funds

9,035,261 8,818,655 10,518,655

Other Funds Revenues

Business Lic and Fees

17,218,730 16,411,315 17,755,392

Non-business Lic. and Fees

46,115 55,000 55,000

Charges for Services

1,456,916 1,712,000 1,976,500

Fines and Forfeitures

92,470 180,000 180,000

Other Revenues

7,653 - -

Transfers In

Other Funds

2,724,740 3,072,292 3,103,015

Transfers Out

Other Funds

(1,707,113) (2,020,572) (2,135,808)

All Funds Available for Exp

28,874,772 28,228,690 31,452,754

All Expenditures

Other Funds

19,049,038 21,955,686 24,010,376

Total Expenditures

19,049,038 21,955,686 24,010,376

Ending Balance

9,825,734 6,273,004 7,442,378

Other Funds

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Board of Chiropractic Examiners

Beginning Balance			
Other Funds	448,308	395,755	798,574
Beginning Balance Adjustment			
Other Funds	-	167,136	-
Other Funds Revenues			
Business Lic and Fees	36,578	42,775	42,532
Non-business Lic. and Fees	1,722,977	1,887,274	1,886,980
Charges for Services	815	2,060	1,640
Fines and Forfeitures	80,620	86,000	226,888
Sales Income	50	27	-
Other Revenues	6,933	-	-
Transfers Out			
Other Funds	(10,576)	(11,600)	(11,600)
All Funds Available for Exp	2,285,705	2,569,427	2,945,014
All Expenditures	1,685,453	2,173,510	2,569,716
Other Funds			
Total Expenditures	1,685,453	2,173,510	2,569,716
Ending Balance	600,252	395,917	375,298
Other Funds			

Oregon Board of Dentistry

Beginning Balance	1,474,142	1,500,000	1,100,000
Other Funds			
Other Funds Revenues			
Business Lic and Fees	3,197,055	3,100,000	3,495,150
Non-business Lic. and Fees	14,900	10,000	14,900
Charges for Services	25,106	18,000	25,100
Fines and Forfeitures	222,136	250,000	240,000
Interest Income	49,215	60,000	60,000

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Board of Dentistry

Other Funds Revenues			
Other Revenues	14,678	14,000	14,000
Transfers Out			
Other Funds	(203,675)	(226,800)	(267,000)
All Funds Available for Exp	<hr/> 4,793,557	<hr/> 4,725,200	<hr/> 4,682,150
All Expenditures	3,270,097	3,859,254	4,172,739
Other Funds			
Total Expenditures	<hr/> <hr/> 3,270,097	<hr/> <hr/> 3,859,254	<hr/> <hr/> 4,172,739
Ending Balance	1,523,460	865,946	509,411
Other Funds			

Oregon Medical Board

Beginning Balance	8,967,439	8,685,787	6,606,598
Other Funds			
Other Funds Revenues			
Business Lic and Fees	14,475,266	15,055,712	18,964,091
Charges for Services	83,905	82,657	83,894
Fines and Forfeitures	201,427	166,780	201,817
Sales Income	22,405	20,860	22,305
Other Revenues	49,378	47,526	33,504
Transfers Out			
Other Funds	(1,349,934)	(1,376,354)	(1,906,676)
All Funds Available for Exp	<hr/> 22,449,886	<hr/> 22,682,968	<hr/> 24,005,533
All Expenditures	12,974,016	17,346,295	18,223,626
Other Funds			
Total Expenditures	<hr/> <hr/> 12,974,016	<hr/> <hr/> 17,346,295	<hr/> <hr/> 18,223,626

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Medical Board

Ending Balance			
Other Funds	9,475,870	5,336,673	5,781,907

Pharmacy, Board of

Beginning Balance			
Other Funds	3,757,649	2,848,229	2,848,229
Beginning Balance Adjustment			
Other Funds	-	831,623	831,623
Other Funds Revenues			
Business Lic and Fees	8,546,255	8,716,500	9,290,005
Non-business Lic. and Fees	254,728	192,995	306,570
Fines and Forfeitures	424,491	410,000	287,760
Interest Income	120,753	131,250	50,000
Other Revenues	64,594	84,335	63,975
Transfers In			
Other Funds	35,495	-	-
Transfers Out			
Other Funds	(425,643)	(443,120)	(617,120)
All Funds Available for Exp	<u>12,778,322</u>	<u>12,771,812</u>	<u>13,061,042</u>
All Expenditures			
Other Funds	8,064,178	9,691,342	10,695,863
Total Expenditures	<u>8,064,178</u>	<u>9,691,342</u>	<u>10,695,863</u>

Ending Balance			
Other Funds	4,714,144	3,080,470	2,365,179

Public Utility Commission

Beginning Balance			
Other Funds	21,122,657	20,852,605	29,715,047
Federal Funds	203,164	-	-

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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Public Utility Commission

Other Funds Revenues

Other Selective Taxes	13,660,808	14,620,640	9,937,511
Business Lic and Fees	749,565	777,935	807,750
Public Utilities Fees	94,935,395	80,832,618	100,083,145
Charges for Services	178,682	172,400	171,346
Fines and Forfeitures	135,439	87,622	99,114
Interest Income	238,259	126,663	119,795
Other Revenues	1,226,573	45,802	45,802

Federal Funds	1,340,630	1,455,770	1,515,679
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Transfers In	19,207,292	9,670,690	10,450,277
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Other Funds

Transfers Out

Other Funds	(17,453,301)	(10,934,505)	(11,547,744)
Federal Funds	(501,031)	(236,185)	(302,533)

All Funds Available for Exp	135,043,442	117,472,055	141,095,189
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All Expenditures	100,423,025	106,113,443	117,219,054
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Other Funds

Federal Funds	1,042,763	1,219,585	1,213,146
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Total Expenditures	101,465,788	107,333,028	118,432,200
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Ending Balance	33,577,654	10,139,027	22,662,989
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Other Funds

Real Estate Agency

Beginning Balance

Other Funds	2,603,267	3,566,327	6,796,808
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Other Funds Revenues

General Fund Revenues	57,269	25,500	64,500
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Business Lic and Fees	11,495,871	7,239,990	10,492,779
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Real Estate Agency

Other Funds Revenues			
Charges for Services	1,786	7,673	18,938
Fines and Forfeitures	229,509	190,689	426,324
Other Revenues	1,946	5,846	5,300
Transfers In			
Other Funds	15,070	-	-
Transfers Out			
Other Funds	(57,269)	(25,500)	(64,500)
All Funds Available for Exp	14,347,449	11,010,525	17,740,149
All Expenditures	8,835,714	10,141,433	14,013,928
Other Funds			
Total Expenditures	8,835,714	10,141,433	14,013,928
Ending Balance	5,511,735	869,092	3,726,221
Other Funds			

Tax Practitioners, State Board of

Beginning Balance	403,139	347,616	185,754
Other Funds			
Other Funds Revenues			
Business Lic and Fees	824,385	915,575	1,012,668
Fines and Forfeitures	111,519	60,000	60,000
Interest Income	-	3,000	3,000
Other Revenues	2,195	4,600	-
All Funds Available for Exp	1,341,238	1,330,791	1,261,422
All Expenditures	962,659	1,166,969	1,151,801
Other Funds			

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Tax Practitioners, State Board of

Total Expenditures	962,659	1,166,969	1,151,801
Ending Balance Other Funds	378,579	163,822	109,621

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

Beginning Balance	811,293,985	897,537,161	770,185,003
Lottery Funds			
Other Funds	187,049,215	94,413,200	173,943,379
Beginning Balance Adjustment			
Lottery Funds	(24,257,712)	(408,808,098)	17,588,303
Other Funds	8,600,000	22,372,854	(14,435,193)
Federal Funds	-	65,476,928	-
General Fund Appropriation	228,841,846	670,472,681	18,162,345
Lottery Funds	46,551,044	25,152,840	69,281,220
Interest Income			
Other Funds Revenues			
General Fund Revenues	11,477,418	12,745,726	16,153,146
Non-business Lic. and Fees	5,050,074	4,682,487	4,738,882
Central Service Charges	4,500,000	4,500,000	4,500,000
Charges for Services	252,193,383	274,993,503	229,247,801
Admin and Service Charges	362,808,746	429,835,034	561,025,296
Fines and Forfeitures	15,776	-	-
Rents and Royalties	87,999,633	112,990,903	126,907,369
General Fund Obligation Bonds	57,925,925	-	-
Dedicated Fund Oblig Bonds	-	122,000,000	50,000
Lottery Bonds	11,465,210	204,114,604	22,552,499
Refunding Bonds	41,969,779	413,155	-

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

Other Funds Revenues			
Interest Income	12,875,671	4,400,000	4,400,000
Sales Income	6,460,706	6,016,251	5,251,594
Loan Repayments	95,571	-	-
Other Revenues	577,100,977	608,991,304	626,236,568
Federal Funds	1,326,956,994	3,244,567,632	114,353,354
Transfers In	1,644,264,899	2,367,963,255	2,443,783,425
Lottery Funds			
Other Funds	491,522,287	312,267,435	336,072,340
Transfers Out			
Lottery Funds	(1,847,923,453)	(2,093,885,916)	(2,483,303,699)
Other Funds	(504,654,444)	(483,056,058)	(521,969,007)
Federal Funds	1,000,000	(108,794,185)	(108,794,185)
All Funds Available for Exp	3,801,183,530	6,391,362,696	2,415,930,440
All Expenditures	228,061,764	670,472,681	18,162,345
General Fund			
Lottery Funds	22,324,970	26,803,355	51,259,606
Other Funds	1,385,871,441	1,655,387,915	1,435,411,753
Federal Funds	1,262,480,066	3,201,250,375	5,559,169
Total Expenditures	2,898,738,241	5,553,914,326	1,510,392,873
Reversions	(780,082)	-	-
Ending Balance	607,603,793	761,155,887	766,274,646
Lottery Funds			
Other Funds	228,584,486	76,292,483	139,262,921
Federal Funds	65,476,928	-	-

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PROGRAM AREA: ADMINISTRATION

Employment Relations Board

Beginning Balance			
Other Funds	664,183	528,544	528,544
Beginning Balance Adjustment			
Other Funds	-	262,931	478,507
General Fund Appropriation	2,844,094	3,350,085	3,334,254
Other Funds Revenues	72,725	57,826	63,592
Business Lic and Fees			
Charges for Services	162,253	214,207	230,108
Admin and Service Charges	2,256,851	2,188,800	2,102,400
Sales Income	298	1,558	1,973
Other Revenues	739	-	-
All Funds Available for Exp	6,001,143	6,603,951	6,739,378
All Expenditures	2,816,655	3,350,085	3,334,254
General Fund			
Other Funds	2,330,083	2,649,723	2,648,871
Total Expenditures	5,146,738	5,999,808	5,983,125
Reversions	(27,439)	-	-
Ending Balance Other Funds	826,966	604,143	756,253

Governor, Office of the

Beginning Balance			
Other Funds	1,532,704	1,679,433	1,679,433
Beginning Balance Adjustment			
Lottery Funds	-	817,636	817,636
Other Funds	-	(345,000)	(270,000)

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: ADMINISTRATION

Governor, Office of the

General Fund Appropriation	16,705,068	19,921,917	21,713,842
Other Funds Revenues	62,575	75,000	75,000
Non-business Lic. and Fees			
Interest Income	4	-	-
Donations	334	180,001	180,001
Other Revenues	388,757	75,000	75,000
Transfers In			
Lottery Funds	4,106,514	4,661,117	4,811,152
Other Funds	4,932,666	3,845,839	3,670,159
Transfers Out			
Lottery Funds	(817,636)	(817,636)	-
All Funds Available for Exp	26,910,986	30,093,307	32,752,223
All Expenditures	15,003,053	19,921,917	21,713,842
General Fund			
Lottery Funds	3,288,878	4,661,117	4,811,152
Other Funds	5,771,090	4,465,499	4,110,658
Total Expenditures	24,063,021	29,048,533	30,635,652
Reversions	(1,702,015)	-	-
Ending Balance	-	-	817,636
Lottery Funds			
Other Funds	1,145,950	1,044,774	1,298,935

Office of the Public Records Advocate

Other Funds Revenues

Admin and Service Charges	-	-	1,012,614
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PROGRAM AREA: ADMINISTRATION

Office of the Public Records Advocate

All Funds Available for Exp	-	-	1,012,614
All Expenditures	-	-	895,407
Other Funds			
Total Expenditures	-	-	895,407
Ending Balance	-	-	117,207
Other Funds			

Oregon Advocacy Commissions Office

Beginning Balance	14,598	6,900	11,620
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	6,306	-
General Fund Appropriation	708,032	1,692,600	2,066,060
Other Funds Revenues			
Donations	55	10,000	20,000
All Funds Available for Exp	722,685	1,715,806	2,097,680
All Expenditures			
General Fund	650,810	1,692,600	2,066,060
Other Funds	1,012	9,841	10,253
Total Expenditures	651,822	1,702,441	2,076,313
Reversions	(57,222)	-	-

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PROGRAM AREA: ADMINISTRATION

Oregon Advocacy Commissions Office

Ending Balance			
Other Funds	13,641	13,365	21,367

Oregon Government Ethics Commission

Beginning Balance			
Other Funds	733,750	715,787	715,787
Beginning Balance Adjustment			
Other Funds	-	(49,100)	(114,766)
Other Funds Revenues			
General Fund Revenues	59,675	30,000	50,000
Admin and Service Charges	2,944,913	3,050,688	3,830,722
Other Revenues	294	-	-
Transfers In			
Other Funds	8,717	-	-
Transfers Out			
Other Funds	(59,675)	(30,000)	(50,000)

All Funds Available for Exp	<u>3,687,674</u>	<u>3,717,375</u>	<u>4,431,743</u>
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All Expenditures			
Other Funds	2,824,506	3,312,835	3,897,374

Total Expenditures	<u>2,824,506</u>	<u>3,312,835</u>	<u>3,897,374</u>
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Ending Balance			
Other Funds	863,168	404,540	534,369

Oregon Liquor & Cannabis Comm

Beginning Balance			
Other Funds	5,991,912	7,916,689	7,916,689
Beginning Balance Adjustment			
Other Funds	-	5,908,632	5,908,632
Other Funds Revenues			
General Fund Revenues	342,868,287	346,466,692	466,484,299

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PROGRAM AREA: ADMINISTRATION

Oregon Liquor & Cannabis Comm

Other Funds Revenues			
Privilege Taxes	26,073,514	29,972,692	29,796,718
Business Lic and Fees	43,269,365	36,147,422	40,265,229
Charges for Services	-	2,640	-
Fines and Forfeitures	757,450	357,602	-
Dedicated Fund Oblig Bonds	-	173,652,783	17,477,217
Sales Income	-	344,960	440,000
Liquor Sales	1,218,469,865	1,316,694,424	1,632,360,821
Liquor Cost of Goods Sold	(763,181,186)	(811,601,575)	(992,479,071)
Cost of Goods Sold	(10,715,865)	(19,674,010)	(23,180,040)
Other Revenues	27,535	4,410,567	-
Transfers In			
Other Funds	235,111,395	275,841,184	375,849,761
Federal Funds	1,181,080	-	-
Transfers Out			
Other Funds	(828,873,996)	(876,505,268)	(1,131,311,156)
All Funds Available for Exp	270,979,356	489,935,434	429,529,099
All Expenditures			
Other Funds	250,165,490	476,284,237	396,490,632
Total Expenditures	250,165,490	476,284,237	396,490,632
Ending Balance			
Other Funds	19,632,786	13,651,197	33,038,467
Federal Funds	1,181,080	-	-

Public Employees Retirement System, Oregon

Beginning Balance			
Other Funds	81,797,583,532	82,976,101,473	98,328,554,655
Beginning Balance Adjustment			
Lottery Funds	-	4,126,469	341,000

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PROGRAM AREA: ADMINISTRATION

Public Employees Retirement System, Oregon

General Fund Appropriation	64,751,802	17,250,000	-
Other Funds Revenues	4,997,664	4,280,010	6,350,449
Charges for Services			
Interest Income	21,891,737,699	9,649,298,590	15,044,302,630
Retirement System Contribution	6,133,707,724	6,136,283,319	9,244,070,430
Insurance Premiums	62,896,196	83,002,020	65,147,533
Other Revenues	265,897,608	67,853,750	72,601
Transfers In			
Lottery Funds	4,147,195	15,335,237	21,715,622
Other Funds	203,249,696	181,592,369	166,955,220
Transfers Out			
Other Funds	(117,292,021)	(164,342,367)	(166,955,218)
All Funds Available for Exp	110,311,677,095	98,970,780,870	122,710,554,922
All Expenditures	64,570,045	17,250,000	-
General Fund			
Lottery Funds	-	19,461,706	22,056,622
Other Funds	11,893,685,059	13,054,427,168	13,686,891,410
Total Expenditures	11,958,255,104	13,091,138,874	13,708,948,032
Reversions	(181,757)	-	-
Ending Balance	4,147,195	-	-
Lottery Funds			
Other Funds	98,349,093,039	85,879,641,996	109,001,606,890

Racing Commission, Oregon

Beginning Balance Other Funds	761,405	1,163,683	1,163,683
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PROGRAM AREA: ADMINISTRATION

Racing Commission, Oregon

Beginning Balance Adjustment

Other Funds	-	596,324	596,324
Other Funds Revenues			
General Fund Revenues	1,442,407	1,657,404	1,570,927
Business Lic and Fees	1,543,491	2,018,700	1,851,315
Charges for Services	192,002	140,000	260,000
Fines and Forfeitures	10,500	15,000	10,000
Pari-Mutuel Receipts	4,586,193	4,972,212	4,712,778
Other Revenues	34,334	30,000	10,000
Transfers In			
Other Funds	899,000	-	-
Transfers Out			
Other Funds	(2,341,407)	(1,657,404)	(1,570,927)
All Funds Available for Exp	<u>7,127,925</u>	<u>8,935,919</u>	<u>8,604,100</u>
All Expenditures			
Other Funds	5,864,493	7,523,592	7,260,391
Total Expenditures	<u>5,864,493</u>	<u>7,523,592</u>	<u>7,260,391</u>
Ending Balance	1,263,432	1,412,327	1,343,709
Other Funds			

Revenue, Dept of

Beginning Balance			
Other Funds	192,858,887	37,827,306	(19,548,214)
Beginning Balance Adjustment			
Other Funds	-	62,144,131	433,742,917
General Fund Appropriation	207,397,041	250,139,343	236,554,601
Other Funds Revenues	22,666,407,831	22,460,740,888	24,161,527,600
General Fund Revenues			

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PROGRAM AREA: ADMINISTRATION

Revenue, Dept of

Other Funds Revenues

Corporate Activity Tax	1,372,630,989	2,332,431,360	2,577,106,000
Other Employer -Employee Taxes	-	1,273,652,335	1,422,220,494
Cigarette Taxes	412,282,111	634,797,000	609,100,000
Other Tobacco Products Taxes	64,099,723	75,500,000	116,500,000
Marijuana Taxes	359,295,968	339,482,486	351,551,000
Amusement Taxes	-	3,890,000	4,052,345
Eastern Oregon Severance Taxes	-	20,260	31,914
Western Oregon Severance Taxes	-	970,000	1,135,910
Other Severance Taxes	-	100,000	33,478
Privilege Taxes	-	54,200,000	95,640,000
Other Taxes	466,407,168	403,181,367	356,830,564
Business Lic and Fees	-	12,103,704	12,443,302
Charges for Services	20,387,776	22,048,327	22,000,000
Fines and Forfeitures	28,237,552	54,419,258	18,364,343
General Fund Obligation Bonds	-	3,782,613	-
Refunding Bonds	2,255,000	-	-
Interest Income	41,643	-	-
Donations	101,051	2,000,000	2,426,683
Sr Citizen Prop Tax Repayments	63,744,923	42,638,383	44,070,252
Other Revenues	111,386,426	119,942,897	89,000,000

Transfers In

Other Funds	121,450,790	279,076,241	186,487,825
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Transfers Out

Other Funds	(25,517,500,707)	(27,879,322,801)	(29,895,468,204)
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All Funds Available for Exp

571,484,172	585,765,098	825,802,810
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All Expenditures

General Fund	194,787,706	250,139,343	236,554,601
Other Funds	123,483,801	304,678,451	166,517,726

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PROGRAM AREA: ADMINISTRATION

Revenue, Dept of

Total Expenditures	318,271,507	554,817,794	403,072,327
Reversions	(12,609,335)	-	-
Ending Balance Other Funds	240,603,330	30,947,304	422,730,483

Secretary of State

Beginning Balance Other Funds	18,162,497	11,095,130	9,477,290
Federal Funds	8,379,709	15,306,268	5,002,647
Beginning Balance Adjustment Other Funds	-	(1,267,612)	-
Federal Funds	-	(4,305,068)	-
General Fund Appropriation	14,203,202	18,915,145	16,638,570
Other Funds Revenues General Fund Revenues	82,871,829	67,730,540	62,123,770
Business Lic and Fees	18,756,613	20,229,351	28,663,777
Non-business Lic. and Fees	3,133,899	2,308,506	2,667,190
Charges for Services	39,930,284	53,367,363	63,364,649
Interest Income	50,840	-	-
Sales Income	40,111	45,000	39,000
Grants (Non-Fed)	500	-	-
Other Revenues	1,013,990	1,013,990	1,013,990
Federal Funds	6,109,153	90,150	20,000
Transfers In Other Funds	21,080,141	28,060,431	35,649,641

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PROGRAM AREA: ADMINISTRATION

Secretary of State

Transfers Out			
Other Funds	(102,223,897)	(95,790,971)	(97,773,411)
All Funds Available for Exp	111,810,907	116,798,223	126,887,113
All Expenditures	14,203,166	18,915,145	16,638,570
General Fund			
Other Funds	64,756,837	79,761,879	96,071,600
Federal Funds	3,982,771	10,497,283	4,583,969
Total Expenditures	82,942,774	109,174,307	117,294,139
Reversions	(36)	-	-
Ending Balance	18,059,970	7,029,849	9,154,296
Other Funds			
Federal Funds	10,808,127	594,067	438,678
State Library			
Beginning Balance	1,919,006	784,228	2,832,631
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	1,880,686	-
General Fund Appropriation	4,081,203	4,538,886	4,894,113
Other Funds Revenues	4,748	20,000	20,000
Rents and Royalties			
Interest Income	12,837	20,950	5,750
Sales Income	258	-	-
Donations	237,729	300,000	300,000
Other Revenues	9	-	-

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PROGRAM AREA: ADMINISTRATION

State Library

Federal Funds	5,139,478	7,977,520	5,265,613
Transfers In			
Other Funds	8,163,063	7,114,162	7,634,890
Transfers Out			
Other Funds	(964,970)	-	-
All Funds Available for Exp	<u>18,593,361</u>	<u>22,636,432</u>	<u>20,952,997</u>
All Expenditures			
General Fund	3,899,570	4,538,886	4,894,113
Other Funds	5,834,771	7,429,467	8,172,036
Federal Funds	5,139,478	7,977,520	5,265,613
Total Expenditures	<u>14,873,819</u>	<u>19,945,873</u>	<u>18,331,762</u>

Reversions	(181,633)	-	-
Ending Balance			
Other Funds	3,537,909	2,690,559	2,621,235

Treasury, Oregon State

Beginning Balance			
Other Funds	22,983,949	12,608,603	12,608,603
Beginning Balance Adjustment			
Other Funds	1,554,204	17,224,894	17,224,894
Other Funds Revenues			
Charges for Services	91,367,356	119,952,235	137,031,399
Interest Income	154,861	-	-
Other Revenues	418,336	-	-
Transfers In			
Other Funds	23,892,816	21,184,402	23,937,798

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PROGRAM AREA: ADMINISTRATION

Treasury, Oregon State

Transfers Out			
Other Funds	(24,125,980)	(21,184,402)	(23,937,798)
All Funds Available for Exp	116,245,542	149,785,732	166,864,896
All Expenditures	85,129,096	121,830,410	133,606,052
Other Funds			
Total Expenditures	85,129,096	121,830,410	133,606,052
Ending Balance	31,116,446	27,955,322	33,258,844
Other Funds			

PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

Beginning Balance	16	-	-
Other Funds			
General Fund Appropriation	862,895	914,197	1,104,609
Other Funds Revenues	1,150	-	-
Donations			
Other Revenues	400	7,604	7,604
All Funds Available for Exp	864,461	921,801	1,112,213
All Expenditures	605,922	914,197	1,104,609
General Fund			
Other Funds	1,367	7,604	7,604
Total Expenditures	607,289	921,801	1,112,213

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PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

Reversions	(256,973)	-	-
Ending Balance			
Other Funds	199	-	-

Legislative Administration Committee

Beginning Balance			
Other Funds	872,555	130,000	130,000
Beginning Balance Adjustment			
Other Funds	685,906	404,000	4,928,844
General Fund Appropriation	62,685,550	299,311,117	72,332,440
Other Funds Revenues			
Charges for Services	631,159	39,359	39,359
Rents and Royalties	615,275	1,065,272	540,272
General Fund Obligation Bonds	75,407,154	24,175,000	-
Refunding Bonds	11,665,000	-	-
Interest Income	354,348	-	-
Sales Income	328,159	834,868	751,368
Donations	4,656	-	5,000
Other Revenues	73,952	5,248,056	403,701
Transfers In			
Other Funds	5,024,361	161,000	230,000
Transfers Out			
Other Funds	(4,994,923)	(161,000)	(230,000)
All Funds Available for Exp	153,353,152	331,207,672	79,130,984
All Expenditures			
General Fund	51,913,161	299,311,117	72,332,440
Other Funds	86,840,975	31,378,056	6,368,200

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

Reversions	(256,973)	-	-
Ending Balance			
Other Funds	199	-	-

Legislative Administration Committee

Beginning Balance			
Other Funds	872,555	130,000	130,000
Beginning Balance Adjustment			
Other Funds	685,906	404,000	4,928,844
General Fund Appropriation	62,685,550	299,311,117	72,332,440
Other Funds Revenues			
Charges for Services	631,159	39,359	39,359
Rents and Royalties	615,275	1,065,272	540,272
General Fund Obligation Bonds	75,407,154	24,175,000	-
Refunding Bonds	11,665,000	-	-
Interest Income	354,348	-	-
Sales Income	328,159	834,868	751,368
Donations	4,656	-	5,000
Other Revenues	73,952	5,248,056	403,701
Transfers In			
Other Funds	5,024,361	161,000	230,000
Transfers Out			
Other Funds	(4,994,923)	(161,000)	(230,000)
All Funds Available for Exp	153,353,152	331,207,672	79,130,984
All Expenditures			
General Fund	51,913,161	299,311,117	72,332,440
Other Funds	86,840,975	31,378,056	6,368,200

2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Administration Committee

Total Expenditures	138,754,136	330,689,173	78,700,640
Reversions	(10,772,389)	-	-
Ending Balance			
Other Funds	3,826,627	518,499	430,344

Legislative Assembly

Beginning Balance	341,100	155,000	187,727
Other Funds			
Beginning Balance Adjustment			
Other Funds	-	-	(8,000)
General Fund Appropriation	58,623,567	69,822,774	71,915,858
Other Funds Revenues	2,293	-	-
Charges for Services			
Sales Income	89,792	199,008	165,000
Other Revenues	63	-	-
All Funds Available for Exp	59,056,815	70,176,782	72,260,585
All Expenditures	51,890,626	69,822,774	71,915,858
General Fund			
Other Funds	87,477	297,199	323,805
Total Expenditures	51,978,103	70,119,973	72,239,663
Reversions	(6,732,941)	-	-

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Assembly

Ending Balance			
Other Funds	345,771	56,809	20,922

Legislative Counsel Committee

Beginning Balance			
Other Funds	1,863,280	1,789,528	1,906,851
Beginning Balance Adjustment			
Other Funds	(73,752)	-	-

General Fund Appropriation	16,766,693	19,023,789	19,795,825
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Other Funds Revenues			
Charges for Services	371,182	273,700	458,879
Sales Income	1,362,684	1,824,375	1,922,525
Other Revenues	2,829	-	-

Transfers In			
Other Funds	896,673	2,574,984	2,540,006

Transfers Out			
Other Funds	(896,673)	(2,574,984)	(2,540,006)

All Funds Available for Exp	<u>20,292,916</u>	<u>22,911,392</u>	<u>24,084,080</u>
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All Expenditures			
General Fund	14,863,657	19,023,789	19,795,825
Other Funds	1,549,953	2,838,469	2,932,670

Total Expenditures	<u>16,413,610</u>	<u>21,862,258</u>	<u>22,728,495</u>
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Reversions	(1,903,036)	-	-
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Ending Balance			
Other Funds	1,976,270	1,049,134	1,355,585

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Fiscal Office

Beginning Balance			
Other Funds	1,152,560	612,241	612,241
Beginning Balance Adjustment			
Other Funds	-	605,164	605,164
General Fund Appropriation	8,395,274	8,629,206	9,046,017
Transfers In			
Other Funds	4,500,000	4,500,000	4,500,000
All Funds Available for Exp	<u>14,047,834</u>	<u>14,346,611</u>	<u>14,763,422</u>
All Expenditures			
General Fund	5,523,827	8,629,206	9,046,017
Other Funds	4,305,023	5,029,509	5,011,440
Total Expenditures	<u>9,828,850</u>	<u>13,658,715</u>	<u>14,057,457</u>
Reversions	(2,871,447)	-	-
Ending Balance			
Other Funds	1,347,537	687,896	705,965

Legislative Policy and Research Committee

General Fund Appropriation	12,558,369	16,233,694	17,591,946
All Funds Available for Exp	<u>12,558,369</u>	<u>16,233,694</u>	<u>17,591,946</u>
All Expenditures			
General Fund	11,030,524	16,233,694	17,591,946

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Policy and Research Committee

Total Expenditures	11,030,524	16,233,694	17,591,946
Reversions	(1,527,845)	-	-

Legislative Revenue Office

General Fund Appropriation	3,239,360	3,534,962	3,640,803
All Funds Available for Exp	3,239,360	3,534,962	3,640,803
All Expenditures General Fund	2,994,095	3,534,962	3,640,803
Total Expenditures	2,994,095	3,534,962	3,640,803
Reversions	(245,265)	-	-

PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

Beginning Balance Other Funds	13,252,913	4,538,908	5,000,000
Federal Funds	43,701	-	-
Beginning Balance Adjustment Federal Funds	(43,701)	-	-
General Fund Appropriation	521,726,139	626,612,071	656,474,179

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

Other Funds Revenues

General Fund Revenues	117,994,632	138,804,248	139,598,353
Business Lic and Fees	52,060	96,000	96,000
State Court Fees	12,304,768	16,141,663	11,881,668
Federal Revenues	336,912	-	-
Charges for Services	7,363,426	7,006,155	6,105,000
Fines and Forfeitures	94,762,436	120,951,866	121,733,784
General Fund Obligation Bonds	36,320,000	170,520,000	84,070,000
Interest Income	821,604	274,570	-
Sales Income	208,282	680,000	370,000
Donations	534,961	500,000	500,000
Grants (Non-Fed)	6,358,131	10,115,737	19,055,844
Other Revenues	28,420,866	53,242,415	83,760,608

Federal Funds	930,293	1,782,035	1,782,035
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Transfers In	32,924,904	38,653,793	37,016,087
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Other Funds			
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Federal Funds	79,676	-	-
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Transfers Out

Other Funds	(227,177,105)	(275,114,369)	(275,167,923)
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All Funds Available for Exp	647,214,898	914,805,092	892,275,635
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All Expenditures	515,362,621	626,674,030	656,474,179
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General Fund			
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Other Funds	111,158,222	281,646,988	228,326,136
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Federal Funds	1,009,969	1,782,035	1,584,283
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Total Expenditures	627,530,812	910,103,053	886,384,598
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Reversions	(6,363,518)	-	-
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

Ending Balance			
General Fund	-	(61,959)	-
Other Funds	13,320,568	4,763,998	5,693,285
Federal Funds	-	-	197,752

Judicial Fitness and Disability, Comm on

General Fund Appropriation	290,000	330,499	313,084
All Funds Available for Exp	<u>290,000</u>	<u>330,499</u>	<u>313,084</u>
All Expenditures	268,383	330,499	313,084
General Fund			
Total Expenditures	<u>268,383</u>	<u>330,499</u>	<u>313,084</u>
Reversions	(21,617)	-	-

Public Defense Svcs Comm

Beginning Balance			
Other Funds	871,934	-	-
General Fund Appropriation	353,399,570	337,439,650	482,844,951
Other Funds Revenues	26	-	-
Other Revenues			
Transfers In			
Other Funds	16,525,195	18,449,667	17,937,116
Transfers Out			
Other Funds	(3,402,099)	-	-

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: JUDICIAL BRANCH

Public Defense Svcs Comm

All Funds Available for Exp	367,394,626	355,889,317	500,782,067
All Expenditures	353,130,198	337,439,650	482,844,951
General Fund			
Other Funds	13,615,153	18,449,667	17,937,116
Total Expenditures	366,745,351	355,889,317	500,782,067
Reversions	269,371	-	-
Ending Balance	538,743	-	-
General Fund			
Other Funds	379,903	-	-

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

General Fund Appropriation	307,544,809	469,778,807	622,013,901
All Funds Available for Exp	307,544,809	469,778,807	622,013,901
All Expenditures	-	469,778,807	622,013,901
General Fund			
Total Expenditures	-	469,778,807	622,013,901
Reversions	(307,544,809)	-	-

EXPENDITURES

Statewide Biennial Budget Summary

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>
2021-23 Leg Adopted Budget	47,428	44,581.60	112,787,330,873	25,445,991,039
2021-23 Emergency Boards	1,365	924.21	8,377,914,394	2,415,039,978
2021-23 Leg Approved Budget	48,793	45,505.81	121,165,245,267	27,861,031,017
2023-25 Base Budget Adjustments				
Net Cost of Position Actions				
Administrative Biennialized E-Board, Phase-Out	(2,547)	(756.14)	(78,728,082)	(229,721,985)
Estimated Cost of Merit Increase				
Base Debt Service Adjustment			137,825,712	167,040,280
Base Nonlimited Adjustment			(2,634,972,080)	-
Capital Construction			(1,892,426,895)	(223,081,000)
Subtotal 2023-25 Base Budget	46,246	44,749.67	116,696,943,922	27,575,268,312
Essential Packages				
010 - Non-PICS Pers Svc/Vacancy Factor				
Vacancy Factor (Increase)/Decrease	-	-	(28,142,420)	(14,120,359)
Non-PICS Personal Service (Increase)/Decrease	-	-	55,391,179	9,409,922
Subtotal	-	-	27,248,759	(4,710,437)
020 - Phase In / Out Pgm & One-time Cost				
021 - Phase-in	43	30.83	3,139,880,389	713,462,434
022 - Phase-out Pgm & One-time Costs	(12)	(12.58)	(16,221,602,650)	(3,438,956,426)
Subtotal	31	18.25	(13,081,722,261)	(2,725,493,992)
030 - Inflation & Price List Adjustments				
Cost of Goods & Services Increase/(Decrease)	-	-	4,182,494,814	1,375,333,474
State Gov't & Services Charges Increase/(Decrease)			164,155,772	78,322,764
Subtotal	-	-	4,346,650,586	1,453,656,238
040 - Mandated Caseload				
040 - Mandated Caseload	96	64.16	41,139,932	128,317,683

Statewide Biennial Budget Summary (continued)

<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
1,362,627,091	28,168,371,031	32,598,121,087	20,399,083,128	4,813,137,497
84,100,090	2,766,592,057	2,306,007,810	85,166,305	721,008,154
1,446,727,181	30,934,963,088	34,904,128,897	20,484,249,433	5,534,145,651

310,088	196,213,708	(45,529,893)	-	-
60,517,922	12,165,657	-	(99,983,413)	(1,914,734)
-	-	-	(1,760,057,842)	(874,914,238)
-	(1,634,476,708)	(34,869,187)	-	-
1,507,555,191	29,508,865,745	34,823,729,817	18,624,208,178	4,657,316,679

(332,347)	(8,756,598)	(4,933,116)	-	-
93,675	39,076,425	6,811,157	-	-
(238,672)	30,319,827	1,878,041	-	-
99,236,800	1,113,850,752	1,213,330,403	-	-
(135,642,607)	(5,900,968,290)	(6,746,035,327)	-	-
(36,405,807)	(4,787,117,538)	(5,532,704,924)	-	-
10,405,354	960,676,739	1,836,079,247	-	-
1,951,998	52,110,222	31,770,788	-	-
12,357,352	1,012,786,961	1,867,850,035	-	-
-	43,496,229	(130,673,980)	-	-

Statewide Biennial Budget Summary (continued)

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>
050 - Fundshifts and Revenue Reductions				
050 - Fundshifts	-	-	(435,860,029)	1,979,746,339
060 - Technical Adjustments				
060 - Technical Adjustments	2	1.50	1,139,802	4,236,244
Subtotal: 2023-25 Current Service Level	46,375	44,833.58	107,595,540,711	28,411,020,387

Statewide Biennial Budget Summary (continued)

<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
(3,970,928)	(1,396,420,223)	(980,678,636)	-	(34,536,581)
5,704	(2,252,941)	(849,205)	-	-
1,479,302,840	24,409,678,060	30,048,551,148	18,624,208,178	4,622,780,098

Statewide Biennial Budget Summary (continued)

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>
Subtotal: 2023-25 Current Service Level	46,375	44,833.58	107,595,540,711	28,411,020,387
070 - Revenue Reductions/Shortfall				
070 - Revenue Shortfalls	(94)	(90.80)	(40,688,925)	(517,083)
Modified 2023-25 Current Service Level	46,281	44,742.78	107,554,851,786	28,410,503,304
080 - E-Boards				
081 - June 2022 Emergency Board	83	84.25	1,087,000,772	242,599,473
082 - September Eboard	42	42.00	47,944,355	7,772,036
083 - December Eboard	-	-	-	-
083 - December E-Board 2022	21	21.00	4,286,619	4,201,619
Subtotal Emergency Board Packages	146	147.25	1,139,231,746	254,573,128
Subtotal Policy Packages	3,114	2,445.12	7,849,536,054	1,637,293,424
Total 2023-25 Governor's Budget	49,541	47,335.15	116,543,619,586	30,302,369,856
Percentage Change From 2021-23 Leg Approved Budget	1.54%	4.02%	-3.81%	8.76%
Percentage Change From 2023-25 Current Service Level	6.83%	5.58%	8.32%	6.66%

Statewide Biennial Budget Summary (continued)

<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
1,479,302,840	24,409,678,060	30,048,551,148	18,624,208,178	4,622,780,098
-	(29,835,185)	(10,336,657)	-	-
1,479,302,840	24,379,842,875	30,038,214,491	18,624,208,178	4,622,780,098
-	447,350,899	397,050,400	-	-
-	21,031,508	19,140,811	-	-
-	-	-	-	-
-	85,000	-	-	-
-	468,467,407	416,191,211	-	-
365,848,526	4,541,371,731	1,156,459,582	148,565,291	(2,500)
1,845,151,366	29,389,682,013	31,610,865,284	18,772,773,469	4,622,777,598
27.54%	-5.00%	-9.44%	-8.36%	-16.47%
24.73%	20.40%	5.20%	0.80%	-

Schedule V – Summary of Total Expenditures

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
PROGRAM AREA: EDUCATION			
Department of Early Learning and Care			
General Fund	-	-	560,227,774
Other Funds	-	-	456,090,126
Federal Funds	-	-	378,442,816
All Funds	-	-	1,394,760,716
Education, Dept of			
General Fund	8,538,385,764	9,155,162,920	9,578,295,881
Lottery Funds	731,160,397	650,508,965	399,110,719
Other Funds	1,752,902,605	3,487,416,617	3,323,334,955
Federal Funds	1,578,937,990	3,392,608,708	2,077,959,996
All Funds	12,601,386,756	16,685,697,210	15,378,701,551
Higher Education Coordinating Commission			
General Fund	2,154,941,838	2,657,846,371	2,490,039,798
Lottery Funds	141,833,001	139,873,506	486,222,079
Other Funds	1,336,582,733	967,104,147	628,361,866
Federal Funds	87,525,171	155,561,389	160,293,295
All Funds	3,720,882,743	3,920,385,413	3,764,917,038
Teacher Standards & Practices Comm			
General Fund	-	1,726,971	2,510,468
Other Funds	8,406,183	14,202,144	14,596,836
All Funds	8,406,183	15,929,115	17,107,304
Education Total			
General Fund	10,693,327,602	11,814,736,262	12,631,073,921
Lottery Funds	872,993,398	790,382,471	885,332,798
Other Funds	3,097,891,521	4,468,722,908	4,422,383,783
Federal Funds	1,666,463,161	3,548,170,097	2,616,696,107
All Funds	\$16,330,675,682	\$20,622,011,738	\$20,555,486,609

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

General Fund	6,140,868	5,788,243	7,255,754
Other Funds	1,268,014	1,083,040	1,134,262
Federal Funds	16,379,029	17,994,237	18,809,642
All Funds	23,787,911	24,865,520	27,199,658

Human Services, Dept. of

General Fund	3,637,247,990	4,807,184,398	5,343,817,382
Other Funds	751,048,822	942,725,953	1,022,662,167
Federal Funds	8,887,835,974	11,359,676,823	11,392,402,228
All Funds	13,276,132,786	17,109,587,174	17,758,881,777

Long Term Care Ombudsman

General Fund	7,496,334	11,164,278	11,934,035
Other Funds	930,428	1,166,468	903,651
All Funds	8,426,762	12,330,746	12,837,686

Oregon Health Authority

General Fund	2,412,898,628	3,804,926,153	5,415,491,546
Lottery Funds	17,296,110	19,670,002	26,543,282
Other Funds	8,191,650,197	10,689,713,259	9,995,926,721
Federal Funds	13,662,933,335	17,858,430,523	19,050,361,507
All Funds	24,284,778,270	32,372,739,937	34,488,323,056

Psychiatric Security Review Board

General Fund	3,068,294	4,082,379	4,389,679
All Funds	3,068,294	4,082,379	4,389,679

Human Services Total

General Fund	6,066,852,114	8,633,145,451	10,782,888,396
Lottery Funds	17,296,110	19,670,002	26,543,282
Other Funds	8,944,897,461	11,634,688,720	11,020,626,801

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: HUMAN SERVICES

Human Services Total

Federal Funds	22,567,148,338	29,236,101,583	30,461,573,377
All Funds	\$37,596,194,023	\$49,523,605,756	\$52,291,631,856

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

General Fund	1,917,054,868	1,108,497,939	2,046,404,280
Other Funds	310,789,463	1,100,946,425	183,800,887
Federal Funds	2,871,833	4,734,976	300,000
All Funds	2,230,716,164	2,214,179,340	2,230,505,167

Criminal Justice Comm, Oregon

General Fund	76,462,411	126,488,341	88,141,274
Lottery Funds	515,065	578,865	603,177
Other Funds	9,572,951	47,413,825	13,357,681
Federal Funds	9,233,567	5,680,710	9,308,883
All Funds	95,783,994	180,161,741	111,411,015

Department of the State Fire Marshal

General Fund	-	-	85,548,169
Other Funds	-	-	36,243,306
Federal Funds	-	-	599,795
All Funds	-	-	122,391,270

District Attorneys

General Fund	13,843,569	15,155,109	16,012,033
All Funds	13,843,569	15,155,109	16,012,033

Emergency Management, Oregon Dept of

General Fund	-	30,488,049	28,391,058
Other Funds	-	94,495,733	176,459,113

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: PUBLIC SAFETY

Emergency Management, Oregon Dept of

Federal Funds	-	702,235,505	1,048,329,448
All Funds	-	827,219,287	1,253,179,619

Justice, Dept of

General Fund	116,871,167	184,833,758	153,963,853
Other Funds	345,893,848	425,118,165	470,206,887
Federal Funds	189,408,773	187,675,747	220,823,033
All Funds	652,173,788	797,627,670	844,993,773

Military Dept, Oregon

General Fund	38,356,386	47,887,886	40,982,089
Other Funds	144,620,215	109,234,352	35,997,289
Federal Funds	705,254,646	472,064,408	141,610,047
All Funds	888,231,247	629,186,646	218,589,425

Oregon Youth Authority

General Fund	323,457,915	272,742,971	381,297,981
Other Funds	14,348,925	154,772,236	33,092,781
Federal Funds	28,864,429	37,034,286	38,064,774
All Funds	366,671,269	464,549,493	452,455,536

Parole & Post Prison Supervision, State Board of

General Fund	8,664,534	11,629,057	13,298,851
Other Funds	23,999	12,184	12,696
All Funds	8,688,533	11,641,241	13,311,547

Police, Dept of State

General Fund	282,653,128	520,359,047	436,035,561
Lottery Funds	7,447,482	11,317,795	10,561,965
Other Funds	230,979,130	306,746,354	177,578,220
Federal Funds	6,768,347	16,833,246	14,113,696

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: PUBLIC SAFETY

Police, Dept of State

All Funds	527,848,087	855,256,442	638,289,442
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Public Safety Standards & Training, Dept of

General Fund	9,357,606	9,107,640	8,773,470
Other Funds	79,458,542	56,806,356	60,223,167
Federal Funds	7,756,112	8,018,038	7,623,049
All Funds	96,572,260	73,932,034	76,619,686

Public Safety Total

General Fund	2,786,721,584	2,327,189,797	3,298,848,619
Lottery Funds	7,962,547	11,896,660	11,165,142
Other Funds	1,135,687,073	2,295,545,630	1,186,972,027
Federal Funds	950,157,707	1,434,276,916	1,480,772,725
All Funds	\$4,880,528,911	\$6,068,909,003	\$5,977,758,513

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

General Fund	8,227,171	48,765,505	-
Other Funds	2,974,249,589	5,344,508,882	3,067,195,914
Federal Funds	7,755,893,391	1,391,778,588	243,456,448
All Funds	10,738,370,151	6,785,052,975	3,310,652,362

Housing & Community Svcs Dept

General Fund	326,583,557	908,982,969	677,277,683
Lottery Funds	21,752,234	25,224,730	30,593,961
Other Funds	1,236,332,744	2,034,148,987	2,520,720,558
Federal Funds	305,324,547	885,035,310	533,092,798
All Funds	1,889,993,082	3,853,391,996	3,761,685,000

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Oregon Business Development Department

General Fund	164,411,129	263,338,524	134,960,266
Lottery Funds	105,696,251	148,999,777	351,408,203
Other Funds	523,529,950	1,588,270,739	1,275,427,866
Federal Funds	39,928,523	87,293,606	138,512,869
All Funds	833,565,853	2,087,902,646	1,900,309,204

Veterans' Affairs, Oregon Dept of

General Fund	7,157,378	9,140,366	9,492,419
Lottery Funds	16,562,491	21,326,867	21,160,199
Other Funds	356,252,699	411,368,075	386,701,489
Federal Funds	592,874	1,628,594	3,881,025
All Funds	380,565,442	443,463,902	421,235,132

Economic & Community Development Total

General Fund	506,379,235	1,230,227,364	821,730,368
Lottery Funds	144,010,976	195,551,374	403,162,363
Other Funds	5,090,364,982	9,378,296,683	7,250,045,827
Federal Funds	8,101,739,335	2,365,736,098	918,943,140
All Funds	\$13,842,494,528	\$13,169,811,519	\$9,393,881,698

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

General Fund	24,476,536	78,763,099	31,532,966
Lottery Funds	8,674,081	11,588,227	8,802,247
Other Funds	67,997,962	123,504,515	89,856,981
Federal Funds	12,049,488	18,626,329	18,987,748
All Funds	113,198,067	232,482,170	149,179,942

Columbia River Gorge Comm

General Fund	1,125,684	1,408,207	2,292,644
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Columbia River Gorge Comm

All Funds	1,125,684	1,408,207	2,292,644
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Energy, Dept of

General Fund	1,940,000	106,945,789	7,825,230
Lottery Funds	3,023,362	3,022,570	1,439,160
Other Funds	93,821,386	120,978,415	105,213,917
Federal Funds	3,138,598	3,562,705	3,587,769
All Funds	101,923,346	234,509,479	118,066,076

Environmental Quality, Dept of

General Fund	55,904,792	109,846,109	74,648,826
Lottery Funds	4,927,022	6,263,319	6,448,497
Other Funds	358,688,239	545,838,153	588,689,556
Federal Funds	22,625,396	30,134,046	31,695,309
All Funds	442,145,449	692,081,627	701,482,188

Fish & Wildlife, Oregon Dept of

General Fund	32,498,158	75,447,796	62,139,233
Lottery Funds	6,843,203	6,886,493	6,666,817
Other Funds	183,332,158	239,225,932	255,447,559
Federal Funds	116,670,691	162,464,470	171,661,660
All Funds	339,344,210	484,024,691	495,915,269

Forestry, Dept of

General Fund	166,273,229	230,245,653	169,120,333
Lottery Funds	2,543,445	2,564,210	2,557,080
Other Funds	351,944,712	397,503,110	347,242,173
Federal Funds	22,890,433	41,779,100	43,813,031
All Funds	543,651,819	672,092,073	562,732,617

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Geology & Mineral Industries, Dept of

General Fund	4,582,975	6,444,037	9,810,611
Other Funds	5,416,955	6,753,317	6,893,370
Federal Funds	3,867,190	5,765,844	5,519,902
All Funds	13,867,120	18,963,198	22,223,883

Land Conservation & Development, Dept of

General Fund	17,238,174	26,114,458	21,924,348
Other Funds	1,535,571	1,793,345	3,906,877
Federal Funds	4,647,104	6,748,006	7,662,988
All Funds	23,420,849	34,655,809	33,494,213

Land Use Board of Appeals

General Fund	2,095,169	2,686,644	2,741,598
Other Funds	35,842	36,486	38,019
All Funds	2,131,011	2,723,130	2,779,617

Lands, Dept of State

General Fund	-	123,060,000	-
Other Funds	58,765,005	61,503,610	75,949,192
Federal Funds	1,745,507	2,990,902	2,925,269
All Funds	60,510,512	187,554,512	78,874,461

Marine Board, Oregon State

Other Funds	26,420,794	31,401,106	32,232,841
Federal Funds	5,656,529	6,659,930	6,974,348
All Funds	32,077,323	38,061,036	39,207,189

Parks & Recreation Dept

General Fund	-	2,560,334	9,070,940
Lottery Funds	92,024,570	121,334,605	156,716,774
Other Funds	94,003,973	177,958,102	181,624,388

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Parks & Recreation Dept

Federal Funds	9,478,840	22,854,464	22,542,959
All Funds	195,507,383	324,707,505	369,955,061

Water Resources Dept

General Fund	35,208,113	69,089,805	64,050,544
Lottery Funds	7,563,185	9,499,510	15,073,140
Other Funds	31,072,304	125,596,247	128,691,255
Federal Funds	533,042	737,366	703,315
All Funds	74,376,644	204,922,928	208,518,254

Watershed Enhancement Board, Oregon

General Fund	-	52,526,718	2,000,000
Lottery Funds	88,806,193	94,776,334	106,674,689
Other Funds	4,214,991	29,863,984	23,992,654
Federal Funds	32,063,007	48,251,444	53,398,495
All Funds	125,084,191	225,418,480	186,065,838

Natural Resources Total

General Fund	341,342,830	885,138,649	457,157,273
Lottery Funds	214,405,061	255,935,268	304,378,404
Other Funds	1,277,249,892	1,861,956,322	1,839,778,782
Federal Funds	235,365,825	350,574,606	369,472,793
All Funds	\$2,068,363,608	\$3,353,604,845	\$2,970,787,252

PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

General Fund	-	3,888,794	2,448,406
Other Funds	13,218,939	22,772,182	25,412,958
Federal Funds	7,796,670	10,134,465	20,720,214
All Funds	21,015,609	36,795,441	48,581,578

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

General Fund	63,541,007	72,871,173	16,930,280
Lottery Funds	114,763,893	122,094,419	136,144,810
Other Funds	5,071,472,911	4,909,826,709	5,360,372,051
Federal Funds	121,162,066	146,720,006	210,195,424
All Funds	5,370,939,877	5,251,512,307	5,723,642,565

Transportation Total

General Fund	63,541,007	76,759,967	19,378,686
Lottery Funds	114,763,893	122,094,419	136,144,810
Other Funds	5,084,691,850	4,932,598,891	5,385,785,009
Federal Funds	128,958,736	156,854,471	230,915,638
All Funds	\$5,391,955,486	\$5,288,307,748	\$5,772,224,143

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Other Funds	2,578,871	3,263,399	3,346,325
All Funds	2,578,871	3,263,399	3,346,325

Construction Contractors Board

Other Funds	16,063,383	18,316,626	18,831,054
All Funds	16,063,383	18,316,626	18,831,054

Consumer and Business Svcs, Dept of

General Fund	1,268,561	12,557,108	-
Other Funds	514,289,795	562,665,798	603,112,129
Federal Funds	112,256,327	121,930,616	135,023,651
All Funds	627,814,683	697,153,522	738,135,780

Health Related Licensing Boards

Medical Imaging - OF	1,197,693	1,435,584	1,548,081
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<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Health Related Licensing Boards

Mortuary and Cemetery Board - OF	2,235,895	2,915,294	3,059,415
Naturopathic Medicine - OF	977,717	1,079,025	1,126,407
Occupational Therapy Licensing - OF	506,804	707,899	723,158
Speech-Language Path. and Audio. - OF	951,881	1,071,713	1,246,614
Veterinary Medical Examiners - OF	1,198,465	1,379,042	1,598,764
All Boards	7,068,455	8,588,557	9,302,439

Labor & Industries, Bureau of

General Fund	13,801,443	43,003,037	31,047,049
Lottery Funds	147,875	270,809	297,187
Other Funds	12,781,923	17,254,152	19,090,001
Federal Funds	1,305,792	1,903,363	2,039,271
All Funds	28,037,033	62,431,361	52,473,508

Licensed Social Workers, Board of

Other Funds	1,961,260	2,271,967	2,537,750
All Funds	1,961,260	2,271,967	2,537,750

Mental Health Regulatory Agency

General Fund	-	300,000	-
Other Funds	3,920,298	5,186,427	5,695,318
All Funds	3,920,298	5,486,427	5,695,318

Nursing, Board of

Other Funds	19,049,038	21,955,686	24,010,376
All Funds	19,049,038	21,955,686	24,010,376

Oregon Board of Chiropractic Examiners

Other Funds	1,685,453	2,173,510	2,569,716
All Funds	1,685,453	2,173,510	2,569,716

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Board of Dentistry

Other Funds	3,270,097	3,859,254	4,172,739
All Funds	3,270,097	3,859,254	4,172,739

Oregon Medical Board

Other Funds	12,974,016	17,346,295	18,223,626
All Funds	12,974,016	17,346,295	18,223,626

Pharmacy, Board of

Other Funds	8,064,178	9,691,342	10,695,863
All Funds	8,064,178	9,691,342	10,695,863

Public Utility Commission

Other Funds	100,423,025	106,113,443	117,219,054
Federal Funds	1,042,763	1,219,585	1,213,146
All Funds	101,465,788	107,333,028	118,432,200

Real Estate Agency

Other Funds	8,835,714	10,141,433	14,013,928
All Funds	8,835,714	10,141,433	14,013,928

Tax Practitioners, State Board of

Other Funds	962,659	1,166,969	1,151,801
All Funds	962,659	1,166,969	1,151,801

Consumer & Business Services Total

General Fund	15,070,004	55,860,145	31,047,049
Lottery Funds	147,875	270,809	297,187
Other Funds	713,928,165	789,994,858	853,972,119
Federal Funds	114,604,882	125,053,564	138,276,068

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Consumer & Business Services Total

All Funds	\$843,750,926	\$971,179,376	\$1,023,592,423
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PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

General Fund	228,061,764	670,472,681	18,162,345
Lottery Funds	22,324,970	26,803,355	51,259,606
Other Funds	1,385,871,441	1,655,387,915	1,435,411,753
Federal Funds	1,262,480,066	3,201,250,375	5,559,169
All Funds	2,898,738,241	5,553,914,326	1,510,392,873

Employment Relations Board

General Fund	2,816,655	3,350,085	3,334,254
Other Funds	2,330,083	2,649,723	2,648,871
All Funds	5,146,738	5,999,808	5,983,125

Governor, Office of the

General Fund	15,003,053	19,921,917	21,713,842
Lottery Funds	3,288,878	4,661,117	4,811,152
Other Funds	5,771,090	4,465,499	4,110,658
All Funds	24,063,021	29,048,533	30,635,652

Office of the Public Records Advocate

Other Funds	-	-	895,407
All Funds	-	-	895,407

Oregon Advocacy Commissions Office

General Fund	650,810	1,692,600	2,066,060
Other Funds	1,012	9,841	10,253
All Funds	651,822	1,702,441	2,076,313

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: ADMINISTRATION

Oregon Government Ethics Commission

Other Funds	2,824,506	3,312,835	3,897,374
All Funds	2,824,506	3,312,835	3,897,374

Oregon Liquor & Cannabis Comm

Other Funds	250,165,490	476,284,237	396,490,632
All Funds	250,165,490	476,284,237	396,490,632

Public Employees Retirement System, Oregon

General Fund	64,570,045	17,250,000	-
Lottery Funds	-	19,461,706	22,056,622
Other Funds	11,893,685,059	13,054,427,168	13,686,891,410
All Funds	11,958,255,104	13,091,138,874	13,708,948,032

Racing Commission, Oregon

Other Funds	5,864,493	7,523,592	7,260,391
All Funds	5,864,493	7,523,592	7,260,391

Revenue, Dept of

General Fund	194,787,706	250,139,343	236,554,601
Other Funds	123,483,801	304,678,451	166,517,726
All Funds	318,271,507	554,817,794	403,072,327

Secretary of State

General Fund	14,203,166	18,915,145	16,638,570
Other Funds	64,756,837	79,761,879	96,071,600
Federal Funds	3,982,771	10,497,283	4,583,969
All Funds	82,942,774	109,174,307	117,294,139

State Library

General Fund	3,899,570	4,538,886	4,894,113
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	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: ADMINISTRATION

State Library

Other Funds	5,834,771	7,429,467	8,172,036
Federal Funds	5,139,478	7,977,520	5,265,613
All Funds	14,873,819	19,945,873	18,331,762

Treasury, Oregon State

Other Funds	85,129,096	121,830,410	133,606,052
All Funds	85,129,096	121,830,410	133,606,052

Administration Total

General Fund	523,992,769	986,280,657	303,363,785
Lottery Funds	25,613,848	50,926,178	78,127,380
Other Funds	13,825,717,679	15,717,761,017	15,941,984,163
Federal Funds	1,271,602,315	3,219,725,178	15,408,751
All Funds	\$15,646,926,611	\$19,974,693,030	\$16,338,884,079

PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

General Fund	605,922	914,197	1,104,609
Other Funds	1,367	7,604	7,604
All Funds	607,289	921,801	1,112,213

Legislative Administration Committee

General Fund	51,913,161	299,311,117	72,332,440
Other Funds	86,840,975	31,378,056	6,368,200
All Funds	138,754,136	330,689,173	78,700,640

Legislative Assembly

General Fund	51,890,626	69,822,774	71,915,858
Other Funds	87,477	297,199	323,805

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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Assembly

All Funds	51,978,103	70,119,973	72,239,663
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Legislative Counsel Committee

General Fund	14,863,657	19,023,789	19,795,825
Other Funds	1,549,953	2,838,469	2,932,670
All Funds	16,413,610	21,862,258	22,728,495

Legislative Fiscal Office

General Fund	5,523,827	8,629,206	9,046,017
Other Funds	4,305,023	5,029,509	5,011,440
All Funds	9,828,850	13,658,715	14,057,457

Legislative Policy and Research Committee

General Fund	11,030,524	16,233,694	17,591,946
All Funds	11,030,524	16,233,694	17,591,946

Legislative Revenue Office

General Fund	2,994,095	3,534,962	3,640,803
All Funds	2,994,095	3,534,962	3,640,803

Legislative Branch Total

General Fund	138,821,812	417,469,739	195,427,498
Other Funds	92,784,795	39,550,837	14,643,719
All Funds	\$231,606,607	\$457,020,576	\$210,071,217

PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

General Fund	515,362,621	626,674,030	656,474,179
Other Funds	111,158,222	281,646,988	228,326,136
Federal Funds	1,009,969	1,782,035	1,584,283

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

All Funds	627,530,812	910,103,053	886,384,598
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Judicial Fitness and Disability, Comm on

General Fund	268,383	330,499	313,084
All Funds	268,383	330,499	313,084

Public Defense Svcs Comm

General Fund	353,130,198	337,439,650	482,844,951
Other Funds	13,615,153	18,449,667	17,937,116
All Funds	366,745,351	355,889,317	500,782,067

Judicial Branch Total

General Fund	868,761,202	964,444,179	1,139,632,214
Other Funds	124,773,375	300,096,655	246,263,252
Federal Funds	1,009,969	1,782,035	1,584,283
All Funds	\$994,544,546	\$1,266,322,869	\$1,387,479,749

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

General Fund	-	469,778,807	622,013,901
All Funds	-	469,778,807	622,013,901

Miscellaneous Programs Total

General Fund	-	469,778,807	622,013,901
All Funds	-	\$469,778,807	\$622,013,901

PROGRAM AREA: ALL PROGRAM AREAS

All Agencies

General Fund	22,004,810,159	27,861,031,017	30,302,561,710
Lottery Funds	1,397,193,708	1,446,727,181	1,845,151,366

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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PROGRAM AREA: ALL PROGRAM AREAS

All Agencies

Other Funds	39,387,986,793	51,419,212,521	48,162,455,482
Federal Funds	35,037,050,268	40,438,274,548	36,233,642,882
All Funds	\$97,827,040,928	\$121,165,245,267	\$116,543,811,440

NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES

Administrative Svcs, Dept of	\$615,771,912	\$733,676,463	\$774,285,628
Employment Dept	\$23,974,246	\$35,773,080	\$39,549,748
Justice, Dept of	\$198,404,207	\$232,119,841	\$272,096,356
Secretary of State	\$30,802,537	\$36,602,228	\$42,030,058
All Funds	\$868,952,902	\$1,038,171,612	\$1,127,961,790

* 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 – Expenditures by Category by Fund

	<i>Fund</i>	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
Personal Services	General Fund	3,627,982,852	3,817,363,165	5,337,589,156
	Lottery Funds	97,818,405	132,393,337	137,275,325
	Other Funds	3,260,165,916	5,010,867,981	4,047,797,694
	Other Funds - NA	(398,650,365)	(480,783,926)	(514,040,036)
	Federal Funds	1,419,029,246	1,779,395,857	1,779,514,672
	Total		\$8,404,996,419	\$10,740,020,340
Services & Supplies	General Fund	1,727,133,925	2,274,586,656	2,314,502,025
	Lottery Funds	99,565,130	59,152,014	67,192,644
	Other Funds	5,983,594,391	8,110,120,303	7,725,135,495
	Other Funds - NA	(429,230,607)	(508,526,345)	(567,386,014)
	Federal Funds	767,480,752	2,008,251,816	1,413,904,987
	Total		\$8,577,774,198	\$12,452,110,789
Capital Outlay	General Fund	56,020,592	268,116,786	34,560,591
	Lottery Funds	8,312,298	3,486,390	2,851,319
	Other Funds	391,739,392	1,348,748,270	1,417,129,367
	Other Funds - NA	(35,037,930)	(42,058,343)	(39,447,017)
	Federal Funds	84,240,288	57,975,367	44,704,137
	Total		\$540,312,570	\$1,678,326,813
Special Payments	General Fund	15,920,328,508	20,695,493,216	21,578,652,364
	Lottery Funds	929,669,875	976,333,546	1,301,952,262
	Other Funds - NA	(6,034,000)	(6,802,998)	(7,088,723)
	Other Funds	24,521,428,765	34,250,542,148	32,194,503,414
	Federal Funds	32,744,980,347	36,571,972,128	32,976,754,439
	Total		\$74,116,407,495	\$92,494,341,038
Debt Service	General Fund	673,344,282	805,471,194	1,037,257,574
	Lottery Funds	261,828,000	275,361,894	335,879,816
	Other Funds - NA	-	-	-
	Other Funds	4,362,105,427	1,660,762,207	1,649,927,722
	Federal Funds	21,319,635	20,679,380	18,764,647
	Total		\$5,318,597,344	\$2,762,274,675
Total - All Expenditures	General Fund	22,004,810,159	27,861,031,017	30,302,561,710
	Lottery Funds	1,397,193,708	1,446,727,181	1,845,151,366
	Other Funds	38,519,033,891	50,381,040,909	47,034,493,692
	Other Funds - NA	(868,952,902)	(1,038,171,612)	(1,127,961,790)
	Federal Funds	35,037,050,268	40,438,274,548	36,233,642,882
	Total		\$96,958,088,026	\$120,127,073,655

() Non-add expenditures displayed for information only; not included in totals.

Schedule VII – Number of Full-Time Equivalent Positions

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
EDUCATION			
Department of Early Learning and Care	-	-	343.98
Education, Dept of	650.35	811.54	607.46
Higher Education Coordinating Commission	134.86	160.87	163.33
Teacher Standards & Practices Comm	24.75	30.75	32.50
EDUCATION TOTAL	809.96	1,003.16	1,147.27
HUMAN SERVICES			
Commission for the Blind	65.96	66.42	66.00
Human Services, Dept. of	9,340.43	10,274.43	10,802.97
Long Term Care Ombudsman	29.14	35.50	35.50
Oregon Health Authority	4,300.20	5,066.39	5,516.50
Psychiatric Security Review Board	11.00	12.00	13.00
HUMAN SERVICES TOTAL	13,746.73	15,454.74	16,433.97
PUBLIC SAFETY			
Corrections, Dept of	4,690.24	4,691.44	4,748.36
Criminal Justice Comm, Oregon	21.51	24.52	25.00
Department of the State Fire Marshal	-	-	155.20
District Attorneys	36.00	36.00	36.00
Emergency Management, Oregon Dept of	-	47.01	111.47
Justice, Dept of	1,424.80	1,467.49	1,536.35
Military Dept, Oregon	466.00	484.96	462.30
Oregon Youth Authority	978.38	971.66	971.76
Parole & Post Prison Supervision, State Board of	24.16	28.50	31.00
Police, Dept of State	1,387.54	1,467.89	1,389.90
Public Safety Standards & Training, Dept of	150.58	158.74	158.75
PUBLIC SAFETY TOTAL	9,179.21	9,378.21	9,626.09
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	1,953.11	2,253.62	2,058.55
Housing & Community Svcs Dept	219.21	363.75	421.36
Oregon Business Development Department	138.69	162.00	180.25

<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of	101.65	103.79	101.97
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	2,412.66	2,883.16	2,762.13

NATURAL RESOURCES

Agriculture, Oregon Dept of	385.77	407.17	402.40
Energy, Dept of	80.02	94.44	92.52
Environmental Quality, Dept of	766.04	813.34	837.93
Fish & Wildlife, Oregon Dept of	1,152.15	1,180.05	1,168.05
Forestry, Dept of	859.99	1,027.03	1,035.21
Geology & Mineral Industries, Dept of	38.09	34.67	41.00
Land Conservation & Development, Dept of	59.98	66.35	72.80
Land Use Board of Appeals	6.00	7.00	7.00
Lands, Dept of State	112.63	103.38	112.82
Marine Board, Oregon State	39.25	39.50	42.50
Parks & Recreation Dept	596.08	597.07	634.82
Water Resources Dept	171.79	216.82	236.20
Watershed Enhancement Board, Oregon	35.75	42.57	39.00
NATURAL RESOURCES TOTAL	4,303.54	4,629.39	4,722.25

TRANSPORTATION

Aviation, Dept of	15.59	14.60	15.59
Transportation, Oregon Dept of	4,682.05	4,726.03	4,819.66
TRANSPORTATION TOTAL	4,697.64	4,740.63	4,835.25

CONSUMER & BUSINESS SERVICES

Accountancy, Board of	7.50	7.50	7.50
Construction Contractors Board	61.00	59.00	59.00
Consumer and Business Svcs, Dept of	949.73	941.15	968.07
Health Related Licensing Boards			
Mortuary and Cemetery Board	7.00	7.00	7.00
Naturopathic Medicine	4.00	3.00	3.00
Occupational Therapy Licensing	1.75	1.65	1.50

	<i>2019-21 Actuals</i>	<i>2021-23 Leg Approved Budget</i>	<i>2023-25 Governor's Budget</i>
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CONSUMER & BUSINESS SERVICES

Medical Imaging	3.50	3.75	3.75
Speech-Language Path. and Audio.	3.00	3.00	3.00
Veterinary Medical Examiners	3.75	3.75	4.75
Labor & Industries, Bureau of	106.96	138.92	149.29
Licensed Social Workers, Board of	7.00	7.00	7.50
Mental Health Regulatory Agency	13.00	14.00	15.00
Nursing, Board of	53.90	53.90	55.90
Oregon Board of Chiropractic Examiners	5.10	5.10	5.75
Oregon Board of Dentistry	8.00	8.00	7.50
Oregon Medical Board	41.00	42.00	42.00
Pharmacy, Board of	22.00	22.00	23.00
Public Utility Commission	126.25	135.50	141.00
Real Estate Agency	29.00	29.75	34.00
Tax Practitioners, State Board of	2.50	2.00	2.00
CONSUMER & BUSINESS SERVICES TOTAL	1,455.94	1,487.97	1,540.51

ADMINISTRATION

Administrative Svcs, Dept of	908.27	982.26	964.88
Employment Relations Board	13.00	13.00	13.00
Governor, Office of the	61.63	65.05	67.00
Office of the Public Records Advocate	-	-	2.00
Oregon Advocacy Commissions Office	2.50	5.89	6.83
Oregon Government Ethics Commission	9.00	9.00	9.88
Oregon Liquor & Cannabis Comm	361.29	382.16	392.85
Public Employees Retirement System, Oregon	412.28	421.92	437.57
Racing Commission, Oregon	9.90	10.64	10.64
Revenue, Dept of	1,007.33	1,061.21	1,079.24
Secretary of State	223.51	232.96	267.50
State Library	38.47	39.47	39.72
Treasury, Oregon State	165.17	200.36	219.64
ADMINISTRATION TOTAL	3,212.35	3,423.92	3,510.75

	2019-21 Actuals	2021-23 Leg Approved Budget	2023-25 Governor's Budget
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LEGISLATIVE BRANCH

Indian Svcs, Comm on	2.00	2.75	3.00
Legislative Administration Committee	74.42	77.50	78.46
Legislative Assembly	253.53	254.77	253.77
Legislative Counsel Committee	55.08	57.00	57.58
Legislative Fiscal Office	25.77	27.00	27.00
Legislative Policy and Research Committee	41.29	50.63	51.54
Legislative Revenue Office	7.00	7.00	7.00
LEGISLATIVE BRANCH TOTAL	459.09	476.65	478.35

JUDICIAL BRANCH

Judicial Dept	1,817.99	1,919.92	2,114.34
Judicial Fitness and Disability, Comm on	0.50	0.50	0.75
Public Defense Svcs Comm	86.48	107.56	164.24
JUDICIAL BRANCH TOTAL	1,904.97	2,027.98	2,279.33
STATE OF OREGON TOTAL FTE POSITIONS	42,182.09	45,505.81	47,335.90

Per ORS 291.216 (7)(b) and (c), 6,703 positions were vacant on July 1, 2022. The vacancy rate on the date was 15.3 percent. Oregon University System data is not included.

SPECIAL REPORTS

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 the 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 2022 revenue forecast. This forecast anticipates a kicker credit for individual taxpayers for 2023-25, as well as additional corporate and excise tax collections.

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 2023-25 Governor’s budget, deferred maintenance is funded at 3.6 percent of the current replacement value of state-owned buildings and infrastructure.

Racial Impact Statements (ORS 291.216)

The 2021 Legislature passed House Bill 2167, which requires the Governor’s budget to include a narrative summarizing racial impact statements. Racial equity was an integral part of the Governor’s budget beginning in the spring of 2022, by making progress in imbedding equity into the budget development process. As a measured approach to phasing in the new requirements of House Bill 2167, the Racial Justice Council worked with 26 agencies to develop community engagement plans to inform the Agency Request Budget process on the key programs and implementation strategies that impact all of Oregon’s communities. State agencies incorporated the feedback they received into their funding requests for the 2023-25 biennium and developed Racial Equity Impact Statements for over 40 programs which evaluated the impacts of agency programs, policies, and budgets on Black, Indigenous, Latino/a/x, Asian, Pacific Islander, Tribal, Immigrant, Refugee, and other communities of color. The Governor’s budget moves forward the work of the Council to center the needs of everyday Oregonians and endeavors to embed equity in the work of state agencies.

Implementation of Audit Findings or Recommendations

The 2019 Legislature passed Senate Bill 1052, which requires the Governor's budget to identify any new or enhanced funding or savings included in the budget as a result of implementation of audit findings or recommendations. The Governor's budget includes \$119.4 million total funds across agency budgets to address audit findings and include the following:

- Funding for an online filing and case management system upgrade at the Oregon Government Ethics Commission.
- Workforce investments at the Oregon Health Authority related to the children's behavioral health system.
- Information technology investments at the Department of Consumer and Business Services.
- Staffing at the Oregon Department of Human Services to address the Child Welfare caseload.
- Additional staff at the Oregon Government Ethics Commission to provide training for public officials.
- Staffing at the Oregon Department of Education related to increased accountability for school.
- Investments at the Department of Justice for the Division of Child Support system and security updates.
- Deferred maintenance funding at the Oregon Department of Fish and Wildlife.
- Continued information technology modernization efforts at the Oregon Employment Department.
- Staff at the Oregon Employment Department for community outreach and equitable access.
- Funding for a Facility Conditions & Capital Planning System at the Department of Administrative Services.
- Staffing at the Department of Administrative Services - Enterprise Information Services to create a new Chief Privacy Office.
- Increased funding for Network Security Managed Services at the Department of Information Services – Enterprise Information Services.
- Staffing for increased oversight of enterprise information technology initiatives at the Department of Administrative Services – Enterprise Information Services.

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, Oregon Marijuana Account 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 Oregon Position Information Control System (ORPICS). The result is the base budget.

BIPOC	Black, Indigenous and People of Color
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 <i>Project Costs</i> .
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.

**DIVERSITY, EQUITY,
AND INCLUSION
(DEI)**

Diversity: Appreciation and prioritization of different backgrounds, identities, and experiences collectively and as individuals.

Equity: Effort to provide different levels of support based on an individual's or group's needs in order to achieve fairness in outcomes. Equity actionably empowers communities most impacted by systematic oppression and requires the redistribution of resources, power, and opportunity to those communities.

Inclusion: State of belonging when persons of different backgrounds, experiences, and identities are valued, integrated, and welcomed equitably as decision makers, collaborators, and colleagues.

**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-ORPICS 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 <i>Real Property Improvements</i> .
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 <i>Biennium</i> .
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 <i>Appropriation</i> .
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 Legislature's 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 January in odd-numbered years and February in even-numbered years. 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.

**OREGON'S
POSITION
INFORMATION
CONTROL SYSTEM
(ORPICS)**

A computerized statewide database of authorized position details 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.
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.
RACIAL EQUITY	Closing the gaps so that race can no longer predict one's outcomes.

RACIAL JUSTICE COUNCIL	Advisory group to the Governor with subgroups focused on criminal justice reform and policy accountability, health equity, economic opportunity, housing and homelessness, environmental equity/natural resources, and education. Members of the Council are from diverse set of backgrounds with a majority from BIPOC (Black, Indigenous and People of Color) and Tribal communities.
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.
UNDERSERVED COMMUNITIES	Referred to Oregonians who are: Native Americans, members of Oregon's nine federally recognized tribes, American Indians, Alaska Natives; Black, Africans, African Americans; Latino, Latina, Latinx, Hispanic; Asians, Pacific Islanders; Immigrant, Refugees, Asylum seekers; Undocumented, DREAMers; Linguistically diverse; People with disabilities; LGBTQ+; Aging/older adults; Economically disadvantaged; Farmworkers, migrant workers; and Living in rural parts of the state.
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

2023-25 Agency Appropriation Bills (Alphabetic by Agency)

Agency	House Bills	Senate Bills
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Chiropractic Examiners, State Board of	5007	
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Construction Contractors Board	5009	
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Criminal Justice Commission		5505
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Employment Department		5507
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Energy, Dept of	5016	
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Forestry, Department of	5020	
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Government Ethics Commission, Oregon	5021	
Governor, Office of the	5022	
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Higher Education Coordinating Commission	5025	
Housing and Community Services Department		5511
Human Services, Department of	5026	
Judicial Department		5512
Judicial Fitness, Commission on		5513
Justice, Department of		5514
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Land Conservation and Development, Department of	5027	

Agency	House Bills	Senate Bills
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Legislative Agencies		5516
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Licensed Social Workers		5517
Liquor and Cannabis Commission, Oregon		5519
Long Term Care Ombudsman		5520
Lottery Allocation	5029	
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Mental Health Regulatory Agency	5024	
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Parole & Post Prison Supervision, State Board of		5528
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Water Resources, Department of	5043	
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Watershed Enhancement Board - Local Grants		5540
Youth Authority, Oregon		5541

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