

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2712-C

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith

Carrier – Senate: Sen. Nelson

Action: Do Pass the B-Engrossed Measure with Amendments to Resolve Conflicts and be Printed C-Engrossed

Vote: 22 – 2 – 1

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant
– Nays: Freeman, Thatcher
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters
– Nays:
– Exc: Verger

Prepared By: John Borden, Legislative Fiscal Office

Reviewed By: Robin LaMonte and Doug Wilson Legislative Fiscal Office

Meeting Date: June 29, 2011

Agency
Various Agencies

Budget Page

LFO Analysis Page

Biennium
2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ Change	% Change
<u>Department of Corrections</u>						
Other Funds				\$ 3,223,179	+3,223,179	

Summary of Revenue Changes

House Bill 2712 updates and simplifies the current statutory revenue and distribution structure related to criminal fines, assessments, and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions. All of the fine amounts are permanent and become effective January 1, 2012. The measure increases judicial discretion on the amount of fine to impose to 50 percent and reduces the violation fines imposed below current law. Judicial discretion in school, construction, and safety corridor zones is increased to 75 percent of the presumptive fine.

The measure temporarily extends for six months the criminal surcharges from House Bill 2287 (2009) for the period July 1, 2011 to January 1, 2012.

The revenue impact estimates include House Bill 2287 (2009) offense surcharges imposed on convictions before June, but received after that date.

The measure also accounts for a July 2011 Department of Revenue distribution from the Judicial System Surcharge Account for revenues received in June 2011.

Local justice, county, and municipal courts will remit \$60 to the state for its portion of the fine amount in lieu of the old Unitary Assessment and county assessment. The current practice of remitting one half of the fine amount, if the violation was cited by a State Police Officer is retained. Local courts will also remit the local court security assessment, and the State Court Facilities Security Account assessment.

Revenue generated in future biennia is expected to decline as the criminal violation surcharges sunset and judicial discretion is exercised.

The revenue generated by all criminal fines and assessments is to be deposited into the Criminal Fines Account, which was formerly entitled the Criminal Fine and Assessment Account.

Summary of Subcommittee Action

House Bill 2712 updates and simplifies the current statutory revenue and distribution structure related to criminal fines, assessments, and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions. The measure does not make any change to current law misdemeanor or felony structure. The introduced version of the measure was the product of the Joint Interim Committee on State Justice System Revenues.

The major provisions of the measure are:

- Establishes a presumptive fine thereby eliminating the need for calculation of a foundation amount, base fine amount, and the minimum fine amount;
- Establishes the presumptive fine by statute, applies this fine statewide, and eliminates variability in fine amounts based on the court into which a person is cited;
- Eliminates the unitary assessment and the county assessment by consolidating them into the presumptive fine;
- Provides for judicial discretion to reduce the presumptive fine by up to 50 percent;
- Increases the judicial discretion in school, construction, and safety corridor zones fine to 75 percent of the presumptive fine; and
- Adds \$3 to the uniform presumptive fine amounts for state court facilities and security.

The following table compares the current law violation amounts with those in the measure:

Violation	Presumptive Fine	
	Current Law	HB 2712
Class A Violation	\$472	\$435
Class B Violation	\$287	\$260
Class C Violation	\$190	\$160
Class D Violation	\$142	\$110

This bill does not affect the distribution of fine revenue, which remains the same as current law. The measure eliminates the Unitary Assessment and the county assessment and replaces it with a flat fine amount, a portion of which is to be remitted to the state in lieu of the Unitary Assessment and the county assessment.

Allocations from the Criminal Fines Account

Existing entities that receive funds from the Criminal Fines Account are not affected by this bill and will receive a full biennial (24 month) allocation from the Account. The following table displays, by agency and program, the revenues allocated by the Subcommittee from the Criminal Fine Account for a 24 month period:

#	Eligible Entity	ORS	Purpose	Agency/Entity	24-Month Allocation*
1	Department of Public Safety Standards and Training		Criminal justice training and standards operations	Department of Public Safety Standards and Training	\$21,424,867
2	Department of Human Services	409.292(1)(a) to (c)	Domestic Violence Fund	Department of Human Services	\$2,224,675
3	Department of Human Services		Sexual Assault Victims Fund	Department of Human Services	\$533,332
4	Oregon Health Authority	431.623	Emergency Medical Services and Trauma Systems Program	Oregon Health Authority	\$331,824
5	Department of Justice		Criminal Injuries Compensation Account	Department of Justice	\$7,099,827
6	Department of Justice	147.390	Services to Children – Child Abuse Medical Assessments	Department of Justice	\$631,551
	Department of Justice		Child Abuse Multidisciplinary Intervention Account	Department of Justice	\$7,812,599
7	Department of Justice	418.746 to 418.796	Statewide system of regional assessment centers	Department of Justice	\$746,798

The following entities will receive revenue distributions for the first six months of the 2011-13 biennium under the current law. Thereafter, they will receive an 18 month allocation from the Criminal Fines Account. The following table displays, by agency and program, the revenues allocated by the Subcommittee from the Criminal Fine Account for an 18 month period:

#	Eligible Entity	ORS	Purpose	Agency/Entity	18-Month Allocation*
8	State Court Facilities and Security Account	137.309 1.178	State court facilities and security	Oregon Judicial Department	\$2,862,376
9	State Court Facilities and Security Account	1.178	State court facilities	Oregon Judicial Department	\$2,278,919
10	Court Security Program	137.308 1.182	State and local court security account	Oregon Judicial Department	\$4,701,919
11	Alcohol and Drug Abuse Prevention [includes: Methamphetamine Assessment]	430.345 137.308	813.270; 813.830; 813.840 137.290(2)(B)(b), (c), & (d)	Oregon Health Authority – Diversion program for indigent.	\$42,884
12	Law Enforcement Medical Liability Account	414.815 137.309	Medical treatment for prisoners	Department of Human Services	\$506,244
13	Driving Under the Influence Enforcement	813.095; 153.630	Enforcement of laws concerning driving while under the influence of intoxicants.	Department of State Police	\$190,004
14	Community Corrections	137.309	Jail construction and maintenance	Department of Corrections	\$3,223,179
15	Arrest and Return for Extradition	133.865	Governor’s expenses relating to extradition	Governor’s Office	\$22,500
16	Intoxicated Driver Program	813.270 813.240	Treatment for persons in DUII diversion	Oregon Health Authority	\$4,323,000

* New Criminal Fines Account entities will receive revenue distributions under current law for the first six-months of the 2011-13 biennium and then a Criminal Fines Account allocation for 18 months of the 2011-13 biennium under HB 2712.

Except for the Department of Corrections, the agencies above have sufficient expenditure limitation in their primary budget appropriation bills to expend these revenue allocations.

The Committee approved the following budget note related to revenue generated from \$3 being added to every civil filing fee and criminal fine. The revenue will be allocated from the Criminal Fines Account to the Judicial Department's State Court Facility and Security Account during the 2012 Legislative session.

Budget Note

Legislative leadership will appoint an advisory committee on State Court Facilities. The Advisory Committee will recommend the priorities for the expenditure of funds from the State Court Facility and Security Account for capital improvements to county courthouses.

The Advisory Committee on Court Facilities will consist of two members appointed by the Senate President and two members appointed by the Speaker of the House, two ex-officio members appointed by the Chief Justice of the Oregon Supreme Court and one ex-officio member appointed by the Association of Oregon Counties.

In developing its priorities, the Advisory Committee will consider the recommendations in the "State of Oregon, Oregon Court Facilities Assessment" report issued in September 2008, and other facilities issues reported by the Association of Oregon Counties and the Oregon Judicial Department.

The Advisory Committee also will develop a report that includes a recommendation regarding the funding of 2011-13 biennium State Court facility projects and any matching funds provided by local government. The Committee will submit its recommendations to the Chief Justice and to the 2012 Legislature.

A-Engrossed

House Bill 2837

Ordered by the House March 27
Including House Amendments dated March 27

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases allocation to Department of Corrections from Criminal Fine Account for planning, operating and maintaining county juvenile and adult corrections programs and facilities.

Modifies purposes and methodology for determining amount of certain allocations from Criminal Fine Account.

Expands scope of purposes for which certain moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Department of Corrections during biennium beginning July 1, 2011, may be spent.

Decreases allocations made from Administrative Services Economic Development Fund, for biennium beginning July 1, 2011, to Oregon Business Development Department, Department of Education for State School Fund, office of the Governor, Sports Lottery Account and Oregon Department of Administrative Services for distribution to counties for economic development activities, Problem Gambling Treatment Fund, County Fair Account and Oregon Department of Administrative Services for transfer to State Department of Agriculture. Transfers moneys from Wage Security Fund to General Fund for general governmental purposes.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to state financial administration; creating new provisions; amending ORS 137.300 and sec-
2 tion 58, chapter 597, Oregon Laws 2011, and section 2, chapter 631, Oregon Laws 2011; and de-
3 claring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** (1) Notwithstanding any other law allocating moneys from the Criminal Fine
6 Account, the allocation to the Department of Corrections established by section 58 (2),
7 chapter 597, Oregon Laws 2011, as amended by section 3 of this 2013 Act, for the period be-
8 ginning January 1, 2012, and ending June 30, 2013, is increased by \$3,053,176 for the purpose
9 of planning, operating and maintaining county juvenile and adult corrections programs and
10 facilities and drug and alcohol programs.

11 **(2)** Notwithstanding ORS 137.300 (7), the Department of Revenue shall distribute the full
12 amount of the increased allocation provided for in this section to the Department of Cor-
13 rections as soon as possible after the effective date of this 2013 Act.

14 **SECTION 2.** ORS 137.300, as amended by section 14, chapter 89, Oregon Laws 2012, is amended
15 to read:

16 **137.300.** (1) The Criminal Fine Account is established in the General Fund. Except as otherwise
17 provided by law, all amounts collected in state courts as monetary obligations in criminal actions
18 shall be deposited by the courts in the account. All moneys in the account are continuously appro-
19 priated to the Department of Revenue to be distributed by the Department of Revenue as provided
20

NOTE: Matter in boldfaced type in an amended section is new; matter *italic and bracketed* is existing law to be omitted.
New sections are in boldfaced type.

1 in this section. The Department of Revenue shall keep a record of moneys transferred into and out
2 of the account.

3 (2) The Legislative Assembly shall first allocate moneys from the Criminal Fine Account for the
4 following purposes, in the following order of priority:

5 (a) Allocations for public safety standards, training and facilities.

6 (b) Allocations for criminal injuries compensation and assistance to victims of crime and chil-
7 dren reasonably suspected of being victims of crime.

8 (c) Allocations for the forensic services provided by the Oregon State Police, including, but not
9 limited to, services of the State Medical Examiner.

10 (d) Allocations for the maintenance and operation of the Law Enforcement Data System.

11 (3) After making allocations under subsection (2) of this section, the Legislative Assembly shall
12 allocate moneys from the Criminal Fine Account for the following purposes:

13 (a) Allocations to the Law Enforcement Medical Liability Account established under ORS
14 414.815.

15 (b) Allocations to the State Court Facilities and Security Account established under ORS 1.178.

16 (c) Allocations to the Department of Corrections for *community corrections grants under ORS*
17 *423.520* **the purpose of planning, operating and maintaining county juvenile and adult cor-**
18 **rections programs and facilities and drug and alcohol programs.**

19 (d) Allocations to the Oregon Health Authority for the purpose of grants under ORS 430.345 for
20 the establishment, operation and maintenance of alcohol and drug abuse prevention, early inter-
21 vention and treatment services provided through a county.

22 (e) Allocations to the Oregon State Police for the purpose of the enforcement of the laws relat-
23 ing to driving under the influence of intoxicants.

24 (f) Allocations to the Arrest and Return Account established under ORS 133.865.

25 (g) Allocations to the Intoxicated Driver Program Fund established under ORS 813.270.

26 (4) It is the intent of the Legislative Assembly that allocations from the Criminal Fine Account
27 under subsection (3) of this section be consistent with historical funding of the entities, programs
28 and accounts listed in subsection (3) of this section from monetary obligations imposed in criminal
29 proceedings. **Amounts that are allocated under subsection (3)(c) and (d) of this section shall**
30 **be distributed to counties based on the amounts that were transferred to counties by circuit,**
31 **justice and municipal courts during the 2009-2011 biennium under the provisions of ORS**
32 **137.308, as in effect January 1, 2011.**

33 (5) Moneys in the Criminal Fine Account may not be allocated for the payment of debt service
34 obligations.

35 (6) The Department of Revenue shall deposit in the General Fund all moneys remaining in the
36 Criminal Fine Account after the distributions listed in subsections (2) and (3) of this section have
37 been made.

38 (7) The Department of Revenue shall establish by rule a process for distributing moneys in the
39 Criminal Fine Account. The department may not distribute more than one-eighth of the total
40 biennial allocation to an entity during a calendar quarter.

41 **SECTION 3.** Section 58, chapter 597, Oregon Laws 2011, is amended to read:

42 **Sec. 58.** (1) There is allocated \$506,244 from the Criminal Fine Account to the Law Enforcement
43 Medical Liability Account established under ORS 414.815 for the period beginning January 1, 2012,
44 and ending June 30, 2013.

45 (2) There is allocated \$3,223,179 from the Criminal Fine Account to the Department of Cor-

1 rections for the period beginning January 1, 2012, and ending June 30, 2013, for the purpose of
2 planning, operating and maintaining county juvenile and adult corrections programs and facilities
3 **and drug and alcohol programs.** [The grant to each county shall be based on amounts deposited in
4 the Criminal Fine and Assessment Account by the circuit court for the county in the 2009-2011
5 biennium.]

6 (3) There is allocated \$42,884 from the Criminal Fine Account to the Oregon Health Authority
7 for the period beginning January 1, 2012, and ending June 30, 2013, for the purpose of grants under
8 ORS 430.345 for the establishment, operation and maintenance of alcohol and drug abuse prevention,
9 early intervention and treatment services provided through a county.

10 (4) There is allocated \$190,004 from the Criminal Fine Account to the Oregon State Police for
11 the period beginning January 1, 2012, and ending June 30, 2013, for the purpose of the enforcement
12 of the laws relating to driving under the influence of intoxicants.

13 (5) There is allocated \$22,500 from the Criminal Fine Account to the Arrest and Return Account
14 established under ORS 133.865 for the period beginning January 1, 2012, and ending June 30, 2013.

15 (6) There is allocated \$699,000 from the Criminal Fine Account to the Intoxicated Driver Pro-
16 gram Fund created under ORS 813.270 for the period beginning January 1, 2012, and ending June
17 30, 2013.

18 SECTION 4. Section 2, chapter 631, Oregon Laws 2011, is amended to read:

19 **Sec 2.** Notwithstanding any other law limiting expenditures, the following amounts are estab-
20 lished for the biennium beginning July 1, 2011, as the maximum limits for payment of expenses from
21 fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and
22 federal funds, collected or received by the Department of Corrections, for the following purposes:

- 23 (1) Operations and health services..... \$ 9,522,269
- 24 (2) Administration, public services
25 and general services..... \$ 6,968,970
- 26 (3) Transitional services..... \$ 9,038,775
- 27 (4) Community corrections;
28 **Planning, operating and**
29 **maintaining county juvenile**
30 **and adult corrections programs**
31 **and facilities; Drug and**
32 **alcohol programs**..... \$ 2,123,773

33 SECTION 5. The amendments to section 58, chapter 597, Oregon Laws 2011, by section 3
34 of this 2013 Act apply to all unexpended amounts distributed to counties by the Department
35 of Corrections pursuant to section 58, chapter 597, Oregon Laws 2011.

36 SECTION 6. (1) Notwithstanding any other law allocating moneys from the Administra-
37 tive Services Economic Development Fund, the allocation to the Oregon Business Develop-
38 ment Department established by section 3 (1), chapter 622, Oregon Laws 2011, for the
39 biennium beginning July 1, 2011, as modified by legislative action, is decreased by \$145,632.

40 (2) Notwithstanding any other law allocating moneys from the Administrative Services
41 Economic Development Fund, the allocation to the Oregon Business Development Depart-
42 ment established by section 3 (2), chapter 622, Oregon Laws 2011, for the biennium beginning
43 July 1, 2011, as modified by legislative action, is decreased by \$990,130.

44 (3) Notwithstanding any other law allocating moneys from the Administrative Services
45 Economic Development Fund, the allocation to the Oregon Business Development Depart-

1 ment established by section 3 (3), chapter 622, Oregon Laws 2011, for the biennium beginning
2 July 1, 2011, as modified by legislative action, is decreased by \$24,548.

3 SECTION 7. Notwithstanding any other law allocating moneys from the Administrative
4 Services Economic Development Fund, the allocation to the Department of Education, for
5 the State School Fund, established by section 4, chapter 622, Oregon Laws 2011, for the
6 biennium beginning July 1, 2011, as modified by legislative action, is decreased by \$8,096,204.

7 SECTION 8. Notwithstanding any other law allocating moneys from the Administrative
8 Services Economic Development Fund, the allocation to the office of the Governor estab-
9 lished by section 6, chapter 622, Oregon Laws 2011, for the biennium beginning July 1, 2011,
10 as modified by legislative action, is decreased by \$40,436.

11 SECTION 9. Notwithstanding any other law allocating moneys from the Administrative
12 Services Economic Development Fund, the allocation to the Sports Lottery Account estab-
13 lished by section 9, chapter 622, Oregon Laws 2011, for the biennium beginning July 1, 2011,
14 as modified by legislative action, is decreased by \$187,232.

15 SECTION 10. Notwithstanding any other law allocating moneys from the Administrative
16 Services Economic Development Fund, the allocation to the Oregon Department of Admin-
17 istrative Services, for distribution to counties for economic development activities as pro-
18 vided by ORS 461.547, established by section 10, chapter 622, Oregon Laws 2011, for the
19 biennium beginning July 1, 2011, is decreased by \$808,801.

20 SECTION 11. Notwithstanding any other law allocating moneys from the Administrative
21 Services Economic Development Fund, the allocation to the Problem Gambling Treatment
22 Fund established by section 11, chapter 622, Oregon Laws 2011, for the biennium beginning
23 July 1, 2011, as modified by legislative action, is decreased by \$230,568.

24 SECTION 12. Notwithstanding any other law allocating moneys from the Administrative
25 Services Economic Development Fund, the allocation to the County Fair Account established
26 by section 12, chapter 622, Oregon Laws 2011, for the biennium beginning July 1, 2011, is de-
27 creased by \$78,446.

28 SECTION 13. Notwithstanding any other law allocating moneys from the Administrative
29 Services Economic Development Fund, the allocation to the Oregon Department of Admin-
30 istrative Services, for transfer to the State Department of Agriculture, established by sec-
31 tion 13, chapter 622, Oregon Laws 2011, for the biennium beginning July 1, 2011, is decreased
32 by \$400.

33 SECTION 14. Notwithstanding ORS 652.409 (2), the amount of \$76,069 is transferred from
34 the Wage Security Fund to the General Fund for general governmental purposes. The
35 transfer shall be made on or before June 30, 2013, from moneys maintained in the Wage Se-
36 curity Fund on the effective date of this 2013 Act.

37 SECTION 15. This 2013 Act being necessary for the immediate preservation of the public
38 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
39 on its passage.
40 _____

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 2940-B

**Carriers – House: Rep. Gelsler
Rep. Eyre Brewer**

Carrier – Senate: Sen. Verger

JOINT COMMITTEE ON WAYS AND MEANS

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Michael Kennedy, Department of Administrative Services

Reviewed By: Tim Walker, Legislative Fiscal Office

Meeting Date: June 15, 2011

Agency

Department of Corrections

Budget Page

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LFO Analysis Page

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Biennium

2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ Change	% Change
General Fund				\$ 100,095	\$ 100,095	

Summary of Public Safety Subcommittee Action

House Bill 2940 modifies the classification of the crime of strangulation, changing it from a Class A misdemeanor to a Class C felony under certain conditions. The bill also stipulates that repeat offenses are valid as enhancement factors.

For the Department of Corrections, the impact of the measure will be to increase Community Corrections costs by \$52,112 General Fund, as well as increase the cost of incarcerating persons sentenced under this measure by \$47,983 General Fund. The Subcommittee recommended an appropriation of \$100,095 General Fund to the Department to cover the costs resulting from this measure.

Summary of Performance Measure Action

There are no performance measures associated with this bill.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2940-B

Department of Corrections
Michael Kennedy - (503)373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
Operations									
Services and Supplies	\$ 47,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,983	0	0.00
Community Corrections									
Special Payments: Distributions to Counties	\$ 52,112	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,112	0	0.00
TOTAL ADJUSTMENTS	<u>\$ 100,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,095</u>	<u>0</u>	<u>0.00</u>
SUBCOMMITTEE RECOMMENDATION *	<u>\$ 100,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,095</u>	<u>0</u>	<u>0</u>

*Excludes Capital Construction Expenditures

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5005-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Williamson
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 26 – 0 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Monica Brown, Legislative Fiscal Office

Meeting Date: June 6, 2013

Agency

Department of Corrections

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 1,221,349,965	\$ 1,402,584,648	\$ 1,302,191,735	\$ 80,841,770	6.6%
General Fund Capital Improvement	\$ 2,635,425	\$ 2,698,675	\$ 2,698,675	\$ 63,250	2.4%
General Fund Debt Service	\$ 138,859,174	\$ 131,444,114	\$ 129,710,174	\$ (9,149,000)	-6.6%
Other Funds	\$ 30,884,955	\$ 33,936,401	\$ 33,824,267	\$ 2,939,312	9.5%
Other Funds Debt Service	\$ 0	\$ 0	\$ 815,000	\$ 815,000	0.0%
Other Funds Capital Improvement	\$ 413,449	\$ 0	\$ 0	\$ 401,551	97.1%
Other Funds Nonlimited	\$ 1,152,165	\$ 0	\$ 0	\$ (1,152,165)	-100.0%
Other Funds Debt Service Nonlimited	\$ 192,754,457	\$ 0	\$ 0	\$ (192,754,457)	-100.0%
Federal Funds	\$ 7,816,182	\$ 6,761,556	\$ 7,369,007	\$ (447,175)	-5.7%
Federal Funds Debt Service Nonlimited	\$ 1,262,826	\$ 1,262,826	\$ 1,262,826	\$ 0	0.0%
Total	\$ 1,597,128,598	\$ 1,578,688,220	\$ 1,477,871,684	\$ (118,441,914)	-7.4%

Position Summary

Authorized Positions	4,509	4,770	4,687	178
Full-time Equivalent (FTE) positions	4,414.55	4,606.24	4,508.99	94.44

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The agency is mainly supported by General Fund. For 2013-15, the General Fund at \$1.43 billion is over 97 percent of the recommended budget. Other Fund revenues come from the Inmate Welfare Fund (telephone revenues, canteen profits, fines, confiscations, and vending machines) and grants. Federal Funds are reimbursements from the U.S. Department of Justice for a small part of the expense of incarcerating illegal aliens, as well as federal grants and reimbursements for interest on Build America Bonds.

Summary of Public Safety Subcommittee Action

The Department of Corrections (Department) manages adult and certain juvenile offenders sentenced to prison by the courts in 14 institutions around the state. The Department distributes funds to counties to manage offenders on parole, post-prison supervision, or who have been sentenced to incarceration for one year or less.

The Subcommittee approved a budget of \$1,434.6 million General Fund and \$1,477.9 million total funds with 4,508.99 full-time equivalent positions (FTE). This represents a 5.3 percent increase in General Fund resources from the 2011-13 Legislatively Approved budget and a 7.5 percent decrease in total funds resources for the same period. The decrease in total funds is driven primarily by the phase-out of almost \$194 million one-time Other Funds non-limited expenditure limitation for administrative action to refinance debt. After factoring out this phase-out, the budget's total funds resources are 5.3 percent higher than in the 2011-13 Legislatively Approved budget. Major features of this budget include:

- An increase of \$22.6 million General Fund for mandated caseload in the Department's operational costs, and \$11.4 million General Fund in mandated caseload for Community Corrections.
- Reductions in positions due to middle management actions taken by the Emergency Board.
- Reductions in Public Employees Retirement System expenditures due to rate reductions and two policy packages.
- A reduction of \$6.3 million General Fund due to a reduction in Measure 73 grants for pretrial incarceration.
- Reductions totaling \$37.7 million General Fund (or approximately 3.2 percent of the Department's operating current service level) in assumed management actions and one-time solutions to balance the budget.

Operations Division

The Operations Division is responsible for the security and operation of the 14 existing correctional institutions. Functions of this division include institution operations, security, food service, inmate work, and inmate transportation. Health Services is administratively under the Operations Division but is a separate budget unit.

The Subcommittee approved a budget of \$677.9 million General Fund and \$687.1 million total funds with 3,292.47 full-time equivalent positions. This represents an 8.3 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget and an 8.2 percent increase in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including 16 positions (15.00 FTE) within Operations and reduces General Fund by \$3.1 million.

The Subcommittee approved Package 090: Analyst Adjustments. In its original form, this package made an undesignated \$10 million reduction to personal services and also reduced positions and associated personal services and services and supplies to reflect a policy decision to hold prison population flat through providing increased funding to Community Corrections. In its final form, the package reduces General Fund by \$10 million for vacancy savings.

The Subcommittee approved Package 092: PERS Taxation Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$1.5 million and Other Funds by \$9,441.

The Subcommittee approved Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$12.1 million and Other Funds by \$75,580.

The Subcommittee approved Package 117: Transfer Training from DPSST to DOC. This package supports the passage of HB 2235 to allow the Department of Corrections to provide basic training to its corrections officers. DPSST would continue to audit the training program. The package reduces General Fund by \$6.1 million.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$1,083,641 GF and \$6,783 OF); shifts treatment program funding to Offender Management and Rehabilitation Division (\$537,971 GF); and allocates a management reduction target to help balance the Public Safety budget (\$17,980,572 GF). In sum, the package reduces General Fund by \$25.9 million, increases Other Funds expenditure limitation by \$6,783, and eliminates 43 positions (56.31 full-time equivalents).

Central Administration

Central Administration includes the Offices of the Director, Inspector General, Planning and Budget, Research and Projects, Government Efficiencies and Communication, and Internal Audits. This unit provides overall direction, administration, and budget and financial accountability. More than 60 percent of the expenditures in this budget unit is for all of the agency's state government service charges, including those paid to DAS for risk management.

The Subcommittee approved a budget of \$63.3 million General Fund and \$64.5 million total funds with 86.00 full-time equivalent positions. This represents a 1.4 percent decrease in General Fund expenditures from the 2011-13 Legislatively Approved Budget and a 2.9 percent decrease in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including one position (1.00 FTE) within Central Administration and reduces General Fund by \$0.2 million.

The Subcommittee approved Package 090: Analyst Adjustments. This package moves Federal Funds expenditure limitation for Services and Supplies from Offender Management and Rehabilitation to Central Administration. It also adds Other Funds expenditure limitation for the cost of issuance of capital construction bond proceeds to be used for deferred maintenance projects. The package increases Other Funds expenditure limitation by \$89,000 and Federal Funds expenditure limitation by \$0.5 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on

those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$45,808 and Other Funds expenditure limitation by \$1,248.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package decreases General Fund by \$0.4 million and Other Funds expenditure limitation by \$9,989.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$32,554 GF and \$897 OF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, the package reduces General Fund by \$1,326,926 and increases Other Funds expenditure limitation by \$897.

General Services Division

The General Services Division includes the following units:

- **Fiscal Services** provides central accounting, inmate trust accounting, payroll, purchasing, and contract-related services for the entire agency.
- **Information Systems and Services** provides agency-wide functions including operations and user support, applications development, systems maintenance, technical support, and research/evaluation. It is responsible for operating a number of systems, including the offender database and tracking system used to manage the state's prisons and community corrections; the Corrections Information System; fiscal systems; and automated office systems.
- **Distribution Services** provides the various goods and services necessary to operate facilities including food and canteen supplies. It has a central warehouse in Salem and transports supplies to facilities around the state. It is also responsible for the statewide inventory system for the agency.
- **Facility Services** is responsible for the repair and maintenance program for all of the Department-owned facilities. It also manages leased facilities, wireless communications, capital improvements, deferred maintenance, and energy conservation.

The Subcommittee approved a budget of \$51.1 million General Fund and \$58.4 million total funds with 264.65 full-time equivalent positions. This represents a 2.1 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget and a 3.2 percent increase in total funds expenditures.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including five positions (5.00 FTE) within General Services and reduces General Fund by \$0.8 million.

The approved budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative

Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package decreases General Fund by \$2.2 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$117,014 and Other Funds expenditure limitation by \$13,477.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$936,808 and Other Funds expenditure limitation by \$107,897.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$82,596 GF and \$9,684 OF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, this package reduces General Fund by \$1,971,692, increases Other Funds expenditure limitation by \$9,684, and eliminates four positions (3.41 FTE).

Human Resources

Human Resources staff provides agency-wide services including labor management, recruitment, employee development, training, employee safety, risk management, and payroll services. The Subcommittee budget is \$14.0 million General Fund with 62.76 full-time equivalent positions. This represents a 5.7 percent decrease in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including nine positions (9.00 FTE) within Human Resources and reduces General Fund by \$1.8 million.

The approved budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package reduces General Fund by \$0.5 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on

those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$35,407.

The recommended budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package decreases General Fund by \$0.3 million.

The Subcommittee approved Package 117: Transfer Training from DPSST to DOC. This package supports the passage of HB 2235 to allow the Department of Corrections to provide basic training to its corrections officers. DPSST would continue to audit the training program. The package increases General Fund by \$1.1 million and restores seven positions (5.25 FTE).

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast and corrects the PERS line-item to reflect the correct Police & Fire rate (\$22,184 GF). This package reduces General Fund by \$0.8 million and eliminates three positions (3.99 FTE).

Community Corrections

The Community Corrections grant program provides funding to counties for operating their community corrections, except where the Department has assumed responsibility for these functions. Under Senate Bill 1145 (1995), the community corrections program was restructured to establish state/local partnerships and shift resources and control for community corrections to the counties. Grants are based on the number and risk levels of offenders to be managed.

Three general groups are funded through this program:

- ***Felony Probation*** includes those individuals who have been sentenced for a felony to probationary supervision instead of incarceration in a local or state correctional facility.
- ***Parole and Post-Prison Supervision*** are those individuals who have been incarcerated in a state correctional facility, are released, and then supervised in the community corrections system.
- ***Local control*** are those individuals convicted of felony and sentenced to incarceration of 12 months or less, revoked from felony community supervision and sentenced to 12 months or less incarceration, or sanctioned to less than 30 days for violating the terms of community supervision.

Included in the positions for this division are central administrative support and supervision staff for two counties (Douglas and Linn) where the Department has assumed responsibility for the community corrections program.

The Subcommittee approved a budget of \$217.1 million General Fund and \$223.9 million total funds with 61.33 full-time equivalent positions. This represents a 12.7 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including five positions (5.00 FTE) within Offender Management and Rehabilitation and reduces General Fund by \$0.8 million.

The Subcommittee approved Package 090: Analyst Adjustments. In its original form, this package made two adjustments to the distribution to counties. The first was a reduction in Measure 73 grants for pretrial incarceration, equaling \$6.3 million. The second was a placeholder totaling \$32 million General Fund for public safety investments pending recommendations from the Governor's Commission on Public Safety. In its final form, this package recognizes a reduction of \$6.3 million General Fund in Measure 73 grants for pretrial incarceration.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package decreases General Fund by \$34,342 and Other Funds expenditure limitation by \$43.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$0.3 million and Other Funds expenditure limitation by \$348.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$23,162 GF and \$31 OF); and increases Federal Funds expenditure limitation for the Smart Probation Grant which was authorized for application at the December 2012 meeting of the Emergency Board. In sum, this package increases General Fund by \$0.5 million, Other Funds expenditure limitation by \$31, and Federal Funds expenditure limitation by \$0.3 million.

Health Services

Health Services is administratively part of the Operations Division, but in order to focus attention on the challenges of health care provision in institutions a separate budget unit has been created. Prison health care became a legal requirement in 1976 in *Estelle v. Gamble*. The effect of *Estelle* has centered on three basic rights:

- The right to access to care.
- The right to care that is ordered.
- The right to a professional medical judgment.

The Division provides medical services in a multi-level managed care approach. The behavioral health unit includes services for adults in custody with mental illness, the developmentally disabled, and those with co-occurring mental/substance abuse disorders. The dental health unit provides preventative and acute care and the pharmacy unit manages pharmaceutical acquisition/distribution and medical supplies.

The Subcommittee approved a budget of \$214.6 million General Fund and \$221.7 million total funds with 550.07 full-time equivalent positions. This represents a 5.6 percent increase in General Fund expenditures from the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including three positions (2.29 FTE) within Health Services and reduces General Fund by \$0.4 million.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$0.3 million.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$2.6 million.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$231,574 GF); assumes passage of HB 2087 and reduces \$13 million GF for potential savings in health care but establishes three permanent positions (2.64 FTE) to process Medicare eligibility paperwork; increases Federal Funds expenditure limitation by \$315,654 for Oregon Health Network pass-through funding; and allocates a management reduction target to help balance the Public Safety budget (\$5,532,485 GF). In sum, this package reduces General Fund by \$17.3 million, increases Other Funds expenditure limitation by \$0.3 million, and eliminates 0.43 FTE.

Offender Management and Rehabilitation

The Department of Corrections established the new Offender Management and Rehabilitation (OMR) Division in April 2012 to manage the agency's mission in reducing the risk of future criminal conduct. The Division impacts all adults in custody and encompasses nine units that oversee an offender's success from admission to release using dynamic case management strategies that involve the offender. It is tasked with guiding and targeting corrections interventions and enhancing linkages to community-based networks of support. The OMR Division includes Intake, Offender Information and Sentence Computation (OISC), Office of Population Management, Correctional Case Management, Addictions Treatment and Cognitive Behavior Services, Education and Training, Religious Services, Inmate Services, and Transition and Release.

The Subcommittee approved a budget of \$64.1 million General Fund and \$73.7 million total funds with 191.71 full-time equivalent positions.

The Subcommittee approved Package 081: May 2012 Emergency Board. This package reduces positions and associated personal services expenditures as part of the statewide middle management actions directed by the Emergency Board. The package abolishes 41 positions across the agency, including two positions (1.28 FTE) within Offender Management and Rehabilitation and reduces General Fund by \$0.2 million.

The Subcommittee recommended Package 090: Analyst Adjustments. This package moves \$0.5 million Federal Funds expenditure limitation for Services and Supplies from Offender management and Rehabilitation to Central Administration.

The approved budget includes Package 092: PERS Tax Policy. This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%. The package reduces General Fund by \$84,570 and Other Funds expenditure limitation by \$61.

The approved budget includes Package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces General Fund by \$0.7 million and Other Funds expenditure limitation by \$489.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package adjusts for mandated caseload based on the April 2013 forecast; corrects the PERS line-item to reflect the correct Police & Fire rate (\$60,768 GF & \$44 OF); shifts treatment program funding to Offender Management and Rehabilitation (\$537,971 GF); and allocates a management reduction target to help balance the Public Safety budget (\$1,383,120 GF). In sum, this package decreases General Fund by \$3.0 million, increases Other Funds expenditure limitation by \$44, and establishes one permanent position (0.21 FTE).

Debt Service

Debt service is the obligation to repay the principal and interest costs of Certificates of Participation (COPs) that are issued to finance the costs of construction and improvement of correctional facilities. Beginning with the construction of the Snake River Correctional Facility in Ontario in the early 1990s, the Department has used COPs to finance the major expansion of the prison system. The proceeds from COPs are also used for the construction of local jail capacity related to the Senate Bill 1145 community corrections population, purchase of property, design costs, siting costs, major improvements or upgrades of existing facilities, and the staff costs associated with the construction and improvement of facilities.

The Subcommittee approved a budget for debt service costs of \$129.7 million General Fund and \$131.8 million total funds. This represents a 6.6 percent decrease in General Fund resources for debt service when compared with the 2011-13 Legislatively Approved Budget.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package reflects revised debt service estimates based on a Spring 2012 refinancing by DAS and updated estimates of Other Funds resources available. The package reduces General Fund debt service by \$1.7 million and increases Other Funds debt service by \$0.8 million.

Capital Improvements

These funds are used for deferred maintenance and asset protection projects. These projects must be less than \$1,000,000 or they are categorized as Capital Construction. The Subcommittee recommended a budget of \$2.7 million General Fund representing a 2.4 percent increase in General Fund when compared with the 2011-13 Legislatively Approved Budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5005-A

Oregon Department of Corrections
Art Ayre - 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 1,362,844,564	\$ 0	\$ 31,298,404	\$ 193,906,622	\$ 7,816,182	\$ 1,262,826	\$ 1,597,128,598	4,509	4,414.55
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 1,536,727,437	\$ 0	\$ 33,936,401	\$ 0	\$ 6,761,556	\$ 1,262,826	\$ 1,578,688,220	4,770	4,606.24
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 003 - Operations									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (3,052,148)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,052,148)	-16	-15.00
Package 090: Analyst Adjustments									
Personal Services	\$ (10,000,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (10,000,000)	0	0.00
Package 092: PERS Taxation Policy									
Personal Services	\$ (1,509,761)	\$ 0	\$ (9,441)	\$ 0	\$ 0	\$ 0	\$ (1,519,202)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (12,087,075)	\$ 0	\$ (75,580)	\$ 0	\$ 0	\$ 0	\$ (12,162,655)	0	0.00
Package 117: Transfer Training from DPSST to DOC									
Services and Supplies	\$ (6,067,200)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,067,200)		
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (19,882,717)	\$ 0	\$ 6,783	\$ 0	\$ 0	\$ 0	\$ (19,875,934)	-43	-56.31
Services and Supplies	\$ (5,989,147)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,989,147)		
SCR 004 - Central Administration									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (197,596)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (197,596)	-1	-1.00
Package 090: Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ 89,000	\$ 0	\$ 507,851	\$ 0	\$ 596,851		
Package 092: PERS Taxation Policy									
Personal Services	\$ (45,808)	\$ 0	\$ (1,248)	\$ 0	\$ 0	\$ 0	\$ (47,056)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (366,740)	\$ 0	\$ (9,989)	\$ 0	\$ 0	\$ 0	\$ (376,729)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (1,004,786)	\$ 0	\$ 897	\$ 0	\$ 0	\$ 0	\$ (1,003,889)	0	0.00
Services and Supplies	\$ (322,140)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (322,140)		
SCR 006 - General Services Division									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (808,046)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (808,046)	-5	-5.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ (1,763,182)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,763,182)	0	0.00
Services and Supplies	\$ (440,796)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (440,796)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (117,014)	\$ 0	\$ (13,477)	\$ 0	\$ 0	\$ 0	\$ (130,491)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (936,808)	\$ 0	\$ (107,897)	\$ 0	\$ 0	\$ 0	\$ (1,044,705)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (1,625,912)	\$ 0	\$ 9,684	\$ 0	\$ 0	\$ 0	\$ (1,616,228)	-4	-3.41
Services and Supplies	\$ (345,780)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (345,780)		
SCR 008 - Human Resources Division									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (1,780,916)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,780,916)	-9	-9.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ (438,248)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (438,248)	0	0.00
Services and Supplies	\$ (109,562)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (109,562)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (35,407)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (35,407)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (283,468)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (283,468)	0	0.00
Package 117: Transfer Training from DPSST to DOC									
Personal Services	\$ 1,079,357	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,079,357	7	5.25
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (613,666)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (613,666)	-3	-3.99
Services and Supplies	\$ (152,772)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (152,772)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 009 - Community Corrections									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (951,191)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (951,191)	-5	-5.00
Special Payments (6020 Dist to Counties)	\$ 159,513	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,513		
Package 090: Analyst Adjustments									
Special Payments (6020 Dist to Counties)	\$ (6,300,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,300,000)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (34,342)	\$ 0	\$ (43)	\$ 0	\$ 0	\$ 0	\$ (34,385)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (274,937)	\$ 0	\$ (348)	\$ 0	\$ 0	\$ 0	\$ (275,285)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 23,162	\$ 0	\$ 31	\$ 0	\$ 0	\$ 0	\$ 23,193	0	0.00
Special Payments (6020 Dist to Counties)	\$ 460,685	\$ 0	\$ 0	\$ 0	\$ 291,797	\$ 0	\$ 752,482		
SCR 010 - Health Services									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (436,677)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (436,677)	-3	-2.29
Package 092: PERS Taxation Policy									
Personal Services	\$ (322,280)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (322,280)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (2,580,159)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,580,159)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (3,959,635)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,959,635)	0	-0.43
Services and Supplies	\$ (13,312,601)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,312,601)		
Special Payment (6025 Dist to Other Gov Unit)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 315,654	\$ 0	\$ 315,654		
SCR 011 - Offender Management and Rehabilitation									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (228,580)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (228,580)	-2	-1.28
Package 090: Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ (507,851)	\$ 0	\$ (507,851)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (84,570)	\$ 0	\$ (61)	\$ 0	\$ 0	\$ 0	\$ (84,631)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments									
Personal Services	\$ (677,063)	\$ 0	\$ (489)	\$ 0	\$ 0	\$ 0	\$ (677,552)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (904,966)	\$ 0	\$ 44	\$ 0	\$ 0	\$ 0	\$ (904,922)	1	0.21
Services and Supplies	\$ (2,071,934)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,071,934)		
SCR 086 - Debt Service									
Package 810: LFO Analyst Adjustments									
Debt Service	\$ (1,733,940)	\$ 0	\$ 815,000	\$ 0	\$ 0	\$ 0	\$ (918,940)		
TOTAL ADJUSTMENTS	\$ (102,126,853)	\$ 0	\$ 702,866	\$ 0	\$ 607,451	\$ 0	\$ (100,816,536)	-83	-97.25
SUBCOMMITTEE RECOMMENDATION *	\$ 1,434,600,584	\$ 0	\$ 34,639,267	\$ 0	\$ 7,369,007	\$ 1,262,826	\$ 1,477,871,684	4,687	4,508.99
% Change from 2011-13 Leg Approved Budget	5.3%	0.0%	10.7%	-100.0%	-5.7%	0.0%	-7.5%	3.9%	2.1%
% Change from 2013-15 Current Service Level	-6.6%	0.0%	2.1%	0.0%	9.0%	0.0%	-6.4%	-1.7%	-2.1%

Legislatively Approved 2013-2015 Key Performance Measures

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Percentage of inmates in compliance with 40-hour work/education requirements of the constitution (Ballot Measure 17).		Approved KPM	68.95	80.00	80.00
2 - Percentage of high and medium-risk inmates that complete a program prioritized in their corrections plan.		Approved KPM	78.00	75.00	75.00
3 - Percent of offenders on post-prison supervision convicted of a felony within three years of release from prison.		Approved KPM	28.40	30.00	30.00
4 - The rate of Class 1 assaults on individual staff per month (rate per 1000 employees).		Approved KPM	1.74	1.50	1.50
5 - The rate of inmate walk-a-ways from outside work crews per month.		Approved KPM	0.25	1.00	1.00
6 - Reduce the annual average electricity and natural gas usage. Measure on a BTU per square foot basis.		Approved KPM	14,063.00	14,270.00	14,270.00
7 - Number of inmates sanctioned for Level 1 misconducts—(monthly average/1,000 inmates).		Approved KPM	9.40	9.30	9.30
8 - The number of escapes per year from secure-custody facilities (armed perimeter).		Approved KPM	0.00	0.00	0.00
9 - The number of escapes from DOC unarmed perimeter facilities.		Approved KPM	2.00	0.00	0.00
10 - Percent of inmates who successfully complete transitional leave.		Approved KPM	87.00	88.00	88.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	92.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	86.00	90.00	90.00

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	91.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	93.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	93.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	91.00	90.00	90.00
12 - Percent of total inmate care encounters that occur offsite.		Approved KPM	0.62	1.00	1.00
13 - Number of workers compensation time loss days per 100 employees on a fiscal year basis.		Approved KPM	57.04	66.15	66.15

LFO Recommendation:

Approve the 2014 and 2015 targets.

Sub-Committee Action:

Approved the 2014 and 2015 targets.

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5006-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Winters**

Action: Do Pass the A-Engrossed Measure with Amendments to Resolve Conflicts and be Printed B-Engrossed

Vote: 26 – 0 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Monica Brown, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: July 7, 2013

Agency

Various

Biennium

2013-15

Summary of Capital Construction Subcommittee Action

House Bill 5006 allocates resources from the Criminal Fine Account (CFA). The CFA includes criminal fines and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions which are collected through the courts – the Oregon Judicial Department (OJD) for the circuit courts and the local Municipal (city) and Justice (county) Courts and remitted to the Department of Revenue.

ORS 137.300 establishes the CFA and identifies program priorities, but does not specify a funding level for the programs. Expenditure limitations for programs receiving CFA allocations are established in the separate appropriation bills for the various receiving agencies. Once the specific program allocations have been made, the balance of revenues in the CFA is deposited into the General Fund.

For the 2013-15 biennium, the revenue forecast inclusive of the changes in HB 2562 for the CFA totals \$112.1 million. The Capital Construction Subcommittee approved allocations to agencies totaling \$67.1 million, leaving a balance of \$45 million to be deposited into the General Fund. The specific allocations accomplished through this bill are outlined in the following table:

Agency/Program (Bill number containing expenditure authority)	Allocation
<i>Department of Public Safety Standards & Training (HB 5042)</i>	
Operations	\$ 24,410,000
Public Safety Memorial Fund	110,000
Subtotal:	<u>\$ 24,520,000</u>
<i>Department of Justice (HB 5018)</i>	
Child Abuse Multidisciplinary Intervention (CAMI)	\$ 9,982,089
Criminal Injuries Compensation Account (CICA)	8,520,223
Regional Assessment Centers	764,721
Child Abuse Medical Assessments	646,707
Subtotal:	<u>\$ 19,913,740</u>
<i>Oregon Judicial Department (HB 5016)</i>	
State Court Facilities & Security Account	\$ 6,414,462
Court Security Program	2,960,118
Subtotal:	<u>\$ 9,374,580</u>
<i>Oregon Health Authority (HB 5030)</i>	
Emergency Medical Services & Trauma Services	\$ 331,824
Alcohol & Drug Abuse Prevention	42,884
Law Enforcement Medical Liability Account (LEMLA)	1,300,000
Intoxicated Driver Program	4,323,000
Subtotal:	<u>\$ 5,997,708</u>
<i>Department of Corrections (HB 5005)</i>	
County correction programs and facilities, and alcohol and drug programs	<u>\$ 4,257,421</u>
<i>Department of Human Services (SB 5529)</i>	
Domestic Violence Fund	\$ 2,224,675
Sexual Assault Victims Fund	533,332
Subtotal:	<u>\$ 2,758,007</u>
<i>Oregon State Police (HB 5038)</i>	
Driving Under the Influence Enforcement	<u>\$ 253,000</u>
<i>Governor's Office (SB 5523)</i>	
Arrest & Return for Extradition	<u>\$ 22,500</u>
Total Allocations: <u>\$ 67,096,956</u>	

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 5507-A

Carrier – House: Rep. Smith

Carrier – Senate: Sen. Girod

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 4 – 0

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna, McLane, Richardson

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Jack Kenny and Bill McGee, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: July 7, 2013

Agency

Capital Construction – various agencies

Department of Veterans' Affairs

Department of Forestry

Biennium

2013-15

2011-13

2009-11

Budget Summary

	2011-13 Legislatively Approved Budget⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				<u>\$ Change</u>	<u>% Change</u>
Other Funds	\$ 469,027,017	\$ 0	\$ 265,625,458	\$ (203,401,559)	-43.4%
Federal Funds	\$ 36,051,831	\$ 0	\$ 2,466,205	\$ (33,585,626)	-93.2%
Total	\$ 505,078,848	\$ 0	\$ 268,091,663	\$ (236,987,185)	-46.9%

2011-13 Expenditure Limitation Adjustments

Department of Veterans' Affairs

Other Funds			\$ 4,000,000	\$ 4,000,000	
Federal Funds			\$ 6,840,377	\$ 6,840,377	

2009-11 Expenditure Limitation Adjustments

Department of Forestry

Other Funds			\$ 5,200,000	\$ 5,200,000	
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⁽¹⁾ Includes adjustments through December 2012

Summary of Revenue Changes

Other Fund revenues are from the proceeds of the issuance of Article XI-Q bonds, the depreciation component of the Uniform Rent program and other deposits in the Department of Administrative Services Capital Projects Fund established by ORS 276.005, PGE hydroelectric re-licensing agreement, Oregon Military Department Capital Construction Account (surplus property sale proceeds), energy incentive payments, rental income, proceeds from aircraft registration fees assessed in accordance with ORS 837.040 and 837.045, and state gasoline tax and driver and vehicle related fees. Federal Funds revenues are from National Guard Bureau, the Federal Aviation Administration's General Aviation Entitlement Program, and the Federal Airport Improvement Program.

Summary of Capital Construction Subcommittee Action

Senate Bill 5507 provides six-year expenditure limitation for new capital construction projects. Projects in excess of \$1 million that build, acquire, adapt, replace, or change the use or function of a facility are categorized as capital construction projects. All capital projects in excess of \$1 million require a separate Capital Construction expenditure limitation established by the Legislature or the Emergency Board. Senate Bill 5507 also extends the six-year expiration dates and expenditure limitations for specified projects and authorizes the sale of Military Department property as required by ORS 396.515 (4).

Oregon Health Authority

State Hospital Replacement Project: \$79,401,530 Other Funds (Article XI-Q bonds) is approved for completion of the project to provide new mental health facilities to replace the State Hospital constructed in 1883 (implementation of the Oregon State Hospital Framework Master Plan). Funding provides for construction of the 174 bed Junction City campus, expected to be completed by the end of calendar year 2014. Project funding includes development and implementation of the Behavioral Health Integration Project (BHIP). Debt service will be paid with General Fund.

Department of Administrative Services

HVAC Improvement Projects: \$4,921,160 Other Funds (Capital Projects Fund) is approved to provide HVAC system upgrades on several state-owned buildings. Planned improvements include the Portland State Office Building, the Human Services Building and various other projects.

Roof Replacements: \$1,303,942 Other Funds (Capital Projects Fund) is approved to provide roof replacements or repairs on several state buildings. Planned work includes roof replacement at the Real Estate Building and the Central Point Building.

Public Utility Commission Building Exterior Replacement: \$4,740,390 Other Funds (Capital Projects Fund) is approved to replace exterior siding and window glazing, replace interior sheet rock and install a new roof.

Elevator Upgrades: \$961,420 Other Funds (Capital Projects Fund) is approved for the repair and upgrade to code for elevators in the Eugene State Office Building.

Carpet Replacements: \$3,744,374 Other Funds (Capital Projects Fund) is approved to fund carpet replacements at several state buildings including Agriculture, Revenue and Human Services buildings.

Planning: \$350,000 Other Funds (Capital Projects Fund) is approved to contract with various architects, engineers and other specialists to develop feasibility analyses and reliable cost information; to prepare preliminary design for small to medium-sized projects; and evaluate options to solve maintenance problems.

Executive Building Renovation: \$800,000 Other Funds (Capital Projects Fund) is approved for architectural design work, engineering plan and budget development for a major renovation of the Executive Building planned for 2015-17.

Department of Veterans' Affairs

Linn County (Lebanon) Veterans' Home: \$4,000,000 Other Funds (Article XI-Q Bonds) and \$6,840,377 Federal Funds - (United States Department of Veterans' Affairs construction grant) is approved for design and construction work on the second state veterans' home. To comply with the current facility design requirements from the United States Department of Veterans' Affairs, the total additional cost needed to construct this facility is projected to be \$10.8 million. The project requires a 35 percent state and local match and is expected to be completed in 2014. Capital construction expenditure limitation was established for this project beginning in the 2011-13 biennium.

Department of Transportation

Region 1 (Portland) Facilities Consolidation Project: \$1 Other Funds (fee revenue) is approved as a placeholder for a project to consolidate a number of facilities within the Portland Metro area.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: the Transportation Building Renovation Center (Other Funds): extended to June 30, 2015; Baker City and East Portland Highway Facilities (Other Funds): extended to June 30, 2015; and the Sisters Maintenance Station (Other Funds): extended to June 30, 2014.

Department of Aviation

Cottage Grove State Airport: \$400,000 Federal Funds (Federal Aviation Administration) and \$40,000 Other Funds (aircraft registration fees) is approved to conduct design engineering needed to ascertain the required scope and cost of a runway rehabilitation project. Rehabilitation is necessary to meet safe operating conditions based on the most recent Pavement Condition Index survey.

Department of Fish and Wildlife

Clackamas Hatchery Intake System: \$1,000,000 Other Funds (Portland General Electric re-licensing settlement agreement) is approved for design and preliminary construction of an intake system at the Clackamas Hatchery.

Department of Forestry

Gilchrist Forest Land Acquisition: \$5,200,000 Other Funds (Article XI-Q Bonds) is approved to purchase some of the remaining available tracts in the Gilchrist Forest. Expenditure limitation for this purchase was added to the existing expenditure limitation for a similar project approved by the 2009 Legislative Assembly (and increased by the 2011 Legislative Assembly). This increase in expenditure limitation will expire June 30, 2015. Debt service for XI-Q bonds will be paid from the General Fund.

East Lane Headquarters Building: \$1,750,000 Other Funds (Article XI-Q bonds) is approved to make improvements at the Springfield facility to increase safety and functionality. The project includes installation of site utility improvements and construction of a multi-use building to

house a fire cache, vehicle repair and equipment fabrication shop. In addition, the project includes fire crew support facilities, and the conversion of an existing vehicle repair building into fire engine and equipment storage facilities.

Oregon Military Department

Sharff Hall Armory: \$2,781,000 Other Funds (Article XI-Q Bonds) is approved for the acquisition of a former US Army Reserve site in Portland, Oregon (\$1.2 million) and for design and construction of needed additions and alterations to convert the facility into an armory (\$1,581,000). The remodel is extensive including the following: replacement of window glazing systems, evaluation of energy and water saving measures, replacement/refurbishment of HVAC systems, upgrades to electronic security systems, upgrades to kitchen, storage and vehicle maintenance bays and other improvements.

Roseburg Armory: \$2,230,416 Other Funds (Article XI-Q Bonds) is approved for a service life extension project to renovate the facility. The project includes the design and construction of additions and alterations to the armory. Funding will address severe deficiencies in the electrical, mechanical and structural components of the facility.

Medford Armory: \$2,391,660 Other Funds (Article XI-Q Bonds) is approved for a service life extension project to renovate the facility. The project includes the design and construction of additions and alterations to the armory. The remodel will replace the HVAC system, upgrade window glazing systems, information technology systems, restrooms, kitchen, administrative and storage areas, and evaluate and implement feasible energy and water savings measures.

Baker City Readiness Center: \$1,189,579 Other Funds (Article XI-Q bonds) is approved to affect the transfer of real property with Baker County, to conduct demolition of the County Extension Building, and to construct a new Military Vehicle Storage Compound. Federal Funds Capital Construction expenditure limitation for the project may be requested at a future date once funding is secured from the federal government.

Christmas Valley Land Acquisition: \$220,000 Other Funds (energy incentive funds/rental income) is approved to complete the purchase of 2,296 acres for the possible development of a utility-scale solar project and a potential military training site. This amount will allow for the final installment payment for this acquisition.

Milton-Freewater Armory: \$1,804,000 Federal Funds (National Guard Bureau) is approved for a service life extension project to renovate the facility. The work will include installing efficient heating and cooling systems and utility systems upgrades. The project also includes replacement of certain windows, doors and facility-related equipment. Federal Funds expenditure limitation for this project was originally approved by the Emergency Board (May 2012), however, that expenditure limitation expired and additional time is needed to complete construction and expend the funds.

Planning and Design: \$282,445 Other Funds (Capital Construction Account) and \$262,205 Federal Funds (National Guard Bureau) is approved for planning and preliminary design work at a number of sites throughout the state where the agency is planning future capital construction projects

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: the Ontario Readiness Center (Other Funds): extended to June 30, 2014; the Ontario Readiness Center (Federal Funds): extended to June 30, 2014; and the Dallas Readiness Center land acquisition (Other Funds): extended to June 30, 2015.

The subcommittee also approved the sale proposal from the Oregon Military Department, as required by ORS 396.515 (4), for the sale of the Baker City Armory.

Oregon State Police

The Subcommittee approved the extension of the project expiration date and expenditure limitation for the Oregon Wireless Interoperability Network (Federal Funds) to December 30, 2013.

Oregon Youth Authority

Electronic Security Projects: \$2,116,810 Other Funds (Article XI-Q Bonds) is approved to acquire and install security systems, including improved and expanded key control access systems, and CCTV systems.

Deferred Maintenance: \$2,958,131 Other Funds (Article XI-Q bonds) is approved to address highest priority deferred maintenance projects to provide a safe and secure environment for the public and residents. Projects are located at facilities throughout the state and address a range of needs including fire alarms, water and electrical systems and structural repairs.

Department of Corrections

Deferred Maintenance: \$4,961,000 Other Funds (Article XI-Q bonds) is approved to address highest priority deferred maintenance projects. Projects are located at facilities throughout the state and address a range of needs including HVAC repairs, security and electrical systems changes and some structural improvements.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: Deferred Maintenance and Assessment (Other Funds): extended to April 30, 2014; and Deferred Maintenance (Other Funds): extended to April 30, 2014.

Judicial Department

Supreme Court Building Renovation: \$4,400,000 Other Funds (Article XI-Q bonds) is approved for the early stages of needed renovations. This funding will be used to address major safety issues with the exterior of the building, water penetration through the façade, and dry-rot in wooden-framed windows. This project will fund terracotta exterior repair and sealing, window repair, project management and the review and planning of future phases of critical interior renovation work.

Legislative Administration

State Capitol Master Plan: \$34,500,000 Other Funds (Article XI-Q bonds) is approved to complete the detailed pre-construction planning and design phase of the project to address life-safety concerns through seismic upgrades and other critical needs, including fire and electrical systems. Furthermore this project will address public access and improve operational efficiency of the Capitol.

Community Colleges and Workforce Development

The Subcommittee approved a budget of \$108,581,600 Other Funds (Article XI-G bonds) for 16 new construction and deferred maintenance projects at 16 community colleges:

- Blue Mountain Community College Applied Animal Science Education Center: approved \$3,331,350 Other Funds (Article XI-G bonds) to construct new facilities for animal science and agriculture programs. The project includes classrooms and office building, indoor and outdoor arenas, a hay barn, horse pens and mare motels, tack storage lockers and round pens. Match for the Article XI-G bonds will come from grants, donations, corporate scholarships, and possibly a district bond levy.
- Central Oregon Community College Academic and Student Services Center: approved \$5,260,000 Other Funds (Article XI-G bonds) to provide state funds to retire outstanding Central Oregon Community College general obligation bonds sold for construction of a building leased to Oregon State University for operation of its Cascades campus. Once the debt is repaid, the COCC will terminate the contract with OSU and remodel the building for college academic and student support use. Match on the Article XI-G bonds would be paid with COCC funds.
- Chemeketa Community College Applied Technology Classroom Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct new space for the Welding/Metal Fabrication and Machining programs and to remodel existing space to accommodate college services displaced by the new construction. Match for the Article XI-G bonds will come from proceeds of a district bond levy approved in May 2008.
- Clackamas Community College Clairmont Career and Technology Education Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to replace a 1960's era building that will provide additional classroom and industrial space. In addition, the horticulture program, the joint Clackamas/Oregon State University Extension Service office, and industrial technology programs will be located in the new facility. Match for the Article XI-G bonds will come from Extension Service revenues, a capital campaign, and proceeds from a district bond levy.
- Clatsop Community College Health and Wellness Center: approved \$7,990,000 Other Funds (Article XI-G bonds) for construction of a new facility with gymnasium, fitness room, equipment storage, lockers, showers, and wellness activity area for physical education, community education, and health and wellness programs. Match for the Article XI-G bonds will come from proceeds of a legal settlement, a tuition surcharge, and fundraising.

- Columbia Gorge Community Advanced Technology Center, phase two: approved \$7,320,000 Other Funds (Article XI-G bonds) for construction of a facility on the Hood River campus to support science, technology, engineering, and mathematics programs. Match for the Article XI-G bonds will come from fundraising and proceeds of a district bond levy.
- Klamath Community College Student Success and Career-Technical Center: approved \$7,850,000 Other Funds (Article XI-G bonds) for construction of a new facility housing a research library and computer labs, a testing center, tutoring and advising areas, and space for GED, Adult Basic Education, and English as a Second Language programs. The project will also expand the Career Technical Education center for auto and diesel mechanics and construction management programs. Match for the Article XI-G bonds will come from college reserve funds, foundation and federal grants, and district general obligation bonds.
- Lane Community College The Center for Student Success: approved \$8,000,000 Other Funds (Article XI-G bonds) to remodel an existing 1960s era building that houses the library, tutoring center, bookstore, Academic Learning Skills Department, and Culinary Arts and Hospitality programs to provide a student centered learning environment that integrates academic support services and resources with technology and facilities that promote individual and group learning. Match for the Article XI-G bonds will come from proceeds of a district bond levy approved in November 2008.
- Linn-Benton Community College Nursing and Allied Health Facilities: approved \$8,000,000 Other Funds (Article XI-G bonds) for construction of a new facility for 12 Allied Health programs located in proximity to major healthcare providers or education centers. The funds will also be used to repurpose space on the Albany campus that become available after the health programs are relocated. Match for the Article XI-G bonds will come from private donations and revenues from a district bond levy.
- Mt. Hood Community College Student Services Enhancement: approved \$8,000,000 Other Funds (Article XI-G bonds) to remodel and expand student service facilities, centralizing academic advising, career counseling, financial aid, admissions, registration, testing, business office and other functions. Match for the Article XI-G bonds will come from a district bond levy or a secured loan to be repaid with tuition revenue.
- Portland Community College Health Professions Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct or purchase and remodel a facility near the Sylvania campus for Dental Hygiene, Dental Assisting, Dental Lab Technology, Radiography, and Nursing programs. Match for the Article XI-G bonds will come from proceeds from a district bond levy passed in 2008.
- Rogue Community College Health and Science Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to increase space for health science programs by constructing new facilities or buying and remodeling existing ones. Match for the Article XI-G bonds will come from partnership contributions, grants, and capital campaign contributions.
- Southwestern Oregon Community College Health and Science Technology Building: approved \$8,000,000 Other Funds (Article XI-G bonds) for construction of a new facility with laboratory, classroom, and auxiliary space for expansion of allied health and science programs. The

facility will support increased use of technology and distance education in health and science programs. Match for the Article XI-G bonds will come from private grants and donations and, if necessary, revenues from a district bond levy.

- Tillamook Bay Community College: Career and Technical Workforce Facility: approved \$2,000,000 Other Funds (Article XI-G bonds) to construct a new building that will house OSU Extension Services and Open Campus programs, Oregon Regional Solutions, Tillamook County Economic Development Council, and the college Small Business Development Office as well as classroom, office, and laboratory space for career and technical education, natural resources, and hospitality and tourism programs. Match for the Article XI-G bonds will come from college reserve funds, partnerships and fundraising, and proceeds from a district general obligation bond.
- Treasure Valley Community College Workforce Vocational Center: approved \$2,830,250 Other Funds (Article XI-G bonds) for construction of a new facility to expand space for welding training and to house Natural Resource, Renewable Energy, Wild Land Fire, Construction Trades, and Waste Water Management programs. Match for the Article XI-G bonds will come from funding raising or proceeds from district bonds or a district bond levy.
- Umpqua Community College Industrial Technology Building: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct a new facility on campus for automotive, manufacturing, construction, and welding technology programs. The college had planned to match the Article XI-G bonds with proceeds from a district bond levy which was defeated by the voters in May 2013. Alternatives for generating the match from grants, donations, and other sources are being explored.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: Clackamas Community College – Harmony Campus Phase II: extended to June 30, 2017; and Umpqua Community College – Roseburg Regional Health Occupation Training Center: extended to June 30, 2017.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5507-A

Various Agencies

Jack Kenny -- 503-378-3107; Bill McGee - 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	CCWD XI-G Bond Expenditures	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>								
<u>Legislative Administration Committee</u>								
State Capitol Master Plan	\$ 0	\$ 0	\$ 34,500,000	\$ 0	N/A	\$ 34,500,000	0	0.00
<u>Judicial Department</u>								
Supreme Court Building Renovation	\$ 0	\$ 0	\$ 4,400,000	\$ 0	N/A	\$ 4,400,000	0	0.00
<u>EDUCATION PROGRAM AREA</u>								
<u>Department of Community Colleges and Workforce Development</u>								
Blue Mountain - Animal Science Ed. Center	\$ 0	\$ 0	N/A	\$ 0	\$ 3,331,350	\$ 3,331,350	0	0.00
Central Oregon - Academic & Student Svcs Ctr	\$ 0	\$ 0	N/A	\$ 0	\$ 5,260,000	\$ 5,260,000	0	0.00
Chemeketa - Applied Technology Classroom	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Clackamas - Clairmont Career/Tech Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Clatsop - Health and Wellness Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,990,000	\$ 7,990,000	0	0.00
Columbia Gorge - Advance Technology Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,320,000	\$ 7,320,000	0	0.00
Klamath - Student Success & Career/Tech Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,850,000	\$ 7,850,000	0	0.00
Lane - Center for Student Success	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Linn Benton - Nursing & Allied Health Facilities	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Mt. Hood - Student Services Enhancement	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Portland - Health Professions Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Rogue - Health & Science Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Southwestern - Health & Science Building	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Tillamook Bay - Career & Tech. Workforce Fac.	\$ 0	\$ 0	N/A	\$ 0	\$ 2,000,000	\$ 2,000,000	0	0.00
Treasure Valley - Workforce Vocational Center	\$ 0	\$ 0	N/A	\$ 0	\$ 2,830,250	\$ 2,830,250	0	0.00
Umpqua - Industrial Arts Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
<u>HUMAN SERVICES PROGRAM AREA</u>								
<u>Oregon Health Authority</u>								
State Hospital Replacement	\$ 0	\$ 0	\$ 79,401,530	\$ 0	N/A	\$ 79,401,530	0	0.00
<u>PUBLIC SAFETY PROGRAM AREA</u>								
<u>Oregon Military Department</u>								
Sharff Hall Armory	\$ 0	\$ 0	\$ 2,781,000	\$ 0	N/A	\$ 2,781,000	0	0.00
Medford Armory	\$ 0	\$ 0	\$ 2,391,660	\$ 0	N/A	\$ 2,391,660	0	0.00
Roseburg Armory	\$ 0	\$ 0	\$ 2,230,416	\$ 0	N/A	\$ 2,230,416	0	0.00
Baker City Readiness Center	\$ 0	\$ 0	\$ 1,189,579	\$ 0	N/A	\$ 1,189,579	0	0.00
Christmas Valley Land Acquisition	\$ 0	\$ 0	\$ 220,000	\$ 0	N/A	\$ 220,000	0	0.00
Planning and Predesign	\$ 0	\$ 0	\$ 282,445	\$ 262,205	N/A	\$ 544,650	0	0.00
Milton-Freewater Armory	\$ 0	\$ 0	\$ 0	\$ 1,804,000	N/A	\$ 1,804,000	0	0.00

Department of Corrections

Deferred Maintenance	\$	0	\$	0	\$	4,961,000	\$	0	N/A	\$	4,961,000	0	0.00
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Oregon Youth Authority

Electronic Security Projects	\$	0	\$	0	\$	2,116,810	\$	0	N/A	\$	2,116,810	0	0.00
Deferred Maintenance	\$	0	\$	0	\$	2,958,131	\$	0	N/A	\$	2,958,131	0	0.00

TRANSPORTATION PROGRAM AREA

Department of Transportation

Region 1 Facilities Consolidation Project	\$	0	\$	0	\$	1	\$	0	N/A	\$	1	0	0.00
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Department of Aviation

Cottage Grove State Airport Runway Rehab	\$	0	\$	0	\$	40,000	\$	400,000	N/A	\$	440,000	0	0.00
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ADMINISTRATION PROGRAM AREA

Department of Administrative Services

HVAC Improvement Projects	\$	0	\$	0	\$	4,921,160	\$	0	N/A	\$	4,921,160	0	0.00
Roof Replacements	\$	0	\$	0	\$	1,303,942	\$	0	N/A	\$	1,303,942	0	0.00
Public Utility Comm Bldg Exterior Replacemet	\$	0	\$	0	\$	4,740,390	\$	0	N/A	\$	4,740,390	0	0.00
Elevator Upgrades	\$	0	\$	0	\$	961,420	\$	0	N/A	\$	961,420	0	0.00
Carpet Replacements	\$	0	\$	0	\$	3,744,374	\$	0	N/A	\$	3,744,374	0	0.00
Planning	\$	0	\$	0	\$	350,000	\$	0	N/A	\$	350,000	0	0.00
Executive Building Renovation	\$	0	\$	0	\$	800,000	\$	0	N/A	\$	800,000	0	0.00

NATURAL RESOURCES PROGRAM AREA

State Department of Fish and Wildlife

Clackamas Hatchery Intake System	\$	0	\$	0	\$	1,000,000	\$	0	N/A	\$	1,000,000	0	0.00
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State Forestry Department

East Lane Headquarters	\$	0	\$	0	\$	1,750,000	\$	0	N/A	\$	1,750,000	0	0.00
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TOTAL

	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>157,043,858</u>	<u>\$</u>	<u>2,466,205</u>	<u>\$</u>	<u>108,581,600</u>	<u>\$</u>	<u>268,091,663</u>	<u>0</u>	<u>0.00</u>
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2011-13 Supplemental Expenditure Limitation Adjustments

Department Veterans' Affairs

Lebanon Veterans Home	\$	0	\$	0	\$	4,000,000	\$	6,840,377	N/A	\$	10,840,377	0	0.00
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2009-11 Supplemental Expenditure Limitation Adjustments

State Forestry Department

Gilchrist Forest Land Acquisition	\$	0	\$	0	\$	5,200,000	\$	0	N/A	\$	5,200,000	0	0.00
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**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5008-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Buckley

Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 2 – 2

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna

Exc: McLane, Richardson

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Linda Ames, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: July 8, 2013

Agency

Emergency Board

Various Agencies

Biennium

2013-15

2011-13

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Emergency Board</u>				
General Fund - General Purpose	-	-	\$ 30,000,000	\$ 30,000,000
General Fund - Special Purpose Appropriations				
State employee compensation changes	-	-	\$ 86,500,000	\$ 86,500,000
Home health care worker compensation	-	-	\$ 12,900,000	\$ 12,900,000
Oregon State Library	-	-	\$ 1,702,192	\$ 1,702,192
Department of Education - student assessments	-	-	\$ 4,600,000	\$ 4,600,000
Department of Education - youth development	-	-	\$ 1,789,557	\$ 1,789,557
Department of Housing and Community Development - Oregon Hunger Response Fund	-	-	\$ 225,000	\$ 225,000
Oregon Health Authority - A&D rate increases	-	-	\$ 3,300,000	\$ 3,300,000
Oregon Health Authority - Dental Pilots	-	-	\$ 100,000	\$ 100,000
<u>Various Agencies - Omnibus Adjustments</u>				
General Fund	-	-	\$ (190,669,103)	\$ (190,669,103)
General Fund Debt Service	-	-	\$ (761,790)	\$ (761,790)
Lottery Funds	-	-	\$ (1,719,018)	\$ (1,719,018)
Lottery Funds Debt Service	-	-	\$ (1,307,446)	\$ (1,307,446)
Other Funds	-	-	\$ (5,660,297)	\$ (5,660,297)
Federal Funds	-	-	\$ (1,629,523)	\$ (1,629,523)
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	-	-	\$ 1,150,000	\$ 1,150,000
Lottery Funds	-	-	\$ 21,380	\$ 21,380
Other Funds	-	-	\$ 54,596,958	\$ 54,596,958

*Excludes Capital Construction

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Office of the Governor</u>				
General Fund	-	-	\$ 9,174	\$ 9,174
Lottery Funds	-	-	\$ 900,000	\$ 900,000
<u>Department of Revenue</u>				
General Fund	-	-	\$ 3,196,495	\$ 3,196,495
General Fund Debt Service	-	-	\$ 1,554,716	\$ 1,554,716
Other Funds	-	-	\$ 26,903,021	\$ 26,903,021
<u>Secretary of State</u>				
General Fund	-	-	\$ 9,174	\$ 9,174
<u>Treasurer of State</u>				
Other Funds	-	-	\$ 9,174	\$ 9,174
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>Bureau of Labor and Industries</u>				
General Fund	-	-	\$ 6,881	\$ 6,881
Other Funds	-	-	\$ 2,293	\$ 2,293
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
General Fund Debt Service	-	-	\$ 280,954	\$ 280,954
Lottery Funds	-	-	\$ 1,374,525	\$ 1,374,525
Other Funds	-	-	\$ 29,752,779	\$ 29,752,779
Other Funds Non-limited	-	-	\$ 12,000,000	\$ 12,000,000
<u>Housing and Community Services Department</u>				
General Fund	-	-	\$ 225,000	\$ 225,000
Other Funds	-	-	\$ 5,076,190	\$ 5,076,190

*Excludes Capital Construction

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Veterans' Affairs</u>				
General Fund Debt Service	-	-	\$ 852,814	\$ 852,814
Other Funds	-	-	\$ 65,000	\$ 65,000
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	-	-	\$ (8,826,545)	\$ (8,826,545)
Lottery Funds	-	-	\$ 12,826,545	\$ 12,826,545
Other Funds	-	-	\$ 12,000,000	\$ 12,000,000
Federal Funds	-	-	\$ 1,000,000	\$ 1,000,000
<u>Department of Community Colleges and Workforce Development</u>				
Other Funds	-	-	\$ (307,051)	\$ (307,051)
Other Funds Debt Service	-	-	\$ 307,051	\$ 307,051
<u>Oregon Health and Science University</u>				
General Fund	-	-	\$ 1,000,000	\$ 1,000,000
<u>Higher Education Coordinating Commission</u>				
General Fund	-	-	\$ 859,630	\$ 859,630
<u>Oregon University System</u>				
General Fund	-	-	\$ 15,674,000	\$ 15,674,000
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Oregon Health Authority</u>				
General Fund	-	-	\$ (1,940,000)	\$ (1,940,000)
Other Funds	-	-	\$ (3,160,291,391)	\$ (3,160,291,391)
Other Funds Nonlimited	-	-	\$ 3,160,291,391	\$ 3,160,291,391

*Excludes Capital Construction

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Human Services</u>				
General Fund	-	-	\$ 5,000,000	\$ 5,000,000
Other Funds	-	-	\$ 1,000,000	\$ 1,000,000
Federal Funds	-	-	\$ 9,700,000	\$ 9,700,000
<u>Long Term Care Ombudsman</u>				
General Fund	-	-	\$ 785,488	\$ 785,488
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	-	-	\$ 634,980	\$ 634,980
Other Funds	-	-	\$ 335,001	\$ 335,001
<u>Public Defense Services Commission</u>				
General Fund	-	-	\$ 2,409,367	\$ 2,409,367
<u>LEGISLATIVE BRANCH</u>				
<u>Legislative Administration Committee</u>				
General Fund Debt Service	-	-	\$ 1,421,341	\$ 1,421,341
Other Funds	-	-	\$ 615,000	\$ 615,000
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>State Department of Agriculture</u>				
General Fund	-	-	\$ 34,060	\$ 34,060
Lottery Funds	-	-	\$ (21,380)	\$ (21,380)
<u>Columbia River Gorge Commission</u>				
General Fund	-	-	\$ (79,873)	\$ (79,873)
<u>Department of Land Conservation and Development</u>				
General Fund	-	-	\$ 196,000	\$ 196,000

*Excludes Capital Construction

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Environmental Quality</u>				
Other Funds Debt Service	-	-	\$ (17,140,278)	\$ (17,140,278)
<u>State Department of Energy</u>				
Other Funds	-	-	\$ 9,876,190	\$ 9,876,190
<u>State Department of Fish and Wildlife</u>				
General Fund	-	-	\$ 115,940	\$ 115,940
<u>State Forestry Department</u>				
Other Funds	-	-	\$ 120,000	\$ 120,000
Federal Funds	-	-	\$ 3,000,000	\$ 3,000,000
<u>Parks and Recreation Department</u>				
Other Funds	-	-	\$ 5,069,882	\$ 5,069,882
<u>Department of State Lands</u>				
Other Funds	-	-	\$ 307,360	\$ 307,360
Federal Funds	-	-	\$ 135,000	\$ 135,000
<u>Water Resources Department</u>				
Other Funds	-	-	\$ 10,242,513	\$ 10,242,513
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Department of Corrections</u>				
General Fund	-	-	\$ 2,340,830	\$ 2,340,830
<u>Oregon Criminal Justice Commission</u>				
General Fund	-	-	\$ 10,190,000	\$ 10,190,000
<u>Department of Justice</u>				
General Fund	-	-	\$ 3,683,276	\$ 3,683,276
General Fund Debt Service	-	-	\$ 1,601,856	\$ 1,601,856
Other Funds	-	-	\$ 14,377,862	\$ 14,377,862
Federal Funds	-	-	\$ 27,447,707	\$ 27,447,707

*Excludes Capital Construction

2013-15 Budget Summary*

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Oregon Military Department</u>				
General Fund	-	-	\$ 290,000	\$ 290,000
General Fund Debt Service	-	-	\$ 314,523	\$ 314,523
Other Funds	-	-	\$ 237,345	\$ 237,345
<u>Oregon State Police</u>				
General Fund	-	-	\$ 3,387,000	\$ 3,387,000
<u>Department of Public Safety Standards and Training</u>				
Other Funds	-	-	\$ 1,000,000	\$ 1,000,000
<u>Oregon Youth Authority</u>				
General Fund	-	-	\$ 126,673	\$ 126,673
Other Funds Debt Service	-	-	\$ 384,877	\$ 384,877
<u>TRANSPORTATION PROGRAM AREA</u>				
<u>Department of Transportation</u>				
General Fund Debt Service	-	-	\$ (757,944)	\$ (757,944)
Other Funds	-	-	\$ 56,885,788	\$ 56,885,788
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2013-15 Budget Summary				
General Fund Total	-	-	\$ (4,568,334)	\$ (4,568,334)
Lottery Funds Total	-	-	\$ 12,074,606	\$ 12,074,606
Other Funds Total	-	-	\$ 218,056,658	\$ 218,056,658
Federal Funds Total	-	-	\$ 39,653,184	\$ 39,653,184

*Excludes Capital Construction

2011-13 Supplemental Appropriations

	2011-13 Legislatively Approved Budget	2011-13 Committee Recommendation	Committee Change
<u>Emergency Board</u>			
General Fund	-	\$ (50,447,306)	\$ (50,447,306)
<u>Oregon University System</u>			
Other Funds	-	\$ (2,329,480,585)	\$ (2,329,480,585)
Other Funds Non-limited	-	\$ (2,236,635,139)	\$ (2,236,635,139)
<u>Military Department</u>			
General Fund	-	\$ (460,000)	\$ (460,000)
General Fund Debt Service	-	\$ (26,748)	\$ (26,748)
<u>Oregon Youth Authority</u>			
General Fund	-	\$ 200,000	\$ 200,000

2013-15 Position Summary

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Office of the Governor</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	3.00	3.00
<u>Department of Revenue</u>				
Authorized Positions	-	-	31	31
Full-time Equivalent (FTE) positions	-	-	31.00	31.00
<u>Oregon Business Development Department</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	3.00	3.00
<u>Department of Education</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	3.38	3.38
<u>Higher Education Coordinating Commission</u>				
Authorized Positions	-	-	6	6
Full-time Equivalent (FTE) positions	-	-	3.69	3.69
<u>Long Term Care Ombudsman</u>				
Authorized Positions	-	-	8	8
Full-time Equivalent (FTE) positions	-	-	3.81	3.81
<u>Department of Corrections</u>				
Authorized Positions	-	-	-197	-197
Full-time Equivalent (FTE) positions	-	-	-65.31	-65.31
<u>Criminal Justice Commission</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	0.88	0.88

2013-15 Position Summary

	<u>2011-13 Legislatively Approved Budget</u>	<u>2013-15 Legislatively Adopted Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
<u>Oregon State Police</u>				
Authorized Positions	-	-	15	15
Full-time Equivalent (FTE) positions	-	-	4.38	4.38
<u>Department of Public Safety Standards and Training</u>				
Authorized Positions	-	-	4	4
Full-time Equivalent (FTE) positions	-	-	3.52	3.52
<u>Department of Transportation</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2013 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in House Bill 2322, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

House Bill 5008 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budget and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$30 million General Fund to the Emergency Board for general purposes.

House Bill 5008 makes eight special purpose appropriations to the Emergency Board, totaling \$111.1 million General Fund:

- \$86.5 million General Fund for allocation to state agencies for state employee compensation changes.
- \$12.9 million General Fund for allocation to state agencies for compensation changes for home health care workers who are not state employees.
- \$1,702,192 General Fund for second year operational costs for the Oregon State Library. The 2013-15 budget for the State Library provides for only one year of budget authority for the agency (see House Bill 5022). The release of this appropriation, by either the Legislature or the Emergency Board, is contingent on a successful reorganization plan being submitted and approved by the Legislature in 2014.
- \$4.6 million for the Department of Education for costs over and above the amount included in the Department's budget bill (Senate Bill 5518) relating to assessments and other resources aligned to common core standards including those assessments required under the federal Elementary and Secondary Education Act (ESEA). The Department of Education must report on what assessments it plans to implement and on the most current estimates of the costs for each component of the assessment when making the request for this special purpose appropriation.
- \$1,789,557 General Fund for the Department of Education's Youth Development Division. This amount represents program funding for the second year of the biennium for youth development grants, performance-based contracts, and services provided at the local level. Prior to requesting this special purpose appropriation, the Youth Development Council will report back to the Joint Committee on Ways and Means during the 2014 Legislative Session with a plan for investing and distributing these funds. The plan must take into account (1) the furtherance of the policy directives and youth academic and developmental outcomes outlined in House Bill 3231; (2) Oregon's

40/40/20 educational goals; and (3) the Oregon Education Investment Board's Strategic Plan. In developing this plan, the Youth Development Council shall consult with representatives of youth, parents, schools, service providers, labor, business, local governments, tribal governments, and communities.

- \$225,000 General Fund one-time funding for the Oregon Hunger Response Fund, for allocation to the Housing and Community Services Department after receipt of the agency's report on alternate, sustainable service delivery models, pursuant to a budget note.
- \$3.3 million General Fund for the Oregon Health Authority for adult residential room and board rate increases within the alcohol and drug system, after receipt of the agency's study on both the youth and adult system, during the 2014 legislative session. Based on the findings of that study, some or all of this funding could be allocated at that time.
- \$100,000 General Fund for the Oregon Health Authority for staffing needs related to the Dental Pilot Projects. These projects were established in Senate Bill 738 (2011), but no funding was provided. While the funding for the pilots is expected to come from foundations and private funders, the agency needs staff to manage the program.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2014, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2013-15 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, a reduction to the Attorney General rates, an increase resulting from a new Secretary of State Archives assessment, and debt service adjustments. Also included is a 5% reduction to services and supplies (excluding the fixed costs of State Government Service Charges, Attorney General charges, rent, and fuel and utilities) that is applied to General Fund and certain Lottery Funds only. Total savings are \$36.5 million General Fund, \$1.7 million Lottery Funds, \$5.7 million Other Funds, and \$1.6 million Federal Funds.

Omnibus adjustments also include a 2% supplemental ending balance holdback that is applied primarily to General Fund, and excludes debt service as well as selected programs. This reduction may be restored during the 2014 legislative session depending on statewide economic conditions. Agency detail for this adjustment is shown in Attachment A. Total budget reductions include \$154.9 million General Fund and \$1.4 million Lottery Funds.

Another statewide adjustment, which is included in agency budget bills and not in House Bill 5008, affects most state agencies. Package 091 (Statewide Administrative Savings) is a placeholder for administrative efficiencies and associated budget reductions in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Subcommittee affirmed that the reductions, at \$62.0 million total funds, are permanent and ongoing as they reflect fundamental changes in business processes. The Department of Administrative Services (DAS) will continue to work on details of these reductions with agencies and report to the Joint Committee on Ways and Means during the 2014 session. Agencies should direct concerns regarding permanency or implementation of the reductions to DAS. The Department will include a plan for resolving any issues related to these reductions as part of its 2014 report.

ADMINISTRATION

Oregon Department of Administrative Services

House Bill 5008 includes one-time General Fund appropriations to the Department of Administrative Services (DAS) for the following purposes:

- \$500,000 to the East Valley Water District to support completion of an environmental impact study on a proposed water storage project.
- \$250,000 to the Historic Public Market Foundation to assist with development of the James Beard Public Market in Portland.
- \$400,000 for distribution to 211info, which is a statewide, nonprofit information and referral service for community and social services. The state currently supports about one-third of the organization's operating budget, primarily through contracts with individual state agency programs for specific services. 211info also receives funding from local governments, other nonprofits, grants, and foundations. This direct General Fund appropriation is intended to help 211info maintain statewide program access over the 2013-15 biennium. An additional request to support around-the-clock operations was not funded; right now 211info operates Monday through Friday from 8 am to 6 pm. To gain a better understanding of how state agencies can most effectively use 211info and to provide the legislature information to help evaluate potential future funding requests, the Subcommittee adopted a budget note:

Budget Note:

The Department of Administrative Services shall work with other state agencies to identify all information and referral services for state government, with a primary focus on help lines (for example, 1-800 numbers). The Department will submit a report to the Joint Committee on Ways and Means during the 2014 legislative session summarizing the purpose, scope, and cost of each service. For each state agency currently using 2-1-1 the report shall also provide information on the service(s) being provided, including but not limited to, contract provisions, utilization, benefits, costs, and budget. Finally, the report shall include an analysis of potential cost savings or efficiencies that might be achieved by broader use of 2-1-1.

The Subcommittee added \$27,100,007 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from several Lottery Bond sales; projects are detailed below and approved in the Lottery Bond bill (Senate Bill 5533). There is no debt service in the 2013-15 biennium as the bonds will not be sold until the spring of 2015. Debt service in 2015-17 is calculated at a total of \$4,882,645 Lottery Funds: \$2,193,283 for the Lane Transit project; \$1,835,741 for the Portland Convention Center hotel project; \$637,464 for the Confederated Tribes of Umatilla; and \$216,157 for the North Central Education Service District project.

- \$10,239,248 Other Funds for disbursement to Metro for the purpose of assisting with the development of a hotel near the Portland Convention Center.
- \$3,562,986 Other Funds for disbursement to the Confederated Tribes of Umatilla for construction a 1.5 mile road extension from the Port of Umatilla into the Confederated Tribes of Umatilla, which will open additional industrial land for development.
- \$1,042,755 Other Funds for disbursement to North Central Education Service District for partial funding of digital switch technology acquisition that would serve the educational and public safety needs of Wheeler, Gilliam, and Sherman Counties.
- \$12,255,018 Other Funds for disbursement to the Lane Transit District for the West Eugene EmX extension project.

House Bill 5008 includes Other Funds expenditure limitations for the following purposes:

- \$400,000 one-time Other Funds increase to support a DAS contract with the Province of British Columbia on behalf of Multnomah County. The county wants to contract with Partnerships BC, which is a government-owned infrastructure development company, to develop a business case for a new Multnomah County Courthouse. Oregon counties are prohibited from contracting with foreign governments, but the state is allowed. This contract will be issued outside the normal, competitive procurement process because under ORS 190 DAS may enter into intergovernmental agreements with foreign governments and bypass this process. Multnomah County will pay for the planning work through DAS to Partnerships BC.
- \$2,955,118 Other Funds increase to the Enterprise Asset Services budget unit to correct a mistake when too much services and supplies expenditure limitation was inadvertently removed from the program in House Bill 5002, the budget bill for the Department of Administrative Services.
- \$24,141,833 one-time increase to the Shared Services Fund to accommodate first year payments from the Fund to counties. In 2007 the Legislature established a new program, the Shared Services Fund, to provide state support to local taxing districts affected by participation in the Strategic Investment Program. Local taxing districts are now eligible to receive payments from the state that are calculated to equal 50% of the personal income tax revenue attributable to the earnings of persons employed as result of a SIP property tax exemption. These payments would otherwise have gone to the state General Fund.

The Subcommittee increased Lottery Funds by \$21,380 to reflect additional Lottery Funds for County Fairs support. The funding is available due to the termination of the County Fair Commission, for which the Department of Agriculture had received Lottery Funds for minimal administrative support of Commission operations.

The Subcommittee also added the following budget note on how to best meet the information technology needs of small state agencies:

Budget Note:

The Department of Administrative Services is directed to report back to the February 2014 Legislative Session with a plan to address the specific needs of smaller (<300 FTE) agencies with regard to Information Technology and Telecommunications Management. The Department shall also report on resources that will be necessary to implement such a plan and how those resources would be funded.

Office of the Governor

A \$900,000 Lottery Funds limitation and three limited duration Principal Executive/Manager F positions (3.00 FTE) are added to the Office of the Governor. These positions will focus on streamlining the permitting process for significant projects across all levels of government; federal, state, county and city.

The Subcommittee approved budget adjustments for an increase in the statutorily set salary for statewide elected officials as provided for in House Bill 2322. The statewide elected officials include the Governor, Secretary of State, State Treasurer, Attorney General, and the Commissioner of Labor and Industries. Each is to receive a salary increase of \$5,000 per year, beginning on January 1, 2014. The impact on the Office of the Governor is an increase of \$9,174 General Fund, including other payroll expenses. Statewide elected officials last received a salary

increase in July of 2009. Statutory Judgeships are also to receive a salary increase (see Judicial Branch program area narrative). The compensation for members of the Legislative Assembly remains unchanged.

The following budget note was approved:

Budget Note:

The Joint Committee on Ways and Means approved a budget with House Bill 5028, the budget bill for the Oregon Business Development Department, that concerned the Regional Solutions program. That budget note is repealed, and the following, also concerning the Regional Solutions program, is adopted.

The Transportation and Economic Development Subcommittee approved a \$1 Other Funds expenditure limitation for the Oregon Business Development Department for Regional Solutions. Prior to legislative approval of any increase in the expenditure limitation for this program, the Office of the Governor shall report to the Interim Joint Committee on Ways and Means with a request to introduce a bill, for consideration during the 2014 Session of the Legislative Assembly, to establish the Regional Solutions program. In addition to any other provisions in this report that the Governor may include, the report shall include requested provisions to: provide for the establishment of Regional Solutions Centers; identify the membership, governance and duties of the Centers; establish criteria on the use of funds allocated to the program; define the process for the development and approval of funding proposals; establish authority for the Oregon Business Development Department to distribute moneys to projects funded under the program and to provide effective oversight of the uses of the moneys so distributed; and delineate the activities and responsibilities of the Oregon Business Development Department for administering the program. The Office of the Governor shall submit this report to the Interim Joint Committee on Ways and Means no later than during the Legislative Days in November 2013.

Department of Revenue

The Subcommittee approved funding for the implementation of the replacement of the agency's core information technology applications (Core System Replacement project). The estimated one-time cost of implementation totals \$70.9 million and is scheduled to be fully completed by the 2017-19 biennia. Overall, the project will be funded with \$12.5 million of General Fund and \$58.4 million of Article Q-bonds. General Fund will provide for Debt Service repayment. Ongoing costs are roughly estimated at 2-3 times the initial one-time costs.

For the 2013-15 biennium, the Subcommittee approved \$26.5 million of Other Funds expenditure limitation for development costs, which will be financed with Article XI-Q bonds approved in House Bill 5506. Personal Services are increased by \$6.0 million Other Funds (31 positions/31.00 FTE), \$18.8 million Other Funds for Services and Supplies, and \$1.7 million for Capital Outlay. Major costs include: \$11.3 million for vendor contract payments; \$1 million for vendor contracted maintenance; \$1.5 million for an independent quality assurance/control vendor; and \$3 million in vendor contract contingency costs.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the Core System Replacement project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the Core System Replacement program (i.e., CSR summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the Core System Replacement project; and (c) the positions may not to be included in any permanent finance plan action.

The Subcommittee appropriated \$3.6 million General Fund for the agency's payments to the Department of Administrative Services for State Data Center charges and for vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation.

The Subcommittee appropriated \$1.6 million in General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5506. General Fund Debt Service for the 2015-17 biennium will total \$10.1 million. Other Funds expenditure limitation of \$521,182 is included for the cost of issuance of the bonds.

The Department of Administrative Services is requested to unschedule \$13 million of Other Funds expenditure limitation related to the May 2014 Article XI-Q bond sale pending a Department of Revenue report to the Legislature in 2014 on the status of the project.

The Subcommittee adopted the following budget note:

Budget Note:

The Department of Revenue (DOR) is directed to work with the Department of Administrative Services (DAS) in the development and implementation of the Core Systems Replacement Project. DAS is to provide DOR with the oversight of the project, including support for project management, information technology systems development lifecycle, procurement, quality assurance, and other needs to successfully complete this project.

DOR is to submit updated key foundational project management documentation, each accompanied by an independent quality control review, to Legislative Fiscal Office (LFO) on or before February 1, 2014, as available for review.

DOR and DAS are directed to report to LFO every six months through the biennium on the status of the project using DOR's standard project management reports as well as provide copies of all Quality Assurance and Quality Control and Independent Verification and Validation reports upon their receipt by the agency.

The Subcommittee disappropriated \$440,937 General Fund and reduced Other Funds expenditure limitation by \$146,979 from the Administration program due to the passage of Senate Bill 184, which allows for agencies to send notification by first class mail, or in some cases by an alternative method such as e-mail, in lieu of certified mail. The reduction is the difference in cost between certified mail and first class postage that is estimated to be realized by the agency.

Secretary of State

The Subcommittee approved budget adjustments for an increase in the statutorily set salary for statewide elected officials as provided for in House Bill 2322. The statewide elected officials include the Governor, Secretary of State, State Treasurer, Attorney General, and the Commissioner of Labor and Industries. Each is to receive a salary increase of \$5,000 per year, beginning on January 1, 2014. The impact on the Secretary of State is an increase of \$9,174 General Fund, including other payroll expenses. Statewide elected officials last received a salary increase in July of 2009. Statutory Judgeships are also to receive a salary increase (see Judicial Branch program area narrative). The compensation for members of the Legislative Assembly remains unchanged.

Treasurer of State

The Subcommittee approved budget adjustments for an increase in the statutorily set salary for statewide elected officials as provided for in House Bill 2322. The statewide elected officials include the Governor, Secretary of State, State Treasurer, Attorney General, and the Commissioner of Labor and Industries. Each is to receive a salary increase of \$5,000 per year, beginning on January 1, 2014. The impact on the Treasurer is an increase of \$9,174 Other Funds expenditure limitation, including other payroll expenses. Statewide elected officials last received a salary increase in July of 2009. Statutory Judgeships are also to receive a salary increase (see Judicial Branch program area narrative). The compensation for members of the Legislative Assembly remains unchanged.

CONSUMER AND BUSINESS SERVICES

Bureau of Labor and Industries

The Subcommittee approved budget adjustments for an increase in the statutorily set salary for statewide elected officials as provided for in House Bill 2322. The statewide elected officials include the Governor, Secretary of State, State Treasurer, Attorney General, and the Commissioner of Labor and Industries. Each is to receive a salary increase of \$5,000 per year, beginning on January 1, 2014. The impact on the Bureau of Labor and Industries is an increase of \$6,881 General Fund and \$2,293 Other Funds expenditure limitation, including other payroll expenses. Statewide elected officials last received a salary increase in July of 2009. Statutory Judgeships are also to receive a salary increase (see Judicial Branch program area narrative). The compensation for members of the Legislative Assembly remains unchanged.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee increased the General Fund appropriation by \$280,954, to fully-fund 2013-15 biennium debt service costs for Article XI-Q general obligation bonds issued to finance Innovation Infrastructure projects. Debt service costs are higher than originally projected, because the bonds are not eligible to be issued on a tax-exempt basis. This increase will provide a total of \$694,286 General Fund to pay 2013-15 biennium debt service costs on the \$5,000,000 project. Debt service costs will increase to \$1.4 million in the 2015-17 biennium.

The Subcommittee established two new Lottery Funds expenditure limitations, and approved the establishment of three full-time, limited-duration positions (3.00 FTE). The first Lottery Funds expenditure limitation of \$1,124,525 supports three limited-duration positions housed in the Shared Services/Central Pool program area, and associated services and supplies costs. These include two positions in regional governance solutions and one position for West Coast Strategies. The second newly-established Lottery Funds expenditure limitation provides \$250,000 for Business, Innovation and Trade for an ongoing Economic Gardening services pilot project. Both of these Lottery Funds expenditure limitations are approved on a one-biennium basis, and will be phased out in the development of the Department's 2015-17 biennium current service level budget.

The bill includes several budget adjustments to allow expenditures of bond proceeds authorized for the Department by Senate Bill 5506 and Senate Bill 5533, and payment of the costs of issuing those bonds. The Other Funds expenditure limitation for the cost of issuing Article XI-Q bonds for the agency is reduced by \$115,000, and the Other Funds expenditure limitation for the cost of issuing lottery revenue bonds for the re-

capitalization of the Special Public Works Fund is reduced by \$132,221 from the levels approved in House Bill 5028, the Department's budget bill. These adjustments will provide expenditure limitation of \$120,000 for the cost of issuing the Article XI-Q bonds, and \$258,580 for the cost of issuing the lottery revenue bonds. These costs will be funded from bond proceeds.

The Subcommittee increased the Other Funds expenditure limitation for the seismic rehabilitation grant program by \$30,000,000 to permit expenditure of bond proceeds approved for that program. Finally, the Subcommittee increased the agency's Nonlimited Other Funds expenditures in the Infrastructure Finance Authority by \$12,000,000 for expenditure of lottery revenue bond proceeds transferred to the Special Public Works Fund. Loan award expenditures from the Special Public Works Fund are not limited in the Department's budget.

Housing and Community Services Department

The Subcommittee approved Other Funds expenditure limitation to enable the Department to expend \$5 million in bond proceeds and \$76,190 for cost of issuance for preservation of existing affordable housing. The funds will help provide financing for the acquisition of affordable housing properties with expiring subsidies from owners who do not wish to renew their federal contracts; the properties will be acquired by new owners who commit to keeping them affordable to low-income Oregonians, rather than having the units convert to market-rate housing. The proceeds are anticipated to provide gap financing to preserve an estimated 200 units of affordable housing. The bonds are included in Senate Bill 5533.

The bill includes \$225,000 General Fund for one-time funding for the Oregon Hunger Response Fund for the first year of the biennium. An additional \$225,000 General Fund is included as a special purpose appropriation to the Emergency Board.

Department of Veterans' Affairs

Expenditure limitation is provided to the Oregon Department of Veterans' Affairs for cost of issuance in the amount of \$65,000 Other Funds, and a General Fund appropriation for debt service in the amount of \$502,814, related to the issuance of \$4 million in Article XI-Q bonds for completion of construction of a second Veterans' Home skilled nursing facility in Linn County. Other and Federal Funds Capital Construction expenditure limitation to spend the Article XI-Q bonds and federal matching funds from the U.S. Department of Veterans' Affairs is included in Senate Bill 5507.

A one-time General Fund appropriation of \$350,000 is made to the Oregon Department of Veterans' Affairs for veterans' suicide prevention and crisis intervention telephone counseling services, allocated pursuant to the following budget note:

Budget Note:

The Oregon Department of Veterans' Affairs shall establish a veterans' crisis suicide line that offers free, anonymous assistance, 24 hours a day, to active-duty service members, veterans and their families. The Department shall establish an RFP process for the line to contract with a provider that has a contractual affiliation with the National Suicide Prevention Line and the National Veteran's Crisis Line, and has capacity to answer at least 30,000 veteran or suicide calls per year. The Department shall establish the line within 90 days of passage.

EDUCATION

Department of Education

The State School Fund is adjusted in this bill to reflect a rebalance of statewide resources, decreasing General Fund and increasing Lottery Funds expenditure limitation by \$12,826,545.

The Other Funds expenditure limitation of the Department of Education for the Grant-in-Aid budget unit is increased by \$11,341,084 and the Other Funds expenditure limitation for the Operations unit of the Department of Education is increased by \$658,916 for increased resources for the Network of Quality Teaching and Learning. The funding is contingent on the increased distribution of up to \$12 million from the Common School Fund over and above the standard distribution according to the policy adopted by the State Land Board on April 14, 2009. The increased resources for the Network will be used for grants, contracts and other assistance distributed to school districts, education service districts, and other entities as well as for agency staffing and associated costs for the following components of the Network: (1) \$2.6 million for Educator Effectiveness, (2) \$1.2 million for Student Centered Learning, (3) \$500,000 for Educator Preparation, (4) \$1.0 million for Closing the Achievement Gap, (5) \$2.2 million for Aligning Professional Development Plans to School Improvement Objectives and Educators' Needs, and (6) \$4.5 million for Supporting Implementation of Common Core Standards. Three new limited duration positions are established (two Education Program Specialist 2 and a Program Analyst 4) and the FTE is increased on two other Program Analyst 4 positions for a total FTE increase of 3.38 FTE. This \$12 million increase is a one-time increase for only the 2013-15 biennium.

The Subcommittee approved an increase of \$2.0 million General Fund in the amount appropriated for the strategic initiatives in the grant-in-aid budget unit. These additional funds are for an increase in resources for the Seamless Transitions policy package (package 305) for collaboration or consortiums of post-secondary institutions and school districts to increase the award of college or community college credits for high school students. The combined funding of this \$2.0 million and the \$2.0 million appropriated for this purpose in Senate Bill 5518, is to be used to support the Eastern Promise consortium and the expansion of consortiums into other regions of the state.

The bill includes \$1.5 million General Fund for Student Achievement Improvement Grants established in House Bill 2322. The Department of Education is to award at least two grants per congressional district to schools considered high poverty under Title I of the federal Elementary and Secondary Act, serving students in grades Kindergarten to 8th grade that are in the bottom five percent of all schools based on the rating system used by the Department for academic performance. The funds are to be used to hire at least one licensed teacher at the school. The grant program is only authorized for the 2013-15 biennium.

The following budget notes were approved:

Budget Note:

The Oregon Department of Education is instructed to report to the Interim Joint Committee on Ways and Means before January 1, 2014 on progress on implementing its 2013-15 strategic plan. This first report is to be a baseline for future reports to the Legislature for measuring the success of transforming the agency to focus more on assisting and collaborating with educational partners, closing the achievement gaps, and being more "results-focused." The report should include the following:

1. A breakdown of the agency's education programs and services with a description of each program and service, including overall purpose, description of federal or state laws or rule that govern the program, target group served, overall funding by fund type, amount of program funding, amount of staff resources dedicated to the program based on FTE, amount spent on administrative costs at the state level, and description of measurements use to gauge the performance of the program or service.
2. Actions taken by the agency in the past six months to become more collaborative with partners and to improve customer service.
3. Actions taken by the agency in the past six months to increase the share of funding the agency receives that is passed through to educational partners.
4. Comparison of the staffing levels and operations of the Oregon Department of Education with education agencies in other states with similar missions and responsibilities.
5. Description of changes in the overall measures and metrics established by the agency as part of it strategic plan development.

The Department will consult with the Legislative Fiscal Office in determining the level of detail included in item #1 above and how specific the program level that should be in the report to the Legislature. In addition to the report due by January 1, 2014, the Department is instructed to provide updated information on the items above during the budget presentation to the Joint Committee on Ways and Means during the 2015 Legislative Session.

Budget Note:

The Department of Education shall not purchase or acquire the interim item bank and related assessments from Smarter Balance Assessment Consortium. The Department shall provide each district with available funds to administer a locally selected and established interim growth assessment system for students in grades Kindergarten through ninth that is capable of informing instruction and measuring student academic performance against a stable scale irrespective of grade level.

The Subcommittee approved an increase of \$500,000 General Fund for the Farm to School program described in ORS 336.431. This program enables schools to offer fresh, locally sourced products and to promote mutually beneficial educational activities and focus on children's long-term health habits. In addition, Federal Funds expenditure limitation for early learning programs was increased by \$1.0 million to reflect a larger carry-forward of child care related funds from 2011-13.

Department of Community Colleges and Workforce Development

A specific Other Funds expenditure limitation for debt service for Article XI-G bonds is established in the amount of \$307,051 for the Department of Community Colleges and Workforce Development. A corresponding reduction in another Other Funds expenditure limitation for the Department is made for a net change of zero across the entire agency.

Oregon Health and Science University

House Bill 5008 includes a General Fund appropriation of \$1,000,000 through the Department of Administrative Services, for the Primary Health Care Loan Forgiveness Program in the Office of Rural Health at the Oregon Health and Science University. This program provides loans to eligible primary care practitioners enrolled in an approved rural-specific Oregon training Program, and was established in 2011. This provides additional funding for the 2013-15 biennium.

Higher Education Coordinating Commission

The Subcommittee approved an increase of \$859,630 General Fund for the budget for the Higher Education Coordinating Commission (HECC) to reflect the added responsibilities of House Bill 3120 and Senate Bill 270. Both of these bills are related to post-secondary education governance. This funding is in addition to the amount already included in House Bill 5033, the budget bill for the HECC. This funding will be used to fund six permanent positions (3.69 FTE) – a manger, two Operations/Policy Analyst 4 positions, two Education Program Specialist 2 positions, and one Procurement and Contract Specialist 3 position. The manager position is budgeted to start in October of 2013 with the remaining positions to start in April 2014. The following budget note was approved:

Budget Note:

Prior to final adoption of any significant change to the distribution of the Community College Support Fund, the Higher Education Coordinating Commission is directed to consult with the appropriate legislative committees including the interim policy committees with jurisdiction on post-secondary education issues and the interim Joint Committee on Ways and Means or Emergency Board on the proposed distribution change.

Oregon University System

The Subcommittee increased the General Fund appropriation for public university support by \$15,000,000 with direction that the money be used to reduce resident undergraduate tuition increases at the state's seven public universities. The Subcommittee adopted the following budget note to limit tuition increases on resident undergraduate students:

Budget Note:

In adopting the budget for the Oregon University System, the Legislature intends that increases in the base rates for tuition paid by resident undergraduate students on all seven campuses and one branch campus (EOU, OIT, OSU, OSU-Cascades, PSU, SOU, UO and WOU) may not exceed an average of 3.5% at any individual campus in any given year of the 2013-15 biennium. For students choosing the Tuition Promise program at WOU, rates of increase over the prior cohort may not exceed 5.7% in any given year. These limits on tuition shall apply to all seven campuses and one branch campus for the next two academic years (2013-14 and 2014-15) regardless of the outcome of any governance changes that may be implemented during the biennium.

House Bill 5008 includes General Fund appropriations to the Oregon University System (OUS) State Programs budget unit for the following purposes:

- \$1,200,000 to expand fermentation science programs at Oregon State University.
- \$250,000 one-time appropriation to Oregon State University for technical assistance to help shellfish hatchery larval production affected by ocean acidification and assist with the maintenance of OSU's Mollusca Brood Stock Program with the intent to produce larval strains more resilient to the adverse effects of ocean acidification.
- \$80,000 to increase the base funding for the Labor Education and Research Center at the University of Oregon.

The Subcommittee adopted the following budget note related to public university support of State Programs with non-state funding:

Budget Note:

It is the expectation of the Legislature that university support for State Programs housed within the Oregon University System be maintained or increased in the same manner as other university programs during the 2013-15 biennium.

The Subcommittee also approved a decrease of \$856,000 General Fund from the budget for the Oregon University System to reflect the shifting of various responsibilities in House Bill 3120 and Senate Bill 270 from the Chancellor's Office (CO) to the Higher Education Coordinating Commission (HECC). Both of these bills are related to post-secondary education governance. This reduction related to transfer of duties from CO to HECC rolls-up to a \$1,200,000 General Fund reduction in the 2015-17 biennium.

HUMAN SERVICES

Oregon Health Authority

The Subcommittee added \$1,360,000 General Fund to the Oregon Health Authority for the following purposes:

- \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another \$100,000 General Fund was added for the same purpose for eligible individuals through the Women, Infants and Children Program.
- \$260,000 General Fund to increase reimbursements for ambulance transport services.
- \$200,000 General Fund for the Oregon State Hospital to contract for legal services from the Marion County District Attorney, to address the issue of chronically violent patients at the hospital.
- \$700,000 General Fund for breast and cervical cancer screening services. Of this total, about \$400,000 is needed to backfill funding shortfalls in the first year of the biennium related to reductions in funding from the Komen Foundation, as well as reductions resulting from federal sequestration.

The transfer of \$100,000 General Fund from the CCare program to the Oregon Vasectomy Project was approved. This will supplement the project's \$10,000 Title X federal funds.

The Subcommittee approved additional rate increases for the Alcohol and Drug system in Addictions and Mental Health (AMH). A total of \$800,000 General Fund will be used to provide a 2.4% rate increase effective July 1, 2013, and another \$1.4 million General Fund will be used to increase the room and board rate for youth residential beds from \$60 per day to \$90 per day effective July 1, 2013. (The agency's regular budget bill, House Bill 5030, already increases those rates from \$30 per day to \$60 per day.) The funding for these changes comes from two sources: \$1.7 million from the "reinvested" dollars in the AMH budget, resulting from dollars freed up as more clients will have insurance beginning January 2014, and \$500,000 General Fund from the Intensive Treatment and Recovery Services (ITRS) program. With the Affordable Care Act expansion, many of the ITRS clients will have insurance, and less General Fund will be needed to maintain the program level.

ITRS is reduced an additional \$3.3 million General Fund, and this funding is placed in a special purpose appropriation in the Emergency Board, to be available for rate increases in the adult residential system for alcohol and drug treatment for the second year of the biennium. As documented in the budget report for House Bill 5030, the agency will do a study of both the youth and adult systems and report to the 2014 Legislature. Based on the findings of that study, some or all of this special purpose appropriation could be allocated at that time. The Legislature could also decide to reduce the youth rate based on the results of that study.

House Bill 5030, the budget bill for the Oregon Health Authority, eliminated all Other Funds Nonlimited authority for the Public Employees' Benefit Board and the Oregon Educators Benefit Board, and instead moved all expenditure limitation to Other Funds Limited. This bill reverses that, resulting in a decrease in Other Funds Limited of \$3.2 billion and an increase in Other Funds Nonlimited of the same amount.

The following budget notes related to the Oregon State Hospital and the Blue Mountain Recovery Center were approved:

Budget Note:

The Oregon Health Authority shall report to the interim Joint Committee on Ways and Means or the Emergency Board by December 2013 on recommendations for decreasing the use of overtime and improving patient and staff safety at the Oregon State Hospital.

In order to make recommendations, the Oregon State Hospital will form a work group that will include representation from some of the major classifications of employees, particularly those providing direct care of patients, such as psychologists, psychiatrists, registered nurses, mental health therapists, mental health therapy technicians, mental health security technicians, and managers.

The report should include the following:

- Data on overtime hours worked and costs over the last 12 to 18 months, as well as the reasons for the use of this overtime. Details on mandated overtime should be reported.
- Data on the numbers and types of assaults on patients and staff over the last 12 to 18 months, as well as the costs, both direct and indirect, associated with those assaults. The report should also contain information on the concentration of those assaults involving a small number of individuals.
- Recommendations for reducing overtime and reducing assaults, and the status of implementing those recommendations. The report should include, but not be limited to, recommendations related to the float (relief) pool, such as the appropriate mix of permanent full-time, permanent part-time, limited duration, and temporary positions. The report should also consider recommendations for working with the Marion County District Attorney to address issues related to chronically violent patients.

Budget Note:

The Oregon Health Authority shall report to the appropriate legislative committee in September and December on the planning for the transfer of patients from the Blue Mountain Recovery Center (BMRC) pending its closure on January 1, 2014. Additionally, the Oregon Health Authority shall convene a workgroup comprised of the appropriate representatives of the various stakeholder groups, to identify future options for BMRC staff and facilities. The workgroup will have the following charge:

- (1) To identify needed services for Eastern Oregon's most vulnerable people, including those with:
 - (a) acute and chronic mental illness who require special services to enable them to successfully function in society;

- (b) substance abuse and subsequent involvement with the criminal justice system; and
- (c) mental illness and additional complications arising from age-related conditions.

- (2) To advise the legislature and the Oregon Health Authority on strategies to best retain the existing specialized mental health workforce in the region; and
- (3) To advise the legislature and the Oregon Health Authority on the best utilization of the current facilities and identify additional capital improvements to provide the above-identified services.

Department of Human Services

The Subcommittee added \$5 million General Fund and \$9.7 million Federal Funds expenditure limitation (\$14.7 total funds) to the Aging and People with Disabilities budget for the following purposes:

- \$1,300,000 General Fund and \$2,900,000 Federal Funds limitation to advance the implementation date for home and community based care rate increases from October 1, 2013 to July 1, 2013. Rates have been flat since July 2008 and were increased as part of the Department's budget as approved in Senate Bill 5529.
- \$2,500,000 General Fund and \$5,600,000 Federal Funds limitation to partially restore the instrumental activities of daily living (IADL) reduction that occurred in January 2012. Using available funding, the Department will develop and implement a plan to restore hours to the maximum extent possible. The plan may include a phased-in restoration as the Department conducts eligibility re-assessments for consumers served in long term care programs.
- \$700,000 General Fund to augment \$1.6 million General Fund already approved to support projects (innovations and pilots) to develop new approaches to long term care services. The additional amount includes \$350,000 General Fund for a grant to the Neighborhood Housing and Care Program, which is implementing a model for serving people living with HIV/AIDS in their homes. The average age and acuity of these individuals is growing along with the baby boomer population.
- \$500,000 General Fund and \$1,200,000 Federal Funds limitation to help cover Homecare Worker compensation costs associated with nurse delegation duties.

The 2013-15 budget approved for the Department of Human Services (DHS) in Senate Bill 5529 continued some reductions in developmental disability program budgets for community programs and brokerages. These reductions left equity (parity) relative to state office costs at levels ranging from 85% to 95%, depending on the budget component (e.g., case management and brokerage options). After completion of the DHS budget in Senate Bill 5529, DHS discovered that, within the budgeted funding level for these programs and with some updated assumptions in the budget model, equity for both programs could be brought up to 94% across all components. The Subcommittee approved the Department's plan to realign the budgets for the programs and implement the revised parity level. DHS is currently developing workload-based models for both programs and plans to build those models into the agency's 2015-17 budget proposal.

The Subcommittee added \$1,000,000 Other Funds expenditure limitation for the Employment Related Day Care (ERDC) program to help cover child care provider rate increases while providing subsidies to as many employed parents as possible. This funding is currently available due to lower than expected 2011-13 utilization of federal Child Care Development Fund dollars by the Child Care Division; General Fund may be needed in future biennia to cover these expenditures.

Long Term Care Ombudsman

The Subcommittee added \$585,488 General Fund and seven permanent positions (2.81 FTE) to support work under Senate Bill 626, which expands duties of the Long Term Care Ombudsman to advocate for residents of care facilities who have mental illness or developmental disabilities. There are about 7,600 persons living in 1,816 licensed adult foster homes and group homes in Oregon serving persons with developmental disabilities and mental illness.

To provide the subject matter expertise needed to develop and refine the expanded program, the agency would add one permanent full-time Program Analyst 4 position. Five full-time deputy ombudsman positions (Program Analyst 2 classification) would ultimately be needed to work with approximately 125 new volunteers. Consistent with an expected gradual ramp-up for the new program, four of these positions would be phased in over the last 12 months of the 2013-15 biennium, with the fifth position phased-in at the start of the 2015-17 biennium. A half-time volunteer recruiter position (Program Analyst 1) would also be required to develop and maintain volunteer ranks and an Administrative Specialist would help support the new program, staff, volunteers, and an expanded advisory committee.

In addition, to help the agency better serve its existing clients, the Subcommittee increased the agency's budget by \$200,000 General Fund, which covers salary and other costs associated with adding one full-time deputy ombudsman position (1.00 FTE). This position will supervise 25 to 30 additional volunteers, increasing facility coverage (visits) with an emphasis on adult foster homes.

JUDICIAL BRANCH

Judicial Department

The Subcommittee increased the General Fund appropriation for judicial compensation by \$634,980, to finance a second salary increase for judges during the 2013-15 biennium. Judicial salaries are established by statute. House Bill 2322 increases the salaries of judges by \$5,000 per year beginning January 1, 2014, and by an additional \$5,000 per year beginning January 1, 2015. The 2013-15 biennium cost of the House Bill 2322 salary increases totals \$2,539,916. House Bill 5016, the budget bill for the Judicial Department, includes \$1,934,859 General Fund to fund the first \$5,000 salary increase. The General Fund increase included in this bill provides the additional funds needed to pay the second \$5,000 salary increase for the six months that it will be in effect in the 2013-15 biennium.

An Other Funds expenditure limitation increase of \$335,000 was approved for operations, for costs of issuing Article XI-Q bonds to finance a \$4.4 million capital construction project to renovate the exterior of the Supreme Court Building, and to finance a \$15 million grant to support development of a new courthouse for the Multnomah County Circuit Court in Portland. The cost of issuing the bonds will be financed from the proceeds of the bonds.

The Subcommittee also established a \$1 Other Funds expenditure limitation for the Oregon Courthouse Capital Construction and Improvement Fund. This newly-established Fund will hold Article XI-Q bond proceeds and county matching funds, and will be used to fund the purchase, remodeling or construction of courthouses owned or operated by the State. Senate Bill 5506 authorizes \$15 million of Article XI-Q bond proceeds that would be deposited into this Fund. The Legislative Assembly or the Emergency Board must increase the \$1 expenditure limitation, before bond proceeds and county matching funds could be distributed to the county for a construction project.

The Subcommittee reduced the Other Funds expenditure limitation on expenditures of Article XI-Q bond proceeds for Oregon eCourt by \$190,767, to correct an error in House Bill 5016, the Judicial Department's budget bill.

Public Defense Services Commission

The Subcommittee increased the General Fund appropriation for Professional Services by \$2,409,367. This increase includes three components:

- General Fund is increased \$2,400,000 to reduce trial-level juvenile dependency caseloads and improve the quality of legal services in juvenile dependency and termination of parental rights cases. The approved funding level will support an approximate 4.5% average reduction in the caseloads of attorneys providing these services, however, the agency may choose to distribute available funds on a pilot project basis. The agency will make caseload reductions conditional upon agreement to implement established best practices, and will evaluate the impacts of the caseload reductions.
- General Fund is increased \$864,567 to increase compensation paid to public defender contractors, hourly-paid attorneys, and hourly-paid investigators. The funds provided by this action will be added to the \$2,135,433 General Fund appropriated to the Commission for this same purpose in House Bill 5041, to provide a total of \$3,000,000 for compensation increases. From the \$3,000,000 available, the agency is to allocate \$2,329,729 to reduce the average salary differential between public defender salaries and district attorney salaries, allocate \$218,141 to increase the compensation rates for hourly-paid attorneys, and allocate \$452,130 to increase the compensation rates for hourly-paid investigators.
- General Fund is reduced \$855,200 as a result of passage of Senate Bill 40, which reduces crimes for the unlawful manufacture and possession of marijuana and marijuana products. The fiscal impact of these actions will reduce costs to the Commission by this amount.

LEGISLATIVE BRANCH

Legislative Administration Committee

The Legislative Administration Committee has increased expenditures related to the Capitol Master Plan project. The bill establishes an Other Funds limitation of \$615,000 for the cost of issuance of Article XI-Q bonds for the project. It also includes a General Fund appropriation of \$1,421,341 for the debt service on the bonds issued for the 2013-15 biennium. Expenditure limitation for the project costs are provided in SB 5507 (the capital construction bill).

Legislative Fiscal Officer

House Bill 5008 establishes an Other Funds account called the Legislative Fiscal Office Operating Fund.

NATURAL RESOURCES

State Department of Agriculture

The bill adds \$34,060 General Fund to increase special payments to USDA-APHIS-Wildlife Services for predator control activities. \$65,940 General Fund was also added to the Department of Fish and Wildlife for the same purpose. With these increases, state-support in both

departments for predator control activities will be equalized at \$415,889 for the 2013-15 biennium. The Subcommittee added the following budget note related to this increase:

Budget Note:

The Department of Fish and Wildlife and the Department of Agriculture shall, using information provided by USDA-APHIS-Wildlife Services, report to the appropriate subcommittee of the Joint Committee on Ways and Means during the 2015 Regular Session on wildlife conflicts responded to by Wildlife Services agents by species, resource type, and methods used to address the conflict, summarized by county.

The Subcommittee reduced Lottery Funds by \$21,380 to reflect the ending of the County Fair Commission, for which the Department had received funding for minimal administrative support. The moneys will now instead be added to the Lottery Funds support for County Fair payments by the Department of Administrative Services.

Columbia River Gorge Commission

The budget for the Columbia River Gorge Commission was reduced by \$79,873 General Fund to match the lower appropriation made by the State of Washington for Columbia River Gorge Commission activities.

State Department of Energy

House Bill 5008 increases the Department's Other Funds expenditure limitation by \$9,876,190 for home energy efficiency programs that will further the Ten Year Energy Plan goal of meeting new electric energy load growth through energy efficiency and conservation. This expenditure limitation includes \$76,190 for cost of issuance associated with \$5 million in Lottery Bond proceeds, as well as \$4.8 million in unexpended public purpose charge single family weatherization funding transferred from the Housing and Community Services Department in House Bill 2322.

The bill clarifies the use of Lottery Funds by the Department of Energy, to be consistent with the agency's adopted budget.

Department of Environmental Quality

House Bill 5008 removes \$17,140,248 Other Funds expenditure limitation for debt service payments mistakenly added in Senate Bill 5520. This subsection of Senate Bill 5520, the budget bill for the Department of Environmental Quality, is not necessary because the agency was also provided nonlimited Other Funds authority to pay debt service costs during the 2013-15 biennium in the same bill. This adjustment will prevent authorized Other Fund debt service payments from being erroneously doubled counted in 2013-15.

Department of Land Conservation and Development

The Subcommittee approved \$116,000 General Fund to supplement grant funding for the Southern Oregon Regional Land Use Pilot Program. The bill also includes \$80,000 General Fund for a grant to the Columbia River Gorge Commission for continuation of work on urban planning issues inside the Oregon portion of the National Scenic Area in the Columbia River Gorge. In addition, a reduction of \$35,000 General Fund in the Planning Program was approved because rulemaking will not be required to implement provisions of House Bill 2202 to mining on land zoned for exclusive farm use.

State Department of Fish and Wildlife

The Subcommittee added a one-time \$50,000 General Fund appropriation as state match for a study on the effects of cormorant predation on listed salmonids. The state support will be matched with \$150,000 Federal Funds to hire seasonal positions to conduct population surveys, conduct diet studies to help verify the extent of salmonid predations, and assist in on-going hazing efforts.

The bill also adds \$65,940 General Fund to increase special payments to USDA-APHIS-Wildlife Services for predator control activities. \$34,060 General Fund was also added to the Department of Agriculture for the same purpose. With these increases, state-support in both departments for predator control activities will be equalized at \$415,889 General Fund for the 2013-15 biennium. The Subcommittee added the following budget note for both agencies:

Budget Note:

The Department of Fish and Wildlife and the Department of Agriculture shall, using information provided by USDA-APHIS-Wildlife Services, report to the appropriate subcommittee of the Joint Committee on Ways and Means during the 2015 Regular Session on wildlife conflicts responded to by Wildlife Services agents by species, resource type, and methods used to address the conflict, summarized by county.

State Forestry Department

The Department has received a pre-award notice from the U.S. Department of Agriculture regarding the availability of \$3 million of federal legacy dollars to be applied to the Gilchrist Forest acquisition. Limitation in that amount is added for the 2013-15 biennium. The total amount includes \$600,000 for recently-available infill acreage.

To cover the expense of bond issuance for the Gilchrist Forest purchase and the East Lane construction, the Subcommittee increased Other Funds expenditure limitation by \$120,000.

The Department is directed to use up to \$200,000 of the Forest Revenue CSF account to supplement Policy Package 486, SB 5521 (2013), for the same purposes as Package 486. Package 486 provided \$250,000 Other Funds expenditure limitation to meet statutory requirements for forest research and monitoring on the Elliott State Forest.

The following budget note was approved for the State Forestry Department:

Budget Note:

Senate Bill 5521 (2013) provided \$2,885,000 Lottery Funds limitation to the Department of Forestry for the Governor's dry-side forest health collaboration effort for a new business model to improve federal forest project management and technical and scientific support. In administering the funding, the department is authorized to also consider a small grant program and a limited duration liaison position, from the \$2,885,000, at the department's discretion. The small grants are to be administered by the Oregon Watershed Enhancement Board using the Board's existing expenditure limitation. The position, if created, is to be the state's point of contact for the US Forest Service, congressional delegation, local forest collaborative groups, and the state Legislative Assembly.

The Department is directed to report to the Legislature in February 2014 on specific plans, expected outcomes, progress, and the amount of federal funding and support provided to the collaboration.

Parks and Recreation Department

Other Funds expenditure limitation is increased by \$5,000,000 for lottery bond proceeds designated to be passed through to a local recipient for the Willamette Falls project. In addition, the limitation is increased by \$69,882 for cost of issuance expenses. There is no debt service in the 2013-15 biennium as the bonds will not be sold until the spring of 2015. Debt service in 2015-17 is \$0.9 million Lottery Funds.

Department of State Lands

House Bill 5008 increases the Department's Other Funds expenditure limitation by \$307,360. This is for unspent limitation associated with the conversion of 960 open rangeland acres currently leased for livestock grazing. The acreage will be converted to about 620 acres of irrigated agriculture land. The expenditure limitation was authorized by the Emergency Board in May, 2012. Due diligence review and determination of wetlands, required before undertaking the conversion, has taken longer than expected. After the final wetlands determination report in July 2013, the agency can move ahead to complete the project.

The Subcommittee increased the Federal Funds expenditure limitation in anticipation of two Environmental Protection Agency grants to develop scientifically based tools for functions-based, watershed-scale approach to wetlands mitigation in Oregon. The Department expects final notification on the grants in September 2013. The total amount is \$135,000. The Department of Administrative Services (DAS) is requested to unschedule the limitation until such time as State Lands notifies DAS and the Legislative Fiscal Office that the funds are awarded.

Water Resources Department

The Subcommittee approved \$10,242,513 Other Funds expenditure limitation from bond proceed resources for water supply projects including, but not limited to, statewide piping and lining open, rock or dirt-lined irrigation canal projects; implementation/completion of the Umatilla Basin Aquifer Recovery Project, repairing the Dam at Wallowa Lake and constructing a new reservoir in Juniper Canyon; the Willamette Basin Long-Term Water Allocation Study; the Deschutes Basin Study; and development of above and below ground water storage projects with partners in Oregon, Washington State, and Canada.

PUBLIC SAFETY

Department of Corrections

If House Bill 3194 becomes law, the operational budget for the Department of Corrections (DOC), excluding Community Corrections, is reduced by \$19.7 million General Fund and 197 positions (65.31 FTE). This reduction eliminates most of the mandated caseload estimate included in House Bill 5005, and reflects a decrease in projected bed utilization of approximately 700 in 2013-15 from the April 2013 corrections forecast. Although the operational budget is decreased overall, the Department did receive \$168,302 General Fund and 0.79 FTE to support the transitional leave program requirements in House Bill 3194.

The Subcommittee made several modifications to DOC's Community Corrections budget. First, \$9 million General Fund was approved to enhance baseline funding for community corrections programs. Further, if House Bill 3194 becomes law, baseline funding is increased to total

\$215 million, or an additional \$8.09 million General Fund. At \$215 million, the Community Corrections baseline would be \$33 million, or 18%, above the 2011-13 legislatively approved budget. Also, conditional on passage of House Bill 3194, \$5 million General Fund was approved for jail support. DOC will distribute these dollars to counties based on each county's proportion of the baseline funding formula.

The following budget note was approved:

Budget Note:

As in the 2011-13 legislatively approved budget, the Department of Corrections is instructed to address the level of unspecified reductions in its budget without closure of existing facilities and without use of layoffs to reach the reduction goal. A report on what steps may be needed to reach reduction goals will be presented to the Joint Committee on Ways and Means during the February, 2014 legislative session.

Criminal Justice Commission

House Bill 3194 creates the Justice Reinvestment Account (Account) to support grants to counties for programs to reduce recidivism and decrease utilization of state prison capacity. However, the bill itself does not establish a funding level. The Subcommittee approved \$10 million General Fund for the Account with the understanding that an additional \$5 million would be approved during the February 2014 legislative session if the legislative assembly receives a 2013-15 General Fund forecast that is higher than the close of session forecast. This approval was made with the understanding that the Governor's Office will also direct the Criminal Justice Commission (CJC) to allocate \$5 million in federal funds from the 2012 and 2013 Byrne/Justice Assistance Grants for similar grants to counties. In the 2015-17 biennium, the current service level is expected to total \$20 million General Fund for the Account.

The Subcommittee also approved \$190,000 General Fund and the phase-in of one Program Analyst 4 (0.88 FTE) to support grant administration and the Task Force on Public Safety as authorized in House Bill 3194.

The following budget note was approved:

Budget Note:

CJC is directed to administer the Justice Reinvestment Program and Specialty Courts Grant Programs during 2013-2015 using General, Other and Federal Funds. CJC will work with the Justice Reinvestment Grant Review Committee and the Criminal Justice Commission to distribute and allocate these different funds in an efficient and effective manner. CJC will report back on the results of this work during the February 2014 legislative session.

Department of Justice

The Subcommittee approved an increase in Other Funds (Criminal Fine Account) expenditure limitation by \$700,000 to support an increased allocation to Child Abuse Multidisciplinary Intervention (CAMI). With this adjustment, CAMI would receive in total General Fund and Criminal Fine Account allocations, \$10.7 million or 9.9% increase over the 2011-13 legislatively approved budget.

An increase of \$1.8 million General Fund was approved for the Oregon Domestic and Sexual Violence Services Fund (ODSVS). If House Bill 3194 becomes law, an additional \$2.2 million General Fund, for a total of \$4 million, is approved. These adjustments augment the \$4.4 million General Fund authorized in House Bill 5018.

This bill includes a reduction in the Other Funds expenditure limitation for the Department of Justice's Civil Enforcement Division of \$471,040. During consideration of House Bill 5018, this amount was shifted from the Non-limited budget category. Upon further review, restitution and refund payments from the Protection and Education Revolving Account can correctly be categorized as Non-limited.

The Subcommittee approved the first phase of funding to replace the Child Support Enforcement Automated System (CSEAS). This approval included \$1.6 million General Fund for debt service on XI-Q Bonds authorized in Senate Bill 5506, \$14.1 million Other Funds expenditure limitation, and \$27.4 million Federal Funds. In total, the CSEA projected is estimated to cost \$109.4 million with federal funding supporting two-thirds of the project. The Subcommittee also approved the following budget note:

Budget Note:

The Department of Justice (DOJ) is directed to work with the Department of Administrative Services (DAS) in the development and implementation of the Child Support System Modernization project. DAS is to provide support to and collaborate with the DOJ in the information technology systems development lifecycle, procurement, quality assurance, and other support needed to successfully complete this project. DOJ and DAS are directed to report to the Legislative Fiscal Office at a minimum of every six months through the remainder of the biennium on the status of the project as well as provide copies of all Quality Assurance, Quality Control, and Independent Verification and Validation reports upon their receipt by the agency. DOJ is also to submit an update on the status of foundational project management documentation, including copies of completed documents, each accompanied by independent quality control review, to LFO by December 1, 2013.

The Subcommittee approved budget adjustments for an increase in the statutorily set salary for statewide elected officials as provided for in House Bill 2322. The statewide elected officials include the Governor, Secretary of State, State Treasurer, Attorney General, and the Commissioner of Labor and Industries. Each is to receive a salary increase of \$5,000 per year, beginning on January 1, 2014. The impact on the Department of Justice is an increase of \$9,174 Other Funds expenditure limitation, including other payroll expenses. Statewide elected officials last received a salary increase in July of 2009. Statutory Judgeships are also to receive a salary increase (see Judicial Branch program area narrative). The compensation for members of the Legislative Assembly remains unchanged.

The Subcommittee also authorized \$75,000 General Fund to support the Oregon Crime Victims Law Center. Further, the Defense of Criminal Conviction program was reduced by \$391,724 General Fund to reflect a smaller increase in mandated caseload.

Oregon Military Department

The Subcommittee appropriated \$275,000 of General Fund for the Oregon Local Disaster Assistance Loan and Grant Account under the Emergency Management program for possible loans or grants from the account. The Department will need to request Other Funds expenditure limitation from either the Legislature or the Emergency Board specific to a local disaster in order to expend funds from the Account.

The bill includes \$15,000 General Fund for the Oregon Youth Challenge program for the reimbursement of fuel costs of participating youths' parents or legal guardians who travel to the program to visit their children. The Oregon Youth Challenge program is to establish a reimbursement policy for such expenses and is to expend no more than the appropriation provided, unless federal matching funds are available for this purpose.

General Fund Debt Service of \$314,523 was approved to support repayment of Article XI-Q General Obligation bond approved in Senate Bill 5506 for the 2013-15 biennium (Sharff Hall – Portland and Roseburg Armory). The appropriation reflects a reduction of \$78,840 for General Fund Debt Service savings from previously issued bonds. The General Fund Debt Service for the 2015-17 biennium will total \$2.2 million and will include Debt Service costs for Sharff Hall, the Medford Armory, the Roseburg Armory, and the Baker City Readiness Center. The Subcommittee also approved \$237,345 Other Funds expenditure limitation for the cost of issuance for the four projects.

Oregon State Police

To address concerns for diminishing availability of public safety services in some Oregon counties, particularly in the areas of patrol and criminal investigations, the Subcommittee approved \$1.16 million General Fund and 10 trooper positions (2.50 FTE) within the Patrol Division, \$462,000 General Fund and four trooper positions (1.00 FTE) within the Criminal Division, \$1.47 million General Fund for forensic equipment and one Forensic Scientist (0.88 FTE), and \$300,000 General Fund to support contractual payments for medical examiner services in Southern Oregon.

Department of Public Safety Standards and Training

The Subcommittee approved \$1 million Other Funds (Criminal Fine Account) expenditure limitation and four Public Safety Training Specialist 2 positions (3.52 FTE) to support the Oregon Center for Policing Excellence.

Oregon Youth Authority

The General Fund appropriation for the East Multnomah County gang funding is increased by \$126,673 for extraordinary inflation associated with personnel costs. Total funding with this addition is \$1,833,428.

Because of savings in capital projects, Oregon Youth Authority is able to redirect unspent funds to debt service, eliminating the need for the same amount of General Fund. The Subcommittee approved establishing a new other Funds expenditure limitation for \$384,877 for debt service. The General Fund reduction is included in the omnibus adjustments.

TRANSPORTATION

Department of Transportation

Senate Bill 665 proposed moving the Statewide Interoperability Coordinator (SWIC) position and support for the Statewide Interoperability Executive Council from the Department of Transportation to the Department of Administrative Services. The bill was not heard. The agencies are instructed to complete planning for the transfer and report to the February 2014 Legislature on status of the federal FirstNet grant funding and how the SWIC's salary and other expenses will be paid. Two positions that were eliminated from the Department of Transportation's Highway Maintenance unit budget in anticipation of Senate Bill 665's passage are restored. They are a Project Manager 3 and an Operations and Policy Analyst 4. Other Funds expenditure limitation is increased by \$391,871 in Personal Services to support the positions.

House Bill 3137 permits an individual to submit to the Department of Transportation a voluntary odometer reading for a vehicle over ten years old as part of transfer of any interest in the motor vehicle. The measure has a fiscal impact to the Driver and Motor Vehicles Division. If the bill becomes law, it is understood that the Department may proceed with implementation if the National Highway Traffic Safety Administration odometer fraud grant in the same amount, for which the Department applied in May, 2013, is awarded. If the grant is not awarded and the Department can find no other funding to implement the measure, the Department may request funding from the Legislature in February 2014.

The Subcommittee approved an increase in Other Funds expenditure limitation in the Transportation Program Development section of \$42,000,000 in lottery bond proceeds for ConnectOregon V. In addition, the limitation is increased by \$691,683 for cost of issuance expenses. There is no debt service in the 2013-15 biennium as the bonds will not be sold until the spring of 2015. Debt service in 2015-17 is \$7.6 million Lottery Funds. The following direction was provided:

Budget Note:

In order to ensure Connect Oregon Funds are used efficiently and effectively, the department shall take steps to ensure that projects are delivered on time and on budget. Actions shall include, but not be limited to, the withholding of five percent of the moneys awarded. Of the amount withheld under this section, the department shall release to the recipient:

- (a) Eighty percent when the recipient has completed the project.
- (b) Twenty percent when the recipient has submitted and the department has accepted the final performance measure report as established by agreement between the department and the recipient. The department may not pay and the recipient forfeits the amount withheld under this paragraph if the recipient does not submit a final performance measure report before the due date in a manner that is acceptable to the department as established by the agreement between the department and the recipient. Additionally, if the recipient does not submit the performance measure report before the due date, the recipient may not apply for another performance grant during the next application cycle.

Public Transit Other Funds expenditure limitation is increased by \$3,500,000 lottery bond proceeds for the Salem Keizer Transit Center. In addition, the Other Funds limitation is increased by \$62,986 for cost of issuance expenses. There is no debt service in the 2013-15 biennium as the bonds will not be sold until the spring of 2015. Debt service in 2015-17 is \$0.6 million Lottery Funds.

General Fund debt service in Senate Bill 5544 for the Lane Transit EmX project is eliminated, for a reduction of \$757,944. Lottery Funds debt service for this borrowing will begin in the 2015-17 biennium.

Other Funds expenditure limitation is increased in the Rail Division by \$10,000,000 for lottery bond proceeds for Coos Bay Rail. In addition, the limitation is increased by \$239,248 for cost of issuance expenses. There is no debt service in the 2013-15 biennium as the bonds will not be sold until the spring of 2015. Debt service in 2015-17 is \$1.8 million Lottery Funds.

Adjustments to 2011-13 Budgets

Emergency Board

House Bill 5008 disappropriates \$50,447,306 General Fund from the Emergency Board. This represents all remaining appropriation in the Emergency Board for the 2011-13 biennium.

Oregon University System

The Subcommittee acted to align 2011-13 Other Funds expenditure limitations, adopted for the Oregon University System (OUS) before Senate Bill 242 (2011) was passed, with current budget reality, by removing a total of \$2,329,480,585 Other Fund limited and \$2,236,635,139 Other Funds non-limited authority approved by the Legislature during the 2011 Regular Session. With the passage of Senate Bill 242 (2011) the Oregon University System and its seven public universities were reorganized as non-state agencies. Part of this change involved removing OUS from being subject to Other Funds expenditure limitation by the Legislature.

Oregon Youth Authority

House Bill 5008 includes a supplemental General Fund appropriation of \$200,000 for operations.

Military Department

The Subcommittee disappropriated \$460,000 of General Fund for the Oregon Local Disaster Assistance Loan and Grant Account, which is in the Emergency Management program. There are currently no outstanding loan or grant requests for the account. The Subcommittee also disappropriated \$26,748 of General Fund Debt Service savings from the Capital Debt Service and Related Costs program.

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
ADMINISTRATION								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	SB 5501	01	GF	(8,301)	-	-	-
DEPT OF ADMIN SERVICES	Chief Operating Office	HB 5002	01-01	GF	(5,511)	-	-	-
DEPT OF ADMIN SERVICES	Enterprise Asset Management	HB 5002	01-02	GF	(25,298)	-	-	-
DEPT OF ADMIN SERVICES	Oregon Public Broadcasting	HB 5002	01-03	GF	(10,000)	-	-	-
DEPT OF ADMIN SERVICES	Oregon Historical Society	HB 5002	01-04	GF	(15,000)	-	-	-
SECRETARY OF STATE	Administrative Services	SB 5539	01-01	GF	(39,053)	-	-	-
SECRETARY OF STATE	Elections Division	SB 5539	01-02	GF	(136,133)	-	-	-
DEPT OF REVENUE	Administration	SB 5538	01	GF	(1,121,210)	-	-	-
DEPT OF REVENUE	Property Tax	SB 5538	02	GF	(289,008)	-	-	-
DEPT OF REVENUE	Personal Tax and Compliance	SB 5538	03	GF	(1,329,932)	-	-	-
DEPT OF REVENUE	Business	SB 5538	04	GF	(446,852)	-	-	-
DEPT OF REVENUE	Elderly Rental Assistance and Nonprofit Housing	SB 5538	05	GF	(113,440)	-	-	-
EMPLOYMENT RELATIONS BOARD	Operating Expenses	HB 5010	01	GF	(38,817)	-	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	SB 5523	01	GF	(205,081)	-	-	-
OFFICE OF THE GOVERNOR	Expenses for Duties	SB 5523	02	GF	(1,000)	-	-	-
OREGON STATE LIBRARY	Operating Expenses	HB 5022	01	GF	(32,951)	-	-	-
CONSUMER AND BUSINESS SERVICES								
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	HB 5020	01	GF	(234,674)	-	-	-
ECONOMIC DEVELOPMENT								
ECONOMIC AND COMMUNITY DEVELOP	Arts Commission	HB 5028	01-01	GF	(89,679)	-	-	-
ECONOMIC AND COMMUNITY DEVELOP	Business, Innovation and Trade	HB 5028	03-01	LF	-	(1,178,533)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Business, Innovation and Trade - Seismic Rehab	SB 813	18e-01	LF	-	(3,208)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Shared Services	HB 5028	03-02	LF	-	(136,228)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Shared Services - Seismic Rehab	SB 813	18e-02	LF	-	(2,413)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Oregon Film & Video Office	HB 5028	03-03	LF	-	(23,072)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Oregon Growth Board	HB 2323	14	LF	-	(2,000)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Oregon Industrial Site Readiness Program	SB 246	08	LF	-	(3,585)	-	-
ECONOMIC AND COMMUNITY DEVELOP	Beginning and Expanding Farmer Loan Program	HB 2700	07	LF	-	(4,552)	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	HB 5015	01	GF	(169,304)	-	-	-
DEPT OF VETERANS AFFAIRS	Services Provided by ODVA	HB 5047	01-01	GF	(82,086)	-	-	-
DEPT OF VETERANS AFFAIRS	County Payments	HB 5047	01-02	GF	(91,535)	-	-	-
DEPT OF VETERANS AFFAIRS	Vet's Services Organizations Payments	HB 5047	01-03	GF	(2,212)	-	-	-
EDUCATION								
DEPT OF EDUCATION	Operations	SB 5518	01-01	GF	(909,397)	-	-	-
DEPT OF EDUCATION	Oregon School for the Deaf	SB 5518	01-02	GF	(222,340)	-	-	-
DEPT OF EDUCATION	Early intervention services and early childhood special education programs	SB 5518	02-01	GF	(2,720,844)	-	-	-
DEPT OF EDUCATION	Other special education programs	SB 5518	02-02	GF	(857,426)	-	-	-
DEPT OF EDUCATION	Blind and Visually Impaired Student Fund	SB 5518	02-03	GF	(19,769)	-	-	-
DEPT OF EDUCATION	Breakfast and summer food programs	SB 5518	02-04	GF	(46,375)	-	-	-
DEPT OF EDUCATION	Strategic investments	SB 5518	02-05	GF	(436,976)	-	-	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF EDUCATION	Other grant-in-aid programs	SB 5518	02-06	GF	(80,053)	-	-	-
DEPT OF EDUCATION	Oregon prekindergarten program	SB 5518	02-07	GF	(2,548,483)	-	-	-
DEPT OF EDUCATION	Other early learning programs	SB 5518	02-08	GF	(673,910)	-	-	-
DEPT OF EDUCATION	Youth development programs	SB 5518	02-09	GF	(114,982)	-	-	-
OREGON EDUCATION INVESTMENT BRD	Operating Expenses	SB 5548	01	GF	(123,176)	-	-	-
STUDENT ASSISTANCE COMMISSION	Oregon Opportunity Grants	HB 5032	01-01	GF	(2,269,536)	-	-	-
STUDENT ASSISTANCE COMMISSION	OSAC operations	HB 5032	01-02	GF	(63,076)	-	-	-
STUDENT ASSISTANCE COMMISSION	Other payments to individuals and institutions	HB 5032	01-03	GF	(28,985)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5019	01-01	GF	(275,715)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Skills centers	HB 5019	01-03	GF	(12,000)	-	-	-
HIGHER EDUCATION COORD. COMM.	Operations	HB 5033	01	GF	(45,957)	-	-	-
HUMAN SERVICES								
LONG TERM CARE OMBUDSMAN	Operating Expenses	HB 5024	01	GF	(39,554)	-	-	-
COMMISSION FOR THE BLIND	Operating Expenses	HB 5003	01	GF	(31,287)	-	-	-
PSYCHIATRIC REVIEW BOARD	Operating Expenses	HB 5040	01	GF	(46,969)	-	-	-
DEPT OF HUMAN SERVICES	Central Services, Statewide Assessments & Enterprise-wide Costs	SB 5529	01-01	GF	(3,618,994)	-	-	-
DEPT OF HUMAN SERVICES	Child Welfare, Self Sufficiency, and Vocational Rehabilitation Services	SB 5529	01-02	GF	(16,897,531)	-	-	-
DEPT OF HUMAN SERVICES	Aging and People with Disabilities and Developmental Disabilities Programs	SB 5529	01-03	GF	(25,049,879)	-	-	-
OREGON HEALTH AUTHORITY	Programs	HB 5030	01-01	GF	(36,974,198)	-	-	-
OREGON HEALTH AUTHORITY	Central Services, Statewide Assessments and Enterprise-wide Costs	HB 5030	01-02	GF	(1,834,762)	-	-	-
JUDICIAL BRANCH								
JUDICIAL FIT OR DISABILITY COM	Administration	HB 5017	01-01	GF	(3,849)	-	-	-
JUDICIAL FIT OR DISABILITY COM	Extraordinary expenses	HB 5017	01-02	GF	(206)	-	-	-
JUDICIAL DEPARTMENT	Operations	HB 5016	01-02	GF	(5,455,635)	-	-	-
JUDICIAL DEPARTMENT	Mandated Payments	HB 5016	01-03	GF	(296,940)	-	-	-
JUDICIAL DEPARTMENT	Electronic Court	HB 5016	01-04	GF	(37,415)	-	-	-
JUDICIAL DEPARTMENT	Third-party Debt Collections	HB 5016	01-06	GF	(239,201)	-	-	-
JUDICIAL DEPARTMENT	Oregon Law Commission	HB 5016	05	GF	(4,492)	-	-	-
JUDICIAL DEPARTMENT	Council on Court Procedures	HB 5016	06	GF	(1,040)	-	-	-
JUDICIAL DEPARTMENT	Conciliation & mediation services in circuit courts	HB 5016	07-01	GF	(144,248)	-	-	-
JUDICIAL DEPARTMENT	Operating law libraries or providing law library services	HB 5016	08-01	GF	(144,248)	-	-	-
PUBLIC DEFENSE SERVICES	Appellate Division	HB 5041	01-01	GF	(291,347)	-	-	-
PUBLIC DEFENSE SERVICES	Professional Services	HB 5041	01-02	GF	(4,617,158)	-	-	-
PUBLIC DEFENSE SERVICES	Contract and Business Services Division	HB 5041	01-03	GF	(65,418)	-	-	-
LEGISLATIVE BRANCH								
LEGISLATIVE ADMIN COMMITTEE	General program	HB 5021	01-01	GF	(533,335)	-	-	-
LEGISLATIVE ASSEMBLY	Biennial General Fund	HB 5021	04	GF	(266,482)	-	-	-
LEGISLATIVE ASSEMBLY	77th Leg Assembly	HB 5021	05-01	GF	(338,307)	-	-	-
LEGISLATIVE ASSEMBLY	78th Leg Assembly	HB 5021	05-02	GF	(176,899)	-	-	-
LEGISLATIVE COUNSEL COMMITTEE	Operating Expenses	HB 5021	08	GF	(200,172)	-	-	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
LEGISLATIVE FISCAL OFFICER	Operating Expenses	HB 5021	11-01	GF	(73,889)	-	-	-
LEGISLATIVE REVENUE OFFICE	Operating Expenses	HB 5021	12	GF	(51,399)	-	-	-
INDIAN SERVICES COMMISSION	Operating Expenses	HB 5021	13	GF	(9,186)	-	-	-
NATURAL RESOURCES								
DEPT OF GEOLOGY AND INDUSTRIES	General Fund	HB 5014	01	GF	(51,519)	-	-	-
DEPT OF PARKS AND RECREATION	General Fund	HB 5034	01	GF	(20,000)	-	-	-
LAND USE APPEALS BOARD	General Fund	SB 5531	01	GF	(30,950)	-	-	-
DEPT OF WATER RESOURCES	Water resources program	SB 5547	01	GF	(540,096)	-	-	-
DEPT OF AGRICULTURE	Administrative and Support Services	SB 5502	01-01	GF	(33,821)	-	-	-
DEPT OF AGRICULTURE	Food Safety	SB 5502	01-02	GF	(130,436)	-	-	-
DEPT OF AGRICULTURE	Natural Resources	SB 5502	01-03	GF	(140,392)	-	-	-
DEPT OF AGRICULTURE	Agricultural Development	SB 5502	01-04	GF	(79,760)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	SB 5520	01-01	GF	(114,865)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	SB 5520	01-02	GF	(392,845)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	SB 5520	01-03	GF	(15,194)	-	-	-
DEPT OF FISH AND WILDLIFE	Fish Division	HB 5013	01-01	GF	(252,570)	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	HB 5013	01-02	GF	(9,787)	-	-	-
DEPT OF FISH AND WILDLIFE	Administrative Services Division	HB 5013	01-03	GF	(29,412)	-	-	-
DEPT OF FISH AND WILDLIFE	Capital Improvement	HB 5013	01-05	GF	(2,912)	-	-	-
DEPT OF FORESTRY	Agency administration	SB 5521	01-01	GF	(4,000)	-	-	-
DEPT OF FORESTRY	Fire protection	SB 5521	01-02	GF	(771,994)	-	-	-
DEPT OF FORESTRY	Private forests	SB 5521	01-03	GF	(286,486)	-	-	-
DEPT OF LAND CONSERVTN/DEVELOP	Planning program	SB 5530	01-01	GF	(211,684)	-	-	-
DEPT OF LAND CONSERVTN/DEVELOP	Grant Programs	SB 5530	01-02	GF	(24,653)	-	-	-
COLUMBIA RIVER GORGE COMMISSION	Operating Expenses	SB 5511	01	GF	(17,820)	-	-	-
PUBLIC SAFETY								
BOARD OF PAROLE/POST PRISON	General Fund	HB 5035	01	GF	(79,300)	-	-	-
OREGON STATE POLICE	Patrol services, criminal investigations and gaming enforcement	HB 5038	01-01	GF	(2,965,500)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	HB 5038	01-02	GF	(57,000)	-	-	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	HB 5038	01-03	GF	(742,545)	-	-	-
OREGON STATE POLICE	Administrative Services, information management and Office of the State Fire Marshal	HB 5038	01-04	GF	(928,850)	-	-	-
DEPT OF CORRECTIONS	Operations and health services	HB 5005	01-01	GF	(17,849,890)	-	-	-
DEPT OF CORRECTIONS	Administration, general services and human resources	HB 5005	01-02	GF	(2,570,120)	-	-	-
DEPT OF CORRECTIONS	Offender management and rehabilitation	HB 5005	01-03	GF	(1,281,735)	-	-	-
DEPT OF CORRECTIONS	Community corrections	HB 5005	01-04	GF	(4,342,090)	-	-	-
DEPT OF CORRECTIONS	Capital Improvements	HB 5005	01-06	GF	(53,975)	-	-	-
CRIMINAL JUSTICE COMMISSION	General Fund	HB 5007	01	GF	(277,465)	-	-	-
DISTRICT ATTORNEYS/DEPUTIES	Department of Justice for District Attorneys	SB 5517	01	GF	(209,190)	-	-	-
DEPT OF JUSTICE	Office of AG & administration	HB 5018	01-01	GF	(6,000)	-	-	-
DEPT OF JUSTICE	Civil enforcement	HB 5018	01-02	GF	(77,855)	-	-	-
DEPT OF JUSTICE	Criminal Justice	HB 5018	01-03	GF	(168,930)	-	-	-
DEPT OF JUSTICE	Crime victims' services	HB 5018	01-04	GF	(114,900)	-	-	-
DEPT OF JUSTICE	Defense of criminal conviction	HB 5018	01-05	GF	(379,270)	-	-	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF JUSTICE	Child Support Division	HB 5018	01-06	GF	(465,565)	-	-	-
DEPT OF MILITARY	Administration	SB 5534	01-01	GF	(88,729)	-	-	-
DEPT OF MILITARY	Operations	SB 5534	01-02	GF	(127,396)	-	-	-
DEPT OF MILITARY	Emergency Management	SB 5534	01-03	GF	(37,768)	-	-	-
DEPT OF MILITARY	Community Support	SB 5534	01-04	GF	(4,114)	-	-	-
OREGON YOUTH AUTHORITY	Operations	HB 5050	01-01	GF	(5,017,373)	-	-	-
OREGON YOUTH AUTHORITY	Juvenile crime prevention/diversion	HB 5050	01-02	GF	(351,862)	-	-	-
OREGON YOUTH AUTHORITY	East Multnomah County gang funding	HB 5050	01-03	GF	(34,135)	-	-	-
OREGON YOUTH AUTHORITY	Multnomah County Gang Services	HB 5050	01-04	GF	(67,542)	-	-	-
OREGON YOUTH AUTHORITY	Capital Improvements	HB 5050	01-06	GF	(14,763)	-	-	-
TRANSPORTATION								
OREGON DEPT OF TRANSPORTATION	PTD: Elderly & People w/Disabilities Transportation Pgm	SB 5544	02	GF	(40,000)	-	-	-
TOTAL					(154,895,175)	(1,353,591)	-	-

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5505-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nolan
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Michael A. Kennedy, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Meeting Date: June 29, 2011

Agency

Department of Corrections

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Biennium

2011-13

Budget Summary

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 1,076,425,526	\$ 1,362,037,833	\$ 1,259,396,074	\$ 1,189,007,722	\$ 112,582,196	10.5%
General Fund Debt Service	\$ 129,747,698	\$ 143,225,678	\$ 141,962,853	\$ 136,994,153	\$ 7,246,455	5.6%
General Fund Capital Improvement	\$ 2,155,594	\$ 2,692,531	\$ 2,635,425	\$ 2,543,185	\$ 387,591	18.0%
Other Funds	\$ 40,360,050	\$ 34,565,851	\$ 31,237,396	\$ 27,653,787	\$ (12,706,263)	-31.5%
Other Funds Debt Service Limited	\$ 2,910,092	\$ -	\$ -	\$ -	\$ (2,910,092)	-100.0%
Other Funds Capital Improvement	\$ 700,000	\$ -	\$ -	\$ -	\$ (700,000)	-100.0%
Other Funds Nonlimited	\$ 688,639	\$ -	\$ -	\$ -	\$ (688,639)	-100.0%
Other Funds Debt Service Nonlimited	\$ 108,157,628	\$ -	\$ -	\$ -	\$ (108,157,628)	-100.0%
Federal Funds	\$ 115,458,346	\$ 6,175,821	\$ 6,171,725	\$ 6,908,809	\$ (108,549,537)	-94.0%
Federal Funds Debt Service Nonlimited	\$ 1	\$ 1	\$ 1,262,826	\$ 1,262,826	\$ 1,262,825	126282500.0%
Total	\$ 1,476,603,574	\$ 1,548,697,715	\$ 1,442,666,299	\$ 1,364,370,482	\$ (112,233,092)	-7.6%

Position Summary

Authorized positions	4,734	4,682	4,482	4,511	(223)
Full-time equivalent positions (FTE)	4,618.20	4,615.55	4,536.57	4,420.74	(197.46)

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The agency is mainly supported by General Fund. For 2011-13, the General Fund at \$1.33 billion is over 97 percent of the recommended budget. Other Fund revenues come from the Inmate Welfare Fund (telephone revenues, canteen profits, fines, confiscations, and vending machines) and grants. The budget includes just under \$27.7 million Other Funds. Federal Funds are reimbursements from the U.S. Department of Justice for a small part of the expense of incarcerating illegal aliens, as well as federal grants and reimbursements for interest on Build America Bonds.

Summary of Capital Construction Subcommittee Action

The Department of Corrections (Department) manages adult and juvenile offenders sentenced to prison by the courts in 14 institutions around the state. The Department distributes funds to counties to manage offenders on parole, post-prison supervision, or who have been sentenced to incarceration for one year or less. The Department also operates work-related programs to meet the requirements of Ballot Measure 17. There are two significant cost drivers for the Department's budget. First is the number of incarcerated offenders in the prison system, which has resulted in a large construction program to expand the number of beds, increasing healthcare costs and a growing number of staff to supervise the inmate population. The second driver is the cost of staff compensation.

The Subcommittee recommended a budget of \$1,328.5 million General Fund and \$1,364.4 million total funds with 4,420.74 full-time equivalent positions (FTE). This represents a 9.9 percent increase in General Fund resources from the 2009-11 Legislatively Approved budget and an 8.2 percent decrease in total funds resources for the same period. The increase in General Fund is primarily driven by the backfill of one-time federal funds in 2009-11. After factoring out this impact, there would have been an increase in the General Fund of less than one half of one percent for the period. Major features of this budget include:

- Adding back \$12.0 million General Fund to the alcohol/drug treatment, workforce development and cognitive programs in the Transitional Services Division to restore most of the reductions in these programs made in the Governor's budget.
- Providing \$1 million General Fund for re-entry programs at the local level. A related budget note is included.
- Continuing many of the allotment related reductions taken in 2009-11 including the closure of the minimum security facility at the State Penitentiary in Salem, elimination of the General Fund work crews, suspension of non-mandatory staff training, and staff reductions in both the central operations and in institutions.
- Eliminating over 220 positions from the level in the 2009-11 Legislatively Approved budget.
- Reversing three major sentencing changes included in the Governor's budget including selected Measure 11 changes (\$635,870 GF), implementation of earned time policies patterned on the federal government's policies (\$2.3 million), and suspension of selected provisions of Measure 57 for another two years.
- Two major sentencing changes are assumed in this budget – (1) a change which generally means those DUII offenders sentenced under Ballot Measure 73 will serve their time in jail instead of prison (SB 395); and (2) a continuation for another two years of the limit on the time served for probation revocations to 60 days.

- Assuming over \$28 million in undesignated reductions for the agency to absorb including the \$20 million that was part of the Governor's budget and the remainder the result of the 6.5 percent reduction in Services and Supplies made in almost all General Fund budgets.

The Subcommittee recommended packages that eliminated standard inflation for Services and Supplies in the agency (Package 086) reducing the General Fund by \$14.9 million and by \$15.5 million total funds. Another department-wide reduction was to reduce Personal Services by 5.5 percent (Package 087) saving \$47.0 million General Fund and \$47.8 million total funds. It is assumed that collective bargaining and policy decisions related to compensation will facilitate the Personal Service reductions. These are statewide packages that occur in every division.

The Subcommittee also recommended Package 801 reducing Services and Supplies by 6.5 percent, in addition to the elimination of standard inflation referenced above. Initially this would have reduced the budget by \$18.2 million General Fund but \$11.0 million was identified in other resources to offset a portion of the reduction due to fixed costs that the Department has little control over.

The recommended budget for this agency includes a reduction of General Fund for a supplemental ending balance taken in Package 819 for those divisions with General Fund. This \$48.2 million reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

The department will make all necessary revenue adjustments to reflect actions previously taken in the Governors' Balanced Budget and actions reflected in the 2011-13 Legislatively Adopted Budget.

Operations Division

The Operations Division is responsible for the security and operation of the 14 existing correctional institutions. Functions of this division include institution operations, security, food service, inmate work, and inmate transportation. Health Services is administratively under the Operations Division but is a separate budget unit.

The Subcommittee recommended a budget of \$609.3 million General Fund and \$618.3 million total funds with 3,244.90 full-time equivalent positions. This represents an 18.6 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 3.1 percent decrease in total funds expenditures. The increase in General Fund is almost entirely due to the backfill of one-time federal funds in 2009-11. After factoring out this impact, the General Fund decrease would have been 2.0 percent for the period.

The Subcommittee recommended Package 085 to continue actions taken in the 2009-11 allotment reductions totaling \$14.6 million General Fund. In this package, the Oregon State Penitentiary minimum facility is assumed closed for the duration of the 2011-13 biennium. The package also

includes the suspension of all General Fund work crews, elimination of non-mandated training, elimination of four safety managers, and implements a cost sharing arrangement in which inmates pay a fee to compensate the agency for operating inmate trust accounts.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's Budget. The package included a delay in the opening of the Deer Ridge medium facility for the duration of the 2011-13 biennium but also restored the funding for the Oregon State Penitentiary minimum facility. The package also included policy changes that were recommended as part of former Governor Kulongoski's Reset Cabinet. These policy changes included delaying the implementation of Measure 57, increased "opt out" for select Measure 11 offenses, and adoption of the federal earned time and prerelease provisions. The reductions due to sentencing changes are reversed in Package 815. Finally, a \$20 million unspecified reduction was taken in this package. Total net savings of this package are \$24.1 million General Fund and 135 positions (28.61 FTE).

The Subcommittee recommended Package 810 to eliminate management positions in the Operations Division. Four positions (4.0 FTE) are eliminated specifically, with the associated responsibilities assumed by other staff. In addition, funding for five other management positions is taken without identifying the specific positions. These positions do not necessarily need to be in this division. The agency is directed to identify the positions at a later date and to notify the Legislative Fiscal Office and the Budget and Management Division. Total savings in this package is \$2.2 million General Fund.

The Subcommittee recommended Package 811 to adjust the budget for changes in the inmate population forecast. The Office of Economic Analysis published the new forecast on April 1, 2011, revising the projected number of inmates downward slightly. The impact is a \$1.1 million General Fund reduction made in this package.

The recommended budget includes Package 812, which makes reductions totaling \$8.9 million General Fund (71.60 FTE) related to 2009-11 allotment reductions above those taken in Package 085. The package includes eliminating positions associated with the suspension of General Fund work crews, as well as adjustments to the savings from delaying the opening of the Deer Ridge medium facility and the closure of the minimum facility at the State Penitentiary.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this package, 21 General Fund and Other Funds positions (19.77 FTE) are eliminated for a General Funds savings of \$488,650 General Fund and \$2.1 million Other Funds. Reasons for taking the positions include long term vacancies and efficiencies.

The recommended budget includes Package 814. The package adds back \$4.8 million in General Fund resources and 158 positions (53.58 FTE) related to the delay in the opening of the Deer Ridge medium facility. The reduction accounting for the delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815, which adds back resources associated with sentencing policy changes assumed in Package 090 that are now not expected to occur. These included further delay of Measure 57, changes for specific Measure 11 offenses, and adoption of

federal earned time and prerelease provisions. The package also includes a \$500,000 reduction related to increased efforts on the agency's part to provide transitional leave to eligible offenders. The net cost of this package is \$3.8 million General Fund and 10 positions (1.40 FTE) are added.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. In this division, the package also adds back 15 positions (13.03 FTE) associated with the transport unit that was inadvertently left out during the development of the Governor's budget.

Central Administration

Central Administration includes the Offices of the Director, Inspector General, Planning and Budget, Population Management, and Internal Audits. This unit provides overall direction and administration, and budget and financial accountability. The largest share of the expenditures in this budget unit is for all of the agency's central government service charges including those paid to DAS for risk management.

The Subcommittee budget is \$63.3 million General Fund and \$63.8 million total funds with 104.03 full-time equivalent positions. This represents a 20.1 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 14.3 percent increase in total funds expenditures. Almost all of the increase is due to the transfer of the Inspector General's Office from the Public Service Division to this division.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes adjustments related to the delay in the opening of the Deer Ridge medium facility. The package also includes a number of organizational changes that make the budget reflect how business is conducted in the agency. These include moving new prison construction and community development from this division to the Public Services Division and the Inspector General's office from the Public Services Division to this division. Total net increase due to this package is \$11.7 million General Fund and 52 positions (52.00 FTE).

The recommended budget includes Package 092, which shifts a number of positions from Certificates of Participation funding to General Fund (\$897,459). The positions, originally associated with new prison construction, now perform duties that are more appropriately funded with General Fund. Package 817 transfers funding for these positions to Capital Construction.

The Subcommittee recommended Package 273, which makes adjustments to the agency's budget associated with the passage of Ballot Measure 73 in 2010. The measure increases sentences associated with certain DUII offenses and second time sex offenses. In this division, the package contains \$12,000 General Fund to cover legal expenses related to the measure.

The recommended budget includes Package 810 to make adjustments to the agency's budget. In this package, funding for rental beds that the department no longer needs is eliminated. The package also assumes a more efficient use of the Department of Justice's legal services. Total savings in the package amount to \$700,000 General Fund.

The Subcommittee recommended Package 813 to eliminate one internal auditor position for a savings of \$177,071 General Fund.

The recommended budget includes Package 814. The package adds back \$17,886 General Fund related to the delay in the opening of the Deer Ridge medium facility. The delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take effect again in 2012. For this division the costs are \$138,923 General Fund for four positions (0.75 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. For this division a net reduction of \$1.9 million General Fund is made.

Public Services

The Public Services Division includes the functions relating to rules coordination, research and evaluation, prison construction, and public affairs communication. The Subcommittee budget for this Division is \$3.3 million General Fund with 13.00 full-time equivalent positions. This represents a 59.5 percent decrease in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 64.8 percent decrease in total funds expenditures. Most of the decrease is due to the transfer of the Inspector General's Office from this division to Central Administration (Director's Office).

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes a number of organizational changes that make the budget reflect how business is conducted in the agency. These include moving new prison construction and community development from Central Administration to the Public Services Division and the inspector general's office from the Public Services Division to Central Administration. This package results in a net \$11.9 million General Fund reduction (-53.00 FTE).

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying the opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated for a savings of \$217,832 General Fund.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, seven positions (7.00 FTE), including hearings officers, inspectors, support positions, a lieutenant, and a manager, are eliminated (\$1.1 million General Fund savings). Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. Finally, the package shifts

two positions that were funded with General Fund in this division to Capital Construction Other Funds limitation originated in the 2009-11 biennium. The net result for this division is a \$635,506 General Fund increase and an Other Funds limitation decrease of \$987,224. Six positions (6.00 FTE) are either eliminated or transferred.

General Services Division

The General Services Division includes the following units:

- ***Fiscal Services*** provides central accounting, inmate trust accounting, and contract-related services for the entire agency.
- ***Information Systems and Services*** provides agency-wide functions including operations and user support, applications development, systems maintenance, technical support, and research/evaluation. It is responsible for operating a number of systems, including the offender database and tracking system used to manage the state's prisons and community corrections; the Corrections Information System; fiscal systems; and automated office systems.
- ***Distribution Services*** provides the various goods and services necessary to operate facilities including food and canteen supplies. It has a central warehouse in Salem and transports supplies to facilities around the state. It is also responsible for the statewide inventory system for the agency.
- ***Facility Services*** is responsible for the repair and maintenance program for all of the Department-owned facilities. It also manages leased facilities, wireless communications, capital improvements, deferred maintenance, and energy conservation.

The Subcommittee recommended a budget of \$49.0 million General Fund and \$55.5 million total funds with 255.60 full-time equivalent positions. This represents a 16.7 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 12.1 percent increase in total funds expenditures.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package for this division includes a delay in the opening of the Deer Ridge medium facility for the duration of the 2011-13 biennium saving \$295,383 General Fund and five positions (2.29 FTE).

The recommended budget includes Package 092, which shifts a number of positions from Certificates of Participation funding to General Fund. The positions, originally associated with new prison construction, now perform duties that are more appropriately funded with General Fund. Total General Fund increase due to this package is \$1.3 million.

The recommended budget includes Package 812, which makes \$200,306 in General Fund reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility (\$200,306 General Fund). One position (1.00 FTE) is eliminated.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget due to long term vacancies and efficiencies. In this division, two management positions, supply specialists, accounting technicians, distribution center workers, and information systems positions are eliminated for a General Fund savings of \$749,238 and the elimination of 11 positions (11.00 FTE).

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take affect again in 2012. For this division the costs are \$270,667 General Fund (\$304,235 total funds) for three positions (1.42 FTE). The project manager position is established as a limited duration position.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. For this division, a reduction of two positions (2.00 FTE) and \$183,053 General Fund is taken.

Transitional Services

The programs of the Transitional Services Division are generally provided inside the prison walls and are designed to reduce the risk of future criminal conduct by offenders under the supervision of the agency and counties. Through programs including workforce development (e.g., education and cognitive/life skills) and substance abuse treatment, the agency works toward preparing the incarcerated offender for a successful transition back into the community when released, which reduces recidivism. This division is also responsible for administering the community corrections program, the interstate compact, jail inspections, religious services, sentence computation, inmate classification, victim services, and offender records.

The Subcommittee recommended a budget of \$64.9 million General Fund and \$74.9 million total funds with 155.41 full-time equivalent positions. This represents an 11.8 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 10.1 percent increase in total funds expenditures.

The Subcommittee recommended Package 085 to continue actions taken in the 2009-11 allotment reductions. In this package, the Oregon State Penitentiary minimum facility is closed for the duration of the 2011-13 biennium. For the Transitional Services Division, this means a \$1.2 million General Fund reduction in treatment and training services associated with this facility.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. In this division, the package reduces non-mandatory alcohol and drug treatment, cognitive behavioral treatment, and vocational training services by a total of \$3.4 million General Fund. Approximately \$12.0 million of General Fund resources remain for these programs in this budget.

The Subcommittee recommended Package 810 which provides \$1.0 million General Fund for re-entry grants. The package also reduces enhanced community treatment grants from the \$15 million contained in the Governor's budget to \$10 million. This replicates the amount provided in the 2009-11 Legislatively Approved Budget.

The Subcommittee added the following budget note relating to re-entry grants:

Budget Note:

The Department of Corrections shall explore the design and implementation of a re-entry services pilot project. Working under existing statutory authority, the department is encouraged to develop and enter into an agreement with a county or counties to provide evidence-based treatment, employment preparation including work release and transitional planning for inmates who are scheduled to release within 90 to 180 days of the projected release date. The elements of the pilot project are to be equal to or better than the current transition opportunities available at the department. The department, in consultation with the pilot county or counties, shall set a rate of reimbursement for the program. The department will assess the pilot to determine whether or not the county or counties programs meet the established standards and to the extent possible, whether the results of the pilot program are cost-effective.

The department shall report its findings to the Emergency Board or appropriate legislative committee prior to January 2013.

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated and the General Fund budget is reduced by \$247,255.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, 12 positions (12.00 FTE), including correctional counselors and support staff, are eliminated with a General Fund budget reduction of \$1.6 million. Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take effect again in 2012. For this division the costs are \$200,793 General Fund and six positions (1.12 FTE) are established.

The Subcommittee recommended Package 816 to carry forward \$729,095 in Federal Funds expenditure limitation associated with the Second Chance Act grant for re-entry related activities.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$18,598 General Fund to this division.

The following Budget Note was approved by the Subcommittee regarding on-the-job training to assist in the re-entry efforts of released inmates.

Budget Note:

The Oregon Department of Corrections will encourage county community corrections programs to conduct outreach efforts in recruiting local employers to participate in On-the-Job training programs that benefit the reentry population.

Human Resources

Human Resources staff provides agency-wide services including labor management, recruitment, employee development, training, employee safety, risk management, and payroll services. The Subcommittee budget is \$14.5 million General Fund with 67.75 full-time equivalent positions. This represents a 25.3 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The increase is due in part to the transfer of staff from other divisions to the Human Resources Division. This division is funded entirely with General Fund.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes a delay in opening the Deer Ridge medium facility for the duration of the 2011-13 biennium. The package also transfers seven safety manager positions (7.00 FTE) from the Operations Division to the Human Services Division. The net increase in General Fund by this package is \$1.3 million.

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated and the budget is reduced by \$169,995 General Fund.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, three human resource-related analysts and support positions (3.00 FTE) are eliminated reducing the General Fund budget by \$367,157. Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another

two years. This budget assumes it will take affect again in 2012. For this division the costs are \$38,360 General Fund and one position (0.25 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$3,914 General Fund to this division's budget.

Community Corrections

The Community Corrections grant program provides funding to counties except where the Department has assumed responsibility for the functions. Under Senate Bill 1145 (1995), the community corrections program was restructured to establish state/local partnerships and shift resources and control for community corrections to the counties. Grants are based on the number and risk levels of offenders to be managed. Three general groups are funded through this program:

- ***Felony Probation*** are those individuals who have been sentenced for a felony to probationary supervision instead of incarceration in a local or state correctional facility.
- ***Parole and Post-Prison Supervision*** are those individuals who have been incarcerated in a state correctional facility, are released, and then supervised in the community corrections system.
- ***Local control*** are those individuals convicted of felony and sentenced to incarceration of 12 months or less, revoked from felony community supervision and sentenced to 12 months or less incarceration, or sanctioned to less than 30 days for violating the terms of community supervision.

The positions included in this program unit are supervision staff for two counties (Douglas and Linn) where the Department has assumed responsibility for the community corrections program.

The Subcommittee recommended a budget of \$187.3 million General Fund and \$189.5 million total funds with 53.33 full-time equivalent positions. This represents a 10.1 percent decrease in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The decrease is due to changes in sentencing laws relating to community corrections and changes in the size and mix of the community corrections population.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes the continuation of the inactive status provision that was part of House Bill 3508 (2009) for a savings of \$1.1 million. The package also provides \$200,000 in Federal Funds limitation related to the carry forward of funds from a drug court grant provided through the Criminal Justice Commission.

The Subcommittee recommended Package 273, which makes adjustments to the agency's budget associated with the passage of Ballot Measure 73 in 2010. The measure increases sentences associated with certain DUII offenses and second time sex offenses. In this division, the package contains \$12.6 million for reimbursement payments to counties associated with local jail time served by Measure 73 offenders. This budget

assumes 2011 legislation that assumes most Measure 73 offenders will serve their mandatory sentences in jail and not prison. It also assumes that counties will be reimbursed for pre-trial and post trial incarceration of those sentenced under Measure 73 at the same rate as assumed for the local control population under ORS 423.530. This funding is not for payment of costs related to probation jail sanctions and revocation after the initial jail sentence imposed by the court at the initial sentencing. Any costs related to sanctions and revocations after the initial jail term are covered by the general Community Corrections grants. The funds for the Measure 73 reimbursement payments to counties are added to the Community Corrections budget unit, but are a separate pool of funds and not included as part of the Community Corrections program established by Senate Bill 1145 (1995).

The Subcommittee recommended Package 811 to adjust the budget for changes in the forecast of the community corrections population. The Office of Economic Analysis published the new forecast on April 1, 2011. The package adds \$42,890 General Fund for the supervision of offenders on probation and post-prison supervision.

The Subcommittee recommended Package 815 to adjust the budget for one sentencing change which limits probation revocations to 60 days in jail saving \$9.8 million General Fund.

Health Services

Health Services is administratively part of the Operations Division, but in order to focus attention on the challenges of health care provision in institutions a separate budget unit has been created. Prison health care became a legal requirement in 1976 in *Estelle v. Gamble*. The effect of *Estelle* has centered on three basic rights:

- The right to access to care.
- The right to care that is ordered.
- The right to a professional medical judgment.

The Division provides medical services in a multi-level managed care approach, behavioral health services for inmates with mental illness as well as the developmentally disabled and those with co-occurring mental/substance abuse disorders, and pharmacy services/medical supplies.

The Subcommittee recommended a budget of \$197.4 million General Fund and \$203.9 million total funds with 524.72 full-time equivalent positions. This represents an 8.5 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The increase is primarily due to rising healthcare costs generally and increasing employee costs.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The \$2.0 million General Fund package includes a delay in opening the Deer Ridge medium facility for the duration of the 2011-13 biennium resulting in the decrease of 23 positions (10.08 FTE).

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, 72 positions (66.50 FTE), including health care professionals, managers, dental staff, pharmacy staff, and mental health staff, are eliminated saving \$10.4 million General Fund. Reasons for taking the positions include long term vacancies, efficiencies, and clean-up of position authority.

The recommended budget includes Package 814 which adds back \$3.5 million in General Fund resources and 40 positions (19.03 FTE) related to the delay in opening the Deer Ridge medium facility. The delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take affect again in 2012. For this division the costs are \$421,092 General Fund and nine positions (2.46 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$25,271 General Fund to this budget.

The following budget note was approved by the Subcommittee dealing with identifying efficiencies in the purchase of pharmaceutical drugs for the inmate health services program.

Budget Note:

By November 1, 2011, the department shall provide to the Oregon Prescription Drug Program (OPDP) an electronic record of all pharmaceutical purchases for the 2011 fiscal year for the purpose of comparing the cost of such purchases against the cost as might have been incurred by purchasing through OPDP for fiscal year 2011. By December 1, 2011, the department and OPDP shall jointly report to the legislature the results of this comparison of costs and recommendations for the most cost effective purchasing of pharmaceutical supplies.

Debt Service

Debt service is the obligation to repay the principal and interest costs of Certificates of Participation (COPs) that are issued to finance the costs of construction and improvement of correctional facilities. Beginning with the construction of the Snake River Correctional Facility in Ontario in the early 1990s, the Department has used COPs to finance the major expansion of the prison system. The proceeds from COPs are also used for the construction of local jail capacity related to the Senate Bill 1145 community corrections population, purchase of property, design costs, siting costs, major improvements or upgrades of existing facilities, and the staff costs associated with the construction and improvement of facilities.

The Subcommittee recommended a budget for debt service costs of \$137.0 million General Fund and \$138.3 million total funds. This represents a 5.6 percent increase in General Fund resources for debt service when compared with the 2009-11 Legislatively Approved Budget. The growth is due to increases in the debt service needs for COPs and bonds already issued since this budget assumes no new bonding authority. There may be adjustments to the total debt service need in another bill during this legislative session.

The Subcommittee recommended Package 092, which shifts \$1,262,825 in General Fund debt service costs to Federal Funds. The shift is associated with the issuance of Build America Bonds, for which the federal government pays interest costs.

Capital Improvements

These funds are used for deferred maintenance and asset protection projects. These projects must be less than \$1,000,000 or they are categorized as Capital Construction. The Subcommittee recommended a budget of \$2.5 million General Fund representing an 18.0 percent increase in General Fund when compared with the 2009-11 Legislatively Approved Budget. The increase is primarily due to the department's decision not to roll up any of the cuts related to 2009-11 allotment reductions for this purpose. The department's aging physical plant and the need for maintenance and emergency related repairs drove this decision.

Capital Construction

This budget unit includes expenditure authority for acquisition or construction of any structure or group of structures; all land acquisitions; assessments; and improvements or additions to an existing structure, which are to be completed within a six-year period with an aggregate cost of \$1,000,000 or more. The expenditure limitation for each project is in effect for six years. Capital Construction expenditure limitation is generally included in a separate bill but no new capital construction increases are planned at this time.

The Subcommittee recommended Package 817 to shift two positions from General Fund in the Public Service Division to Capital Construction Other Funds limitation originated in the 2009-11 biennium. This action frees up just under \$1.0 million General Fund in this budget.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5505-A

Department of Corrections
Michael A. Kennedy (503) 373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$1,208,328,818	\$0	\$42,544,230	\$108,846,267	\$115,458,346	\$1	\$1,475,177,662	4,734	4,618.20
2011-13 ORBITS printed Current Service Level (CSL)*	\$1,507,956,042	\$0	\$34,565,851	\$0	\$6,175,821	\$1	\$1,548,697,715	4,682	4,615.55
2011-13 Governor's Recommended Budget *	\$1,403,994,352	\$0	\$31,237,396	\$0	\$6,171,725	\$1,262,826	\$1,442,666,299	4,482	4,536.57
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Operations</u>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(772,709)	0	0	0	0	0	(772,709)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	(2,172,679)	0	0	0	0	0	(2,172,679)	(4)	(4.00)
Package 811: April 2011 Forecast Related Changes									
Services and Supplies	(1,110,104)	0	0	0	0	0	(1,110,104)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(8,704,733)	0	0	0	0	0	(8,704,733)	(72)	(71.60)
Services and Supplies	(158,613)	0	0	0	0	0	(158,613)	0	0.00
Package 813: Position Related Actions									
Personal Services	(488,650)	0	(2,055,086)	0	0	0	(2,543,736)	(21)	(19.77)
Package 814: Other Adjustments									
Personal Services	7,001,817	0	0	0	0	0	7,001,817	158	53.58
Services and Supplies	(2,219,342)	0	0	0	0	0	(2,219,342)	0	0.00
Package 815: Sentencing Related Changes									
Personal Services	3,144,473	0	0	0	0	0	3,144,473	10	1.40
Services and Supplies	657,929	0	0	0	0	0	657,929	0	0.00
Package 817: Technical Adjustments									
Personal Services	(1,496,890)	0	0	0	0	0	(1,496,890)	15	13.03
Services and Supplies	2,003,772	0	0	0	5,904	0	2,009,676	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(18,629,315)	0	0	0	0	0	(18,629,315)	0	0.00
Services and Supplies	(3,469,517)	0	0	0	0	0	(3,469,517)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Central Administration									
Package 273: Measuro 73									
Personal Services	(177,767)	0	0	0	0	0	(177,767)	(1)	(1.00)
Services and Supplies	(25,126)	0	0	0	0	0	(25,126)	0	0.00
Package 810: LFO Analyst Adjustments									
Services and Supplies	(700,000)	0	0	0	0	0	(700,000)	0	0.00
Package 813: Position Related Actions									
Personal Services	(177,071)	0	0	0	0	0	(177,071)	(1)	(1.00)
Package 814: Other Adjustments									
Services and Supplies	17,886	0	0	0	0	0	17,886	0	0.00
Package 815: Rostore Measuro 57									
Personal Services	138,923	0	0	0	0	0	138,923	4	0.75
Package 817: Technical Adjustments									
Personal Services	(1,467,419)	0	173,449	0	0	0	(1,293,970)	0	0.00
Services and Supplies	(445,147)	0	25,821	0	109	0	(419,217)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(2,294,202)	0	0	0	0	0	(2,294,202)	0	0.00
Public Services									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(10,491)	0	0	0	0	0	(10,491)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(217,832)	0	0	0	0	0	(217,832)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(1,082,120)	0	0	0	0	0	(1,082,120)	(7)	(7.00)
Package 817: Technical Adjustments									
Personal Services	613,767	0	(653,402)	0	0	0	(39,635)	(6)	(6.00)
Services and Supplies	21,739	0	(333,822)	0	0	0	(312,083)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(117,929)	0	0	0	0	0	(117,929)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
General Services									
Package 273: Measure 73									
Personal Services	(212,106)	0	0	0	0	0	(212,106)	(2)	(1.50)
Services and Supplies	(30,252)	0	0	0	0	0	(30,252)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(266,159)	0	0	0	0	0	(266,159)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(200,306)	0	0	0	0	0	(200,306)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(749,238)	0	(774,137)	0	0	0	(1,523,375)	(11)	(11.00)
Package 815: Restore Measure 57									
Personal Services	270,667	0	33,568	0	0	0	304,235	3	1.42
Package 817: Technical Adjustments									
Personal Services	(422,517)	0	0	0	0	0	(422,517)	(2)	(2.00)
Services and Supplies	239,464	0	0	0	1,960	0	241,424	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(1,476,367)	0	0	0	0	0	(1,476,367)	0	0.00
Services and Supplies	(302,388)	0	0	0	0	0	(302,388)	0	0.00
Transitional Services									
Package 090: BAM Analyst Adjustments									
Services and Supplies	12,000,000	0	0	0	0	0	12,000,000	0	0.00
Package 273: Measure 73									
Personal Services	(90,301)	0	0	0	0	0	(90,301)	(1)	(0.50)
Services and Supplies	(25,126)	0	0	0	0	0	(25,126)	0	0.00
Special Payments: Distributions to Counties	(14,066,786)	0	0	0	0	0	(14,066,786)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(556,460)	0	0	0	0	0	(556,460)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Services and Supplies	1,000,000	0	0	0	0	0	1,000,000	0	0.00
Special Payments	(5,000,000)	0	0	0	0	0	(5,000,000)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(247,255)	0	0	0	0	0	(247,255)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(1,566,277)	0	0	0	0	0	(1,566,277)	(12)	(12.00)
Package 815: Restore Measure 57									
Personal Services	200,793	0	0	0	0	0	200,793	6	1.12
Package 816: Grant Related Changes									
Services and Supplies	0	0	0	0	729,095	0	729,095	0	0.00
Package 817: Technical Adjustments									
Services and Supplies	18,598	0	0	0	16	0	18,614	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(786,632)	0	0	0	0	0	(786,632)	0	0.00
Services and Supplies	(887,905)	0	0	0	0	0	(887,905)	0	0.00
Capital Outlay	(2,355)	0	0	0	0	0	(2,355)	0	0.00
Special Payments	(678,293)	0	0	0	0	0	(678,293)	0	0.00
<u>Human Resources</u>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(55,979)	0	0	0	0	0	(55,979)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(169,995)	0	0	0	0	0	(169,995)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(367,157)	0	0	0	0	0	(367,157)	(3)	(3.00)
Package 815: Restore Measure 57									
Personal Services	38,360	0	0	0	0	0	38,360	1	0.25
Package 817: Technical Adjustments									
Services and Supplies	3,914	0	0	0	0	0	3,914	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(526,360)	0	0	0	0	0	(526,360)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Community Corrections</u>									
Package 273: Measure 73 Special Payments	12,632,823	0	0	0	0	0	12,632,823	0	0.00
Package 811: April 2011 Forecast Related Changes Special Payments	42,890	0	0	0	0	0	42,890	0	0.00
Package 815: Sentencing Related Changes Special Payments	(9,800,000)	0	0	0	0	0	(9,800,000)	0	0.00
Package 819: Supplemental Statewide Ending Balance Special Payments	(6,794,386)	0	0	0	0	0	(6,794,386)	0	0.00
<u>Health Services</u>									
Package 801: Targeted Statewide Adjustments Services and Supplies	(5,550,005)	0	0	0	0	0	(5,550,005)	0	0.00
Package 813: Position Related Actions Personal Services	(10,428,063)	0	0	0	0	0	(10,428,063)	(72)	(66.50)
Package 814: Other Changes Personal Services	3,174,464	0	0	0	0	0	3,174,464	40	19.03
Services and Supplies	298,312	0	0	0	0	0	298,312	0	0.00
Package 815: Restore Measure 57 Personal Services	421,092	0	0	0	0	0	421,092	9	2.46
Package 817: Technical Adjustments Services and Supplies	25,271	0	0	0	0	0	25,271	0	0.00
Package 819: Supplemental Statewide Ending Balance Personal Services	(3,923,122)	0	0	0	0	0	(3,923,122)	0	0.00
Services and Supplies	(3,235,860)	0	0	0	0	0	(3,235,860)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Debt Service</u>									
Package 819: Supplemental Statewide Ending Balance Debt Service	(4,968,700)	0	0	0	0	0	(4,968,700)	0	0.00
<u>Capital Improvement</u>									
Package 819: Supplemental Statewide Ending Balance Capital Outlay	(92,240)	0	0	0	0	0	(92,240)	0	0.00
<u>Capital Construction</u>									
Package 817: Technical Adjustments Personal Services	0	0	0	0	0	0	0	2	2.00
TOTAL ADJUSTMENTS	(\$75,449,292)	\$0	(\$3,583,609)	\$0	\$737,084	\$0	(\$78,295,817)	29	(115.83)
SUBCOMMITTEE RECOMMENDATION *	\$1,328,545,060	\$0	\$27,653,787	\$0	\$6,908,809	\$1,262,826	\$1,364,370,482	4,511	4,420.74
% Change from 2009-11 Leg Approved Budget	9.9%	0.0%	-35.0%	-100.0%	-94.0%	126282500.0%	-7.5%	-4.7%	-4.3%
% Change from 2011-13 Current Service Level	-11.9%	0.0%	-20.0%	0.0%	11.9%	126282500.0%	-11.9%	-3.7%	-4.2%
% Change from 2011-13 Governor's Recommended Budget	-5.4%	0.0%	-11.5%	0.0%	11.9%	0.0%	-5.4%	0.6%	-2.6%

* Excludes Capital Construction Expenditures

Legislatively Proposed 2011-2013 Key Performance Measures

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - Percentage of inmates in compliance with 40-hour work/education requirements of the constitution (Ballot Measure 17).		Approved KPM	70.41	80.00	80.00
2 - Percentage of high and medium-risk inmates that complete a program prioritized in their corrections plan.		Approved KPM	83.00	75.00	75.00
3 - Percent of offenders on post-prison supervision convicted of a felony within three years of release from prison.		Approved KPM	29.00	30.00	30.00
4 - The rate of Class 1 assaults on individual staff per month (rate per 1000 employees).		Approved KPM	1.48	1.50	1.50
5 - The rate of inmate walk-a-ways from outside work crews per month.		Approved KPM	0.17	1.00	1.00
6 - Reduce the annual average electricity and natural gas usage. Measure on a BTU per square foot basis.		Approved KPM	15,231.00	14,468.00	14,278.00
7 - Number of inmates sanctioned for Level 1 misconducts--(monthly average/1,000 inmates).		Approved KPM	9.76	9.30	9.30
8 - The number of escapes per year from secure-custody facilities (armed perimeter).		Approved KPM	0.00	0.00	0.00
9 - The number of escapes from DOC unarmed perimeter facilities.		Approved KPM	0.00	0.00	0.00
10 - Percent of inmates who successfully complete transitional leave.		Approved KPM	86.20	88.00	88.00
11 - Percent of customers rating their satisfaction with the agency customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	88.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	81.00	90.00	90.00

Agency: CORRECTIONS, DEPARTMENT of

Mission: The mission of the Oregon Department of Corrections is to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	89.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	92.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	89.00	90.00	90.00
11 - Percent of customers rating their satisfaction with the agency customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	89.00	90.00	90.00
12 - Percent of total inmate care encounters that occur offsite.		Approved KPM	0.90	1.00	1.00
13 - Number of workers compensation time loss days per 100 employees on a fiscal year basis.		Approved KPM	76.45	66.15	66.15

LFO Recommendation:

LFO recommends retaining the current set of performance measures for the next two years. It does recommend to change the targets on three of the measures generally based on actual results over the last few years. Changes are recommended for #2, dealing with correctional plans, where the history is significantly different than the target so LFO recommends increasing the target to 75%. The target for #3, which measures recidivism, should be reduced to 30% from the current 32% since recent performance has been lower than even 30%. Finally, the target for #4 should be lowered to 1.5 reflecting the recent history on assaults on staff. LFO is concerned that some of the reductions in this budget may have an adverse affect on some of the measures. Reductions to programing, as well as staff cuts and crowding, could impact a number of the measures. In addition, LFO is still recommending, as in previous biennia, a measure for health care costs. The current health measure indirectly measures costs but there is not a measure dealing with overall inmate health or costs within the institutions.

Sub-Committee Action:

Approve the LFO recommendation.

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5506-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Kotek
Carrier – Senate: Sen. Girod**

Action: Do Pass as Amended and be Printed A-Engrossed

Vote: 24 – 2 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: McLane, Richardson

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Jack Kenny, Department of Administrative Services

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: July 7, 2013

Agency

Various

Biennium

2013-15

Summary of Subcommittee Action

Senate Bill 5506 limits the maximum amount of bonds and third party financing agreements state agencies may issue and the amount of revenue state agencies may raise from such issuance. The proceeds from the issuance of bonds are included as revenues in agency budgets. This bill also allocates the federal tax-exempt private activity bond volume cap allowed under the Internal Revenue Code of 1986, as amended, to certain state agencies and the Private Activity Bond Committee established in ORS 286A.615.

The Subcommittee reviewed amendments to Senate Bill 5506 for the following purposes:

- 1) The Subcommittee increased the Oregon University System (OUS), Article XI-G general obligation bond authorization to \$117,861,000 for eight newly approved projects and two projects approved during previous legislative sessions. Amendments identify maximum amounts for specifically identified projects. Projects are described later in this report.
- 2) The Subcommittee increased the Department of Community Colleges and Workforce Development Article XI-G general obligation bond authorization to \$125,081,600. The Subcommittee approved the XI-G general obligation bond authorization for capital construction financing for 16 Oregon Community College projects approved in Senate Bill 5507 totaling \$108,581,600 and to reauthorize \$16,500,000 for two projects approved during previous legislative sessions.

The Subcommittee approved the establishment of certain limits on future requests for state-funded projects.

- 3) The Subcommittee increased the Oregon University System, Article XI-F general obligation authorization to \$390,977,500 to provide the bond financing for the University System's self-supporting capital construction projects including \$316,800,000 for 12 new projects, as well as reauthorization of certain projects approved during previous legislative sessions. Amendments identify maximum amounts for specifically identified projects. The Oregon University System was also provided \$50,000,000 in direct revenue bond authority. Projects are described later in this report.
- 4) The Subcommittee amended the issuing agency reference for Article XI-M and Article XI-N Seismic Rehabilitation Bonds to the Oregon Business Development Department reflecting changes made in Senate Bill 813. The Subcommittee authorized \$15,000,000 for Article XI-M (Seismic Rehabilitation of Public Education Buildings) and \$15,000,000 for Article XI-N (Seismic Rehabilitation of Emergency Services Buildings) bonds.
- 5) The Subcommittee approved the Department of Environmental Quality, Article XI-H general obligation authority of \$10,000,000.
- 6) The Subcommittee increased the Department of Administrative Services Article XI-Q general obligation authority to \$426,052,000 to reflect net changes in funding for projects owned or operated by the state. Increases include the following: various university system projects, the Linn County Veterans' Home, Gilchrist Forest acquisition, detailed planning and design for the State Capitol renovation, and the Multnomah County Courthouse. A table listing all projects comprising the XI-Q authorization is included later in this report.

The Subcommittee approved amendments directing an amount not to exceed \$15 million in Article XI-Q bond proceeds be deposited to the Oregon Courthouse Capital Construction and Improvement Fund, and identified allowable uses of bond proceeds in that fund. Prior to issuance of bonds for such purposes, there are a number of triggers that must occur. There are also amendments to make this project an allowable use of Article XI-Q bonds.

- 7) The Subcommittee increased the Department of Transportation's Article XI, Section 7 general obligation authority to \$453,725,000 to provide Oregon's share of the initial contribution for construction of the Interstate 5 Bridge Replacement Project. The Subcommittee also approved an authorization to the Department of Transportation of \$663,000,000 in Toll-backed revenue bonds for the Interstate-5 Bridge Replacement Project. The bill prohibits the State Treasurer from issuing any bonds for the Interstate 5 Bridge Replacement Project until the conditions set forth in section 3 (4), chapter 4, Oregon Laws 2013 (Enrolled House Bill 2800), including commitment of sufficient funds by the State of Washington by September 30, 2013. The bill permits substitution of Highway User Tax Bonds for Article XI, Section 7 bonds (with corresponding and offsetting changes in amounts approved for each bond type).

An authorization of \$846,690,000 in Department of Transportation Highway User Tax revenue bonds was approved for eligible construction projects. Oregon Transportation Infrastructure revenue bonds were authorized at \$20,400,000.

- 8) The Subcommittee reduced the State Department of Energy Article XI-J general obligation authority to \$60,000,000 from \$100,000,000 in the Governor's Budget to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session if necessary. The Subcommittee reduced the State Department of Energy's direct revenue bond authority to \$20,000,000 from \$25,000,000 with the understanding the agency can return to request additional authority in the 2014 Session, if necessary.
- 9) The Subcommittee reduced the Department of Veterans' Affairs' Article XI-A general obligation authority to \$60,000,000 from \$100,000,000 in the Governor's Budget to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session if necessary.
- 10) The Subcommittee approved a \$10,235,000 authorization to the Water Resources Department for issuance of Article XI-I (1) General Obligation bonds.
- 11) The Subcommittee reduced Housing and Community Services Department, Article XI-I (2) general obligation authority to \$25,000,000 from \$50,000,000 in the Governor's Budget to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session if necessary. The Subcommittee reduced Housing and Community Services Department's direct revenue bond authority to \$150,000,000 from \$300,000,000 and pass-through revenue bond authority to \$150,000,000 from \$200,000,000 to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session.
- 12) The Subcommittee increased the Department of Administrative Services, Lottery Revenue Bond limit to \$157,557,715. The increase reflects reauthorization of funding for the Roseburg Veterans' Home approved in the 2011 Session. Other increases include funding for

the following projects: Coos Bay Rail Link; Salem-Keizer Transit Center; Oregon Convention Center hotel, Umatilla Industrial Park Road Extension; North Central Education Service District digital switch infrastructure; and grants to maintain affordable housing, Connect Oregon V; and the Lane Transit EmX extension. Amounts for regional planning grants and for Oregon Business Development Department's Special Public Works Fund were reduced from levels in the Governor's Budget. The Subcommittee also funded a Willamette Falls property acquisition, certain arts projects, funding for home energy efficiency programs, and grants for water development and infrastructure.

Budget Note:

If the local and/or regional public sponsors acquire the portion of the property immediately adjacent to Willamette Falls, the partners will work with the State Parks and Recreation Commission to designate the site as a State Historic Site to be managed by Oregon Parks and Recreation Department and developed in partnership with the public sponsors.

If the local and/or regional public sponsors do not acquire the property adjacent to Willamette Falls, the State Parks and Recreation Commission will seek to acquire the property necessary for public access to that property.

- 13) The Subcommittee reduced Oregon Business Development Department's direct revenue bond authority from \$60,000,000 in the Governor's Budget to \$35,000,000, and its pass-through revenue bond authority for industrial development bonds from \$125,000,000 to \$65,000,000 to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session.
- 14) The Subcommittee reduced the Oregon Facilities Authority pass-through revenue bond authority from \$750 million in the Governor's Budget to \$450 million to reflect recent activity history with the understanding the agency can return to request additional authority in the 2014 Session.

Detail of projects authorized for the Oregon University System through bond financing is included below.

Oregon University System

System-wide projects

The Subcommittee approved the following four system-wide projects and financing authorizations totaling \$85,000,000 total funds:

- Capital renewal, code compliance, and safety: approved \$30,000,000 Article XI-Q bonds to maintain facilities throughout the Oregon University System and keep the deferred maintenance backlog from growing. These projects do not involve acquisition of buildings, structures, or land. Debt service on the Article XI-Q bonds will be paid with General Fund.

- Miscellaneous Student Building Fee projects: approved \$20,000,000 Article XI-F (1) bonds for small planning, code compliance, acquisition, additions, remodels, and other projects. Student building fees constitute the source for debt service on the Article XI-F (1) bonds.
- Commercial Paper: approved \$15,000,000 Article XI-F (1) bonds to provide short-term financing for capital projects. Debt service on the Article XI-F (1) bonds will be repaid with revenues from long-term project financing or other campus revenues.
- Financing Agreements: approved \$20,000,000 to provide system-wide capacity to enter into leases or other arrangements that contractually result in ownership of land, improvements, structures, or other property.

Eastern Oregon University

The Subcommittee approved the following project for Eastern Oregon University:

- Eastern Learning Commons planning and design development: approved \$2,000,000 Article XI-Q bonds for the development of plans for a multi-building complex for on-campus and distance education, including a classroom building with a data center and information technology space and a separate residence hall. Following completion of the planning process, EOU is expected to request authorization of approximately \$26 million in state bonds to execute the project over two phases. Debt service on the bonds will be paid with General Fund.

Oregon Institute of Technology

The Subcommittee approved the following two projects for the Oregon Institute of Technology, totaling \$12,000,000 total funds.

- Cornett Hall renovation study, design and planning: approved \$2,000,000 Article XI-Q bonds for the development of plans for renovation or replacement of a 1960's era building. Following completion of the planning process, OIT is expected to request authorization of approximately \$30 million in state bonds to execute the project. Debt service on the planning bonds will be paid with General Fund.
- Wilsonville Campus Renovation: approved \$10,000,000 Article XI-F (1) bonds to complete the purchase of the In-Focus building and make tenant improvements. OIT will pay debt service on the bonds with tuition and building lease revenues.

Oregon State University

The Subcommittee approved the following seven projects, totaling \$98,920,000 total funds.

- Classroom building and quad: approved the sale of \$32,500,000 Article XI-G bonds to construct a new classroom building with space for the University Honors College and an integrated resource center. OSU intends to use OUS revenue bonds as match for the Article XI-G bonds; debt service on the revenue bonds will be repaid with forecasted growth in non-resident tuition revenue. Debt service on the Article XI-G bonds will be paid with General Fund.
- Cascades Campus Expansion: approved \$4,000,000 Article XI-G bonds, \$12,000,000 Article XI-Q bonds and \$4,000,000 Article XI-F (1) bonds to acquire and renovate several buildings to expand the campus in Bend to offer a four-year undergraduate program. The number and

location of buildings to be acquired have not been determined. The Article XI-G bonds will be matched with donations. Debt service on the Article XI-G and Article XI-Q bonds will be paid with General Fund. Debt service on the Article XI-F (1) bonds will be paid with tuition revenue.

- Chemical, Biological, and Environmental Engineering Building: approved \$20,000,000 Article XI-G bonds to construct an instructional and research building intended to promote collaboration among OSU researchers, start-up companies, and established businesses in the science and engineering of sustainable energy and materials. Match for the Article XI-G bonds will come from gifts and donations. Debt service on the Article XI-G bonds will be paid with General Fund.
- Modular Data Center: approved \$7,000,000 Article XI-Q bonds to create small data centers throughout campus intended to support research, instructional and administrative activities. Debt service on the Article XI-Q bonds will be paid with tuition revenue.
- Underground communications infrastructure: approved \$10,000,000 Article XI-Q bonds to expand OSU's communications system to increase internet and other communications capacity. Debt service on the Article XI-Q bonds will be paid with tuition.
- Housing and dining upgrades: approved \$9,500,000 Article XI-F (1) bonds to make improvements in five residence halls. Debt service on the Article XI-F (1) bonds will be paid with housing and dining fees.

Portland State University

The Subcommittee approved the following three projects, totaling \$74,000,000 total funds:

- School of Business Administration addition, renovation, and deferred maintenance: approved \$10,000,000 Article XI-G bonds and \$30,000,000 Article XI-Q bonds to expand and modernize an existing building housing the School of Business Administration and the Graduate School of Education. Gifts and donations will be used as match for the Article XI-G bonds. Debt service on the Article XI-G bonds and Article XI-Q bonds will be paid with General Fund.
- Stott Center Educational Facility renovations and deferred maintenance: approved \$20,000,000 Article XI-G bonds, \$2,000,000 Article XI-Q bonds, and \$2,000,000 Article XI-F (1) bonds to renovate and expand a 1960s facility for athletics, health and physical education classes, student recreation, and inter-mural sports. The project will add a new 5,000 seat basketball arena, athletics sports courts and practice courts that will also be used for credit bearing classes and offices. It will also replace outdated building systems and address deferred maintenance needs. Gifts and donations will be used to fund the Article XI-G bond match. Debt service on the Article XI-G and Article XI-Q bonds will be paid with General Fund. Debt service on the Article XI-F (1) bonds will be paid with revenues from ticket sales and concession sales received during events held at the arena.
- Land acquisition: approved \$10,000,000 Article XI-F (1) bonds for purchase of land under the university-owned University Center building. Debt service on the Article XI-F (1) bonds will be paid with savings from lease payments that will no longer be owed.

Southern Oregon University

The Subcommittee approved the following three projects totaling \$38,000,000 total funds:

- Theatre Arts Building expansion and remodel: approved \$11,000,000 Article XI-Q bonds to expand and remodel of the Theatre Arts Building. This replaces a \$5.5 million allocation of Article XI-G bonds approved in 2009 but not sold because the university was unable to raise matching funds. Debt service on the Article XI-Q bonds will be paid with General Fund.
- Student Recreation Center: approved \$20,000,000 Article XI-F (1) bonds to create a new student fitness center. Debt service on the Article XI-F (1) bonds will be paid with student building fee revenues.
- Cascades Hall replacement: approved \$7,000,000 Article XI-F (1) bonds to construct a new dining facility that will serve as a space for campus meetings and events. Food service revenues will be used to pay debt service on the Article XI-F (1) bonds.

University of Oregon

The Subcommittee approved the following six projects, totaling \$239,665,000 total funds:

- Straub and Earl Halls classrooms expansion: approved \$11,000,000 Article XI-G bonds to expand and remodel two existing buildings to add classroom capacity and address deferred maintenance needs. Gift and grant revenues will be used as match for the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- Science Commons and Research Library expansion and remodel: approved \$8,375,000 Article XI-G bonds to remodel the existing underground library and construct an above ground expansion for instruction and research. UO will match the Article XI-G bonds with gifts and donations. Debt service on the bonds will be paid with General Fund.
- Museum of Natural and Cultural History library shelving project: \$990,000 Article XI-Q bonds for equipment and exhibition space needs. Debt service on the Article XI-G bonds will be paid with General Fund.
- Student Recreation Center expansion and renovation: approved \$50,250,000 Article XI-F (1) bonds to renovate and expand the existing student recreation center. Debt service on the Article XI-F (1) bonds will be paid with a new \$38 per term student building fee approved in a fall 2012 student referendum.
- Erb Memorial Student Union expansion and renovation: approved \$84,300,000 Article XI-F (1) bonds to renovate and expand the existing Erb Memorial Union that houses student organization and programs, student government, multi-cultural programs, and food and other retail operations. Debt service on the Article XI-F (1) bonds will be paid with a new \$69 per term student building fee approved in a fall 2012 student referendum.

- University Housing expansion: approved \$84,750,000 Article XI-F (1) bonds to construct four separate housing facilities with approximately 800 beds. Revenues from housing rents and retail food service will be used to pay debt service on the Article XI-F (1) bonds.

Western Oregon University

The Subcommittee approved the following project at \$17,200,000 total funds:

- New College of Education Facility: approved \$1,400,000 Article XI-G bonds and \$15,800,000 Article XI-Q to construct a new building for the College of Education. The Article XI-G bonds will be matched with donations. Debt service on the bonds will be paid with General Fund.

Reauthorized projects: The Subcommittee reauthorized the sale of bonds for the following six projects totaling \$89,610,500 total funds, approved in prior biennia:

- Oregon University System Capital Renewal, Code, and Safety, originally approved in 2007: \$3,300,000 Article XI-F (1) bonds;
- Oregon State University Strand Agricultural Hall deferred maintenance, originally approved in 2009: \$6,586,000 Article XI-G bonds and \$4,847,000 Article XI-Q bonds;
- Oregon State University Biofuels Demonstration Project, originally approved in 2009: \$4,000,000 Article XI-G bonds;
- Oregon State University Student Experience Center, originally approved in 2011: \$42,700,000 Article XI-F (1) bonds;
- Oregon State University New Residence Hall, originally approved in 2011: \$19,000,000 Article XI-F (1) bonds; and
- Oregon State University Memorial Union Renovation, originally approved in 2011: \$9,177,500 Article XI-F (1) bonds.

Article Xi-Q Authority

<u>Oregon Health Authority</u>		
State Hospital Replacement Project	\$	<u>86,860,000</u>
<u>Department of Human Services</u>		
Self-Sufficiency Modernization System	\$	<u>14,360,000</u>
<u>Department of Corrections</u>		
Deferred Maintenance	\$	<u>5,050,000</u>
<u>Oregon Youth Authority</u>		
Electronic Security & Deferred Maint.	\$	<u>5,165,000</u>
<u>Military Department</u>		
Scharff Hall Armory	\$	2,870,000
Roseburg Armory		2,280,000
Medford Armory		2,445,000
Baker County Readiness Center		<u>1,235,000</u>
Subtotal	\$	<u>8,830,000</u>
<u>Department of Justice</u>		
Support Enforcement System	\$	<u>14,410,000</u>
<u>Judicial Department</u>		
e-Court System	\$	24,855,000
Supreme Court Building		4,465,000
Multnomah County Courthouse		<u>15,270,000</u>
Subtotal	\$	<u>44,590,000</u>
<u>Oregon University System</u>		
Stott Center PSU	\$	2,000,000
School of Business PSU		30,000,000
Theater Arts SOU		11,000,000
New College of Ed WOU		15,800,000
Cornett Hall OIT		2,000,000
Learning Commons EOU		2,000,000
Strand Hall OSU (auth in 2009)		4,847,000
Cascades Campus OSU		12,000,000
Modular Data Center OSU		7,000,000
Underground Commun. Infrastructure OSU		10,000,000
Library Shelving		990,000
Capital Renewal, Code and Safety		<u>30,000,000</u>
Subtotal	\$	<u>127,637,000</u>
<u>Department of Revenue</u>		
Core System Replacement	\$	<u>27,050,000</u>
<u>Legislative Administration</u>		
Capitol Master Plan	\$	<u>35,115,000</u>
<u>Department of Transportation</u>		
State Radio Project	\$	<u>40,730,000</u>
<u>Department of Forestry</u>		
Gilchrist Forest Acquisition	\$	5,275,000
Eastern Lane Headquarters		<u>1,795,000</u>
Subtotal	\$	<u>7,070,000</u>
<u>Department of Veterans' Affairs</u>		
Linn County (Lebanon) Veterans' Home	\$	<u>4,065,000</u>
<u>Oregon Business Development Dept</u>		
Innovation Infrastructure	\$	<u>5,120,000</u>
TOTAL	\$	<u>426,052,000</u>

Senate Bill 5506, SECTIONS 1 - 3.

<u>Program Designation</u>	<u>2011-13 Legislatively Approved</u>	<u>2013-15 Governor's Budget</u>	<u>2013-15 Committee Recommendations</u>	<u>Changes from Governor's Budget</u>
<u>GENERAL OBLIGATION BONDS</u>				
General Fund Obligations				
Oregon University System (Art. XI-G)	\$ 17,608,000	\$ 17,608,000	\$ 117,861,000	\$ 100,253,000
Dept of Com. Col. & Workforce Dev. (Art. XI-G)	\$ 24,500,000	\$ 16,500,000	\$ 125,081,600	\$ 108,581,600
Dept of Environmental Quality (Art. XI-H)	\$ 16,740,000	\$ 10,000,000	\$ 10,000,000	\$ 0
Oregon Business Development Dept. (Art. XI-M)	\$ 7,614,000	\$ 15,000,000	\$ 15,000,000	\$ 0
Oregon Business Development Dept. (Art. XI-N)	\$ 0	\$ 15,000,000	\$ 15,000,000	\$ 0
Dept of Administrative Services (Art. XI-Q)	\$ 200,645,000	\$ 332,265,000	\$ 426,052,000	\$ 93,787,000
Dedicated Fund Obligations				
Dept. of Transportation (Art. XI, Sec. 7)	\$ 0	\$ 453,320,000	\$ 453,725,000	\$ 405,000
Dept of Veterans' Affairs (Art. XI-A)	\$ 100,000,000	\$ 100,000,000	\$ 60,000,000	\$ (40,000,000)
Oregon University System (Art. XI-F(1))	\$ 166,722,070	\$ 348,222,070	\$ 390,977,500	\$ 42,755,430
Water Resources Department (Art. XI-I(1))	\$ 15,000,000	\$ 10,235,000	\$ 10,235,000	\$ 0
Housing and Com. Services Dept (Art. XI-I(2))	\$ 50,000,000	\$ 50,000,000	\$ 25,000,000	\$ (25,000,000)
Department of Energy (Art. XI-J)	\$ 150,000,000	\$ 100,000,000	\$ 60,000,000	\$ (40,000,000)
Total General Obligation Bonds	\$ <u>748,829,070</u>	\$ <u>1,468,150,070</u>	\$ <u>1,708,932,100</u>	\$ <u>240,782,030</u>
<u>REVENUE BONDS</u>				
Direct Revenue Bonds				
Housing and Com. Services Department	\$ 300,000,000	\$ 300,000,000	\$ 150,000,000	\$ (150,000,000)
Department of Transportation				0
Infrastructure Fund	\$ 18,360,000	\$ 20,400,000	\$ 20,400,000	\$ 0
Highway User Tax	\$ 663,000,000	\$ 846,690,000	\$ 846,690,000	\$ 0
Toll-Backed Revenue Bonds	\$ 0	\$ 0	\$ 663,000,000	\$ 663,000,000
Oregon Business Development Department	\$ 100,000,000	\$ 60,000,000	\$ 35,000,000	\$ (25,000,000)
Department of Energy	\$ 25,000,000	\$ 25,000,000	\$ 20,000,000	\$ (5,000,000)
Oregon University System	\$ 0	\$ 5,880,000	\$ 50,000,000	\$ 44,120,000
Department of Administrative Services Lottery				0
Revenue Bonds	\$ 233,330,000	\$ 155,380,000	\$ 157,557,715	\$ 2,177,715
Total Direct Revenue Bonds	\$ <u>1,339,690,000</u>	\$ <u>1,413,350,000</u>	\$ <u>1,942,647,715</u>	\$ <u>529,297,715</u>

Pass Through Revenue Bonds

Oregon Business Development Department				
Industrial Development Bonds	\$ 125,000,000	\$ 125,000,000	\$ 65,000,000	\$ (60,000,000)
Oregon Facilities Authority	\$ 550,000,000	\$ 750,000,000	\$ 450,000,000	\$ (300,000,000)
Housing and Com. Services Department	\$ 125,000,000	\$ 200,000,000	\$ 150,000,000	\$ (50,000,000)
Total Revenue Bonds	\$ 2,139,690,000	\$ 2,488,350,000	\$ 2,607,647,715	\$ 119,297,715

OTHER FINANCING AGREEMENTS

Department of Administrative Services	\$ 12,500,000	\$ 103,975,000	\$ 40,000,000	\$ (63,975,000)
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**Senate Bill 5006, SECTION 4.
Private Activity Bond Allocation for 2014 and 2015 Calendar Years.**

Allocation For:	2011-13 Legislatively Approved Budget		Subcommittee Recommendation	
	2012 Calendar Year	2013 Calendar Year	2014 Calendar Year	2015 Calendar Year
Oregon Business Development Department:	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Housing & Community Services Department:	\$125,000,000	\$125,000,000	\$125,000,000	\$125,000,000
State Department of Energy:	\$ 15,000,000	\$ 15,000,000	\$ 10,000,000	\$ 10,000,000
Private Activity Bond Committee:	\$183,952,030	\$183,952,030	\$195,438,535	\$195,438,535
TOTAL:	\$363,952,030	\$363,952,030	\$370,438,535	\$370,438,535

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5507-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Smith
Carrier – Senate: Sen. Girod**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 4 – 0

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna, McLane, Richardson

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Jack Kenny and Bill McGee, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: July 7, 2013

Agency

Capital Construction – various agencies

Department of Veterans' Affairs

Department of Forestry

Biennium

2013-15

2011-13

2009-11

Budget Summary

	2011-13 Legislatively Approved Budget⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
Other Funds	\$ 469,027,017	\$ 0	\$ 265,625,458	\$ (203,401,559)	-43.4%
Federal Funds	\$ 36,051,831	\$ 0	\$ 2,466,205	\$ (33,585,626)	-93.2%
Total	\$ 505,078,848	\$ 0	\$ 268,091,663	\$ (236,987,185)	-46.9%

2011-13 Expenditure Limitation Adjustments

Department of Veterans' Affairs

Other Funds			\$ 4,000,000	\$ 4,000,000	
Federal Funds			\$ 6,840,377	\$ 6,840,377	

2009-11 Expenditure Limitation Adjustments

Department of Forestry

Other Funds			\$ 5,200,000	\$ 5,200,000	
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⁽¹⁾ Includes adjustments through December 2012

Summary of Revenue Changes

Other Fund revenues are from the proceeds of the issuance of Article XI-Q bonds, the depreciation component of the Uniform Rent program and other deposits in the Department of Administrative Services Capital Projects Fund established by ORS 276.005, PGE hydroelectric re-licensing agreement, Oregon Military Department Capital Construction Account (surplus property sale proceeds), energy incentive payments, rental income, proceeds from aircraft registration fees assessed in accordance with ORS 837.040 and 837.045, and state gasoline tax and driver and vehicle related fees. Federal Funds revenues are from National Guard Bureau, the Federal Aviation Administration's General Aviation Entitlement Program, and the Federal Airport Improvement Program.

Summary of Capital Construction Subcommittee Action

Senate Bill 5507 provides six-year expenditure limitation for new capital construction projects. Projects in excess of \$1 million that build, acquire, adapt, replace, or change the use or function of a facility are categorized as capital construction projects. All capital projects in excess of \$1 million require a separate Capital Construction expenditure limitation established by the Legislature or the Emergency Board. Senate Bill 5507 also extends the six-year expiration dates and expenditure limitations for specified projects and authorizes the sale of Military Department property as required by ORS 396.515 (4).

Oregon Health Authority

State Hospital Replacement Project: \$79,401,530 Other Funds (Article XI-Q bonds) is approved for completion of the project to provide new mental health facilities to replace the State Hospital constructed in 1883 (implementation of the Oregon State Hospital Framework Master Plan). Funding provides for construction of the 174 bed Junction City campus, expected to be completed by the end of calendar year 2014. Project funding includes development and implementation of the Behavioral Health Integration Project (BHIP). Debt service will be paid with General Fund.

Department of Administrative Services

HVAC Improvement Projects: \$4,921,160 Other Funds (Capital Projects Fund) is approved to provide HVAC system upgrades on several state-owned buildings. Planned improvements include the Portland State Office Building, the Human Services Building and various other projects.

Roof Replacements: \$1,303,942 Other Funds (Capital Projects Fund) is approved to provide roof replacements or repairs on several state buildings. Planned work includes roof replacement at the Real Estate Building and the Central Point Building.

Public Utility Commission Building Exterior Replacement: \$4,740,390 Other Funds (Capital Projects Fund) is approved to replace exterior siding and window glazing, replace interior sheet rock and install a new roof.

Elevator Upgrades: \$961,420 Other Funds (Capital Projects Fund) is approved for the repair and upgrade to code for elevators in the Eugene State Office Building.

Carpet Replacements: \$3,744,374 Other Funds (Capital Projects Fund) is approved to fund carpet replacements at several state buildings including Agriculture, Revenue and Human Services buildings.

Planning: \$350,000 Other Funds (Capital Projects Fund) is approved to contract with various architects, engineers and other specialists to develop feasibility analyses and reliable cost information; to prepare preliminary design for small to medium-sized projects; and evaluate options to solve maintenance problems.

Executive Building Renovation: \$800,000 Other Funds (Capital Projects Fund) is approved for architectural design work, engineering plan and budget development for a major renovation of the Executive Building planned for 2015-17.

Department of Veterans' Affairs

Linn County (Lebanon) Veterans' Home: \$4,000,000 Other Funds (Article XI-Q Bonds) and \$6,840,377 Federal Funds - (United States Department of Veterans' Affairs construction grant) is approved for design and construction work on the second state veterans' home. To comply with the current facility design requirements from the United States Department of Veterans' Affairs, the total additional cost needed to construct this facility is projected to be \$10.8 million. The project requires a 35 percent state and local match and is expected to be completed in 2014. Capital construction expenditure limitation was established for this project beginning in the 2011-13 biennium.

Department of Transportation

Region 1 (Portland) Facilities Consolidation Project: \$1 Other Funds (fee revenue) is approved as a placeholder for a project to consolidate a number of facilities within the Portland Metro area.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: the Transportation Building Renovation Center (Other Funds): extended to June 30, 2015; Baker City and East Portland Highway Facilities (Other Funds): extended to June 30, 2015; and the Sisters Maintenance Station (Other Funds): extended to June 30, 2014.

Department of Aviation

Cottage Grove State Airport: \$400,000 Federal Funds (Federal Aviation Administration) and \$40,000 Other Funds (aircraft registration fees) is approved to conduct design engineering needed to ascertain the required scope and cost of a runway rehabilitation project. Rehabilitation is necessary to meet safe operating conditions based on the most recent Pavement Condition Index survey.

Department of Fish and Wildlife

Clackamas Hatchery Intake System: \$1,000,000 Other Funds (Portland General Electric re-licensing settlement agreement) is approved for design and preliminary construction of an intake system at the Clackamas Hatchery.

Department of Forestry

Gilchrist Forest Land Acquisition: \$5,200,000 Other Funds (Article XI-Q Bonds) is approved to purchase some of the remaining available tracts in the Gilchrist Forest. Expenditure limitation for this purchase was added to the existing expenditure limitation for a similar project approved by the 2009 Legislative Assembly (and increased by the 2011 Legislative Assembly). This increase in expenditure limitation will expire June 30, 2015. Debt service for XI-Q bonds will be paid from the General Fund.

East Lane Headquarters Building: \$1,750,000 Other Funds (Article XI-Q bonds) is approved to make improvements at the Springfield facility to increase safety and functionality. The project includes installation of site utility improvements and construction of a multi-use building to

house a fire cache, vehicle repair and equipment fabrication shop. In addition, the project includes fire crew support facilities, and the conversion of an existing vehicle repair building into fire engine and equipment storage facilities.

Oregon Military Department

Sharff Hall Armory: \$2,781,000 Other Funds (Article XI-Q Bonds) is approved for the acquisition of a former US Army Reserve site in Portland, Oregon (\$1.2 million) and for design and construction of needed additions and alterations to convert the facility into an armory (\$1,581,000). The remodel is extensive including the following: replacement of window glazing systems, evaluation of energy and water saving measures, replacement/refurbishment of HVAC systems, upgrades to electronic security systems, upgrades to kitchen, storage and vehicle maintenance bays and other improvements.

Roseburg Armory: \$2,230,416 Other Funds (Article XI-Q Bonds) is approved for a service life extension project to renovate the facility. The project includes the design and construction of additions and alterations to the armory. Funding will address severe deficiencies in the electrical, mechanical and structural components of the facility.

Medford Armory: \$2,391,660 Other Funds (Article XI-Q Bonds) is approved for a service life extension project to renovate the facility. The project includes the design and construction of additions and alterations to the armory. The remodel will replace the HVAC system, upgrade window glazing systems, information technology systems, restrooms, kitchen, administrative and storage areas, and evaluate and implement feasible energy and water savings measures.

Baker City Readiness Center: \$1,189,579 Other Funds (Article XI-Q bonds) is approved to affect the transfer of real property with Baker County, to conduct demolition of the County Extension Building, and to construct a new Military Vehicle Storage Compound. Federal Funds Capital Construction expenditure limitation for the project may be requested at a future date once funding is secured from the federal government.

Christmas Valley Land Acquisition: \$220,000 Other Funds (energy incentive funds/rental income) is approved to complete the purchase of 2,296 acres for the possible development of a utility-scale solar project and a potential military training site. This amount will allow for the final installment payment for this acquisition.

Milton-Freewater Armory: \$1,804,000 Federal Funds (National Guard Bureau) is approved for a service life extension project to renovate the facility. The work will include installing efficient heating and cooling systems and utility systems upgrades. The project also includes replacement of certain windows, doors and facility-related equipment. Federal Funds expenditure limitation for this project was originally approved by the Emergency Board (May 2012), however, that expenditure limitation expired and additional time is needed to complete construction and expend the funds.

Planning and Design: \$282,445 Other Funds (Capital Construction Account) and \$262,205 Federal Funds (National Guard Bureau) is approved for planning and preliminary design work at a number of sites throughout the state where the agency is planning future capital construction projects

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: the Ontario Readiness Center (Other Funds): extended to June 30, 2014; the Ontario Readiness Center (Federal Funds): extended to June 30, 2014; and the Dallas Readiness Center land acquisition (Other Funds): extended to June 30, 2015.

The subcommittee also approved the sale proposal from the Oregon Military Department, as required by ORS 396.515 (4), for the sale of the Baker City Armory.

Oregon State Police

The Subcommittee approved the extension of the project expiration date and expenditure limitation for the Oregon Wireless Interoperability Network (Federal Funds) to December 30, 2013.

Oregon Youth Authority

Electronic Security Projects: \$2,116,810 Other Funds (Article XI-Q Bonds) is approved to acquire and install security systems, including improved and expanded key control access systems, and CCTV systems.

Deferred Maintenance: \$2,958,131 Other Funds (Article XI-Q bonds) is approved to address highest priority deferred maintenance projects to provide a safe and secure environment for the public and residents. Projects are located at facilities throughout the state and address a range of needs including fire alarms, water and electrical systems and structural repairs.

Department of Corrections

Deferred Maintenance: \$4,961,000 Other Funds (Article XI-Q bonds) is approved to address highest priority deferred maintenance projects. Projects are located at facilities throughout the state and address a range of needs including HVAC repairs, security and electrical systems changes and some structural improvements.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: Deferred Maintenance and Assessment (Other Funds): extended to April 30, 2014; and Deferred Maintenance (Other Funds): extended to April 30, 2014.

Judicial Department

Supreme Court Building Renovation: \$4,400,000 Other Funds (Article XI-Q bonds) is approved for the early stages of needed renovations. This funding will be used to address major safety issues with the exterior of the building, water penetration through the façade, and dry-rot in wooden-framed windows. This project will fund terracotta exterior repair and sealing, window repair, project management and the review and planning of future phases of critical interior renovation work.

Legislative Administration

State Capitol Master Plan: \$34,500,000 Other Funds (Article XI-Q bonds) is approved to complete the detailed pre-construction planning and design phase of the project to address life-safety concerns through seismic upgrades and other critical needs, including fire and electrical systems. Furthermore this project will address public access and improve operational efficiency of the Capitol.

Community Colleges and Workforce Development

The Subcommittee approved a budget of \$108,581,600 Other Funds (Article XI-G bonds) for 16 new construction and deferred maintenance projects at 16 community colleges:

- Blue Mountain Community College Applied Animal Science Education Center: approved \$3,331,350 Other Funds (Article XI-G bonds) to construct new facilities for animal science and agriculture programs. The project includes classrooms and office building, indoor and outdoor arenas, a hay barn, horse pens and mare motels, tack storage lockers and round pens. Match for the Article XI-G bonds will come from grants, donations, corporate scholarships, and possibly a district bond levy.
- Central Oregon Community College Academic and Student Services Center: approved \$5,260,000 Other Funds (Article XI-G bonds) to provide state funds to retire outstanding Central Oregon Community College general obligation bonds sold for construction of a building leased to Oregon State University for operation of its Cascades campus. Once the debt is repaid, the COCC will terminate the contract with OSU and remodel the building for college academic and student support use. Match on the Article XI-G bonds would be paid with COCC funds.
- Chemeketa Community College Applied Technology Classroom Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct new space for the Welding/Metal Fabrication and Machining programs and to remodel existing space to accommodate college services displaced by the new construction. Match for the Article XI-G bonds will come from proceeds of a district bond levy approved in May 2008.
- Clackamas Community College Clairmont Career and Technology Education Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to replace a 1960's era building that will provide additional classroom and industrial space. In addition, the horticulture program, the joint Clackamas/Oregon State University Extension Service office, and industrial technology programs will be located in the new facility. Match for the Article XI-G bonds will come from Extension Service revenues, a capital campaign, and proceeds from a district bond levy.
- Clatsop Community College Health and Wellness Center: approved \$7,990,000 Other Funds (Article XI-G bonds) for construction of a new facility with gymnasium, fitness room, equipment storage, lockers, showers, and wellness activity area for physical education, community education, and health and wellness programs. Match for the Article XI-G bonds will come from proceeds of a legal settlement, a tuition surcharge, and fundraising.

- Columbia Gorge Community Advanced Technology Center, phase two: approved \$7,320,000 Other Funds (Article XI-G bonds) for construction of a facility on the Hood River campus to support science, technology, engineering, and mathematics programs. Match for the Article XI-G bonds will come from fundraising and proceeds of a district bond levy.
- Klamath Community College Student Success and Career-Technical Center: approved \$7,850,000 Other Funds (Article XI-G bonds) for construction of a new facility housing a research library and computer labs, a testing center, tutoring and advising areas, and space for GED, Adult Basic Education, and English as a Second Language programs. The project will also expand the Career Technical Education center for auto and diesel mechanics and construction management programs. Match for the Article XI-G bonds will come from college reserve funds, foundation and federal grants, and district general obligation bonds.
- Lane Community College The Center for Student Success: approved \$8,000,000 Other Funds (Article XI-G bonds) to remodel an existing 1960s era building that houses the library, tutoring center, bookstore, Academic Learning Skills Department, and Culinary Arts and Hospitality programs to provide a student centered learning environment that integrates academic support services and resources with technology and facilities that promote individual and group learning. Match for the Article XI-G bonds will come from proceeds of a district bond levy approved in November 2008.
- Linn-Benton Community College Nursing and Allied Health Facilities: approved \$8,000,000 Other Funds (Article XI-G bonds) for construction of a new facility for 12 Allied Health programs located in proximity to major healthcare providers or education centers. The funds will also be used to repurpose space on the Albany campus that become available after the health programs are relocated. Match for the Article XI-G bonds will come from private donations and revenues from a district bond levy.
- Mt. Hood Community College Student Services Enhancement: approved \$8,000,000 Other Funds (Article XI-G bonds) to remodel and expand student service facilities, centralizing academic advising, career counseling, financial aid, admissions, registration, testing, business office and other functions. Match for the Article XI-G bonds will come from a district bond levy or a secured loan to be repaid with tuition revenue.
- Portland Community College Health Professions Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct or purchase and remodel a facility near the Sylvania campus for Dental Hygiene, Dental Assisting, Dental Lab Technology, Radiography, and Nursing programs. Match for the Article XI-G bonds will come from proceeds from a district bond levy passed in 2008.
- Rogue Community College Health and Science Center: approved \$8,000,000 Other Funds (Article XI-G bonds) to increase space for health science programs by constructing new facilities or buying and remodeling existing ones. Match for the Article XI-G bonds will come from partnership contributions, grants, and capital campaign contributions.
- Southwestern Oregon Community College Health and Science Technology Building: approved \$8,000,000 Other Funds (Article XI-G bonds) for construction of a new facility with laboratory, classroom, and auxiliary space for expansion of allied health and science programs. The

facility will support increased use of technology and distance education in health and science programs. Match for the Article XI-G bonds will come from private grants and donations and, if necessary, revenues from a district bond levy.

- Tillamook Bay Community College: Career and Technical Workforce Facility: approved \$2,000,000 Other Funds (Article XI-G bonds) to construct a new building that will house OSU Extension Services and Open Campus programs, Oregon Regional Solutions, Tillamook County Economic Development Council, and the college Small Business Development Office as well as classroom, office, and laboratory space for career and technical education, natural resources, and hospitality and tourism programs. Match for the Article XI-G bonds will come from college reserve funds, partnerships and fundraising, and proceeds from a district general obligation bond.
- Treasure Valley Community College Workforce Vocational Center: approved \$2,830,250 Other Funds (Article XI-G bonds) for construction of a new facility to expand space for welding training and to house Natural Resource, Renewable Energy, Wild Land Fire, Construction Trades, and Waste Water Management programs. Match for the Article XI-G bonds will come from funding raising or proceeds from district bonds or a district bond levy.
- Umpqua Community College Industrial Technology Building: approved \$8,000,000 Other Funds (Article XI-G bonds) to construct a new facility on campus for automotive, manufacturing, construction, and welding technology programs. The college had planned to match the Article XI-G bonds with proceeds from a district bond levy which was defeated by the voters in May 2013. Alternatives for generating the match from grants, donations, and other sources are being explored.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following projects: Clackamas Community College – Harmony Campus Phase II: extended to June 30, 2017; and Umpqua Community College – Roseburg Regional Health Occupation Training Center: extended to June 30, 2017.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5507-A

Various Agencies

Jack Kenny -- 503-378-3107; Bill McGee - 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	CCWD XI-G Bond Expenditures	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>								
<u>Legislative Administration Committee</u>								
State Capitol Master Plan	\$ 0	\$ 0	\$ 34,500,000	\$ 0	N/A	\$ 34,500,000	0	0.00
<u>Judicial Department</u>								
Supreme Court Building Renovation	\$ 0	\$ 0	\$ 4,400,000	\$ 0	N/A	\$ 4,400,000	0	0.00
<u>EDUCATION PROGRAM AREA</u>								
<u>Department of Community Colleges and Workforce Development</u>								
Blue Mountain - Animal Science Ed. Center	\$ 0	\$ 0	N/A	\$ 0	\$ 3,331,350	\$ 3,331,350	0	0.00
Central Oregon - Academic & Student Svcs Ctr	\$ 0	\$ 0	N/A	\$ 0	\$ 5,260,000	\$ 5,260,000	0	0.00
Chemeketa - Applied Technology Classroom	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Clackamas - Clairmont Career/Tech Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Clatsop - Health and Wellness Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,990,000	\$ 7,990,000	0	0.00
Columbia Gorge - Advance Technology Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,320,000	\$ 7,320,000	0	0.00
Klamath - Student Success & Career/Tech Center	\$ 0	\$ 0	N/A	\$ 0	\$ 7,850,000	\$ 7,850,000	0	0.00
Lane - Center for Student Success	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Linn Benton - Nursing & Allied Health Facilities	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Mt. Hood - Student Services Enhancement	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Portland - Health Professions Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Rogue - Health & Science Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Southwestern - Health & Science Building	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
Tillamook Bay - Career & Tech. Workforce Fac.	\$ 0	\$ 0	N/A	\$ 0	\$ 2,000,000	\$ 2,000,000	0	0.00
Treasure Valley - Workforce Vocational Center	\$ 0	\$ 0	N/A	\$ 0	\$ 2,830,250	\$ 2,830,250	0	0.00
Umpqua - Industrial Arts Center	\$ 0	\$ 0	N/A	\$ 0	\$ 8,000,000	\$ 8,000,000	0	0.00
<u>HUMAN SERVICES PROGRAM AREA</u>								
<u>Oregon Health Authority</u>								
State Hospital Replacement	\$ 0	\$ 0	\$ 79,401,530	\$ 0	N/A	\$ 79,401,530	0	0.00
<u>PUBLIC SAFETY PROGRAM AREA</u>								
<u>Oregon Military Department</u>								
Sharff Hall Armory	\$ 0	\$ 0	\$ 2,781,000	\$ 0	N/A	\$ 2,781,000	0	0.00
Medford Armory	\$ 0	\$ 0	\$ 2,391,660	\$ 0	N/A	\$ 2,391,660	0	0.00
Roseburg Armory	\$ 0	\$ 0	\$ 2,230,416	\$ 0	N/A	\$ 2,230,416	0	0.00
Baker City Readiness Center	\$ 0	\$ 0	\$ 1,189,579	\$ 0	N/A	\$ 1,189,579	0	0.00
Christmas Valley Land Acquisition	\$ 0	\$ 0	\$ 220,000	\$ 0	N/A	\$ 220,000	0	0.00
Planning and Predesign	\$ 0	\$ 0	\$ 282,445	\$ 262,205	N/A	\$ 544,650	0	0.00
Milton-Freewater Armory	\$ 0	\$ 0	\$ 0	\$ 1,804,000	N/A	\$ 1,804,000	0	0.00

Department of Corrections

Deferred Maintenance	\$	0	\$	0	\$	4,961,000	\$	0	N/A	\$	4,961,000	0	0.00
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Oregon Youth Authority

Electronic Security Projects	\$	0	\$	0	\$	2,116,810	\$	0	N/A	\$	2,116,810	0	0.00
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Deferred Maintenance	\$	0	\$	0	\$	2,958,131	\$	0	N/A	\$	2,958,131	0	0.00
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TRANSPORTATION PROGRAM AREA

Department of Transportation

Region 1 Facilities Consolidation Project	\$	0	\$	0	\$	1	\$	0	N/A	\$	1	0	0.00
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Department of Aviation

Cottage Grove State Airport Runway Rehab	\$	0	\$	0	\$	40,000	\$	400,000	N/A	\$	440,000	0	0.00
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ADMINISTRATION PROGRAM AREA

Department of Administrative Services

HVAC Improvement Projects	\$	0	\$	0	\$	4,921,160	\$	0	N/A	\$	4,921,160	0	0.00
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Roof Replacements	\$	0	\$	0	\$	1,303,942	\$	0	N/A	\$	1,303,942	0	0.00
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Public Utility Comm Bldg Exterior Replacemet	\$	0	\$	0	\$	4,740,390	\$	0	N/A	\$	4,740,390	0	0.00
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Elevator Upgrades	\$	0	\$	0	\$	961,420	\$	0	N/A	\$	961,420	0	0.00
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Carpet Replacements	\$	0	\$	0	\$	3,744,374	\$	0	N/A	\$	3,744,374	0	0.00
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Planning	\$	0	\$	0	\$	350,000	\$	0	N/A	\$	350,000	0	0.00
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Executive Building Renovation	\$	0	\$	0	\$	800,000	\$	0	N/A	\$	800,000	0	0.00
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NATURAL RESOURCES PROGRAM AREA

State Department of Fish and Wildlife

Clackamas Hatchery Intake System	\$	0	\$	0	\$	1,000,000	\$	0	N/A	\$	1,000,000	0	0.00
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State Forestry Department

East Lane Headquarters	\$	0	\$	0	\$	1,750,000	\$	0	N/A	\$	1,750,000	0	0.00
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TOTAL

	\$	0	\$	0	\$	157,043,858	\$	2,466,205	\$	108,581,600	\$	268,091,663	0	0.00
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2011-13 Supplemental Expenditure Limitation Adjustments

Department Veterans' Affairs

Lebanon Veterans Home	\$	0	\$	0	\$	4,000,000	\$	6,840,377	N/A	\$	10,840,377	0	0.00
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2009-11 Supplemental Expenditure Limitation Adjustments

State Forestry Department

Gilchrist Forest Land Acquisition	\$	0	\$	0	\$	5,200,000	\$	0	N/A	\$	5,200,000	0	0.00
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**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5508-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Richardson
Carrier – Senate: Sen. Devlin**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters
– Nays:
– Exc: Verger

Prepared By: Sheila Baker, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: June 29, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

2011-13 Budget Summary*

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>Emergency Board</u>				
General Fund - General Purpose	-	-	\$ 25,000,000	\$ 25,000,000
General Fund - Special Purpose Appropriations				
Department of Human Services/ Oregon Health Authority			\$ 8,000,000	\$ 8,000,000
Department of Justice			\$ 2,000,000	\$ 2,000,000
<u>Various Agencies -- see Attachment A</u>				
General Fund	-	-	\$ (3,802,558)	\$ (3,802,558)
General Fund Debt Service	-	-	\$ (17,335,341)	\$ (17,335,341)
Lottery Funds	-	-	\$ (72,114)	\$ (72,114)
Lottery Funds Debt Service	-	-	\$ (24,405,711)	\$ (24,405,711)
Other Funds	-	-	\$ (8,304,448)	\$ (8,304,448)
Other Funds Debt Service	-	-	\$ (25,605,072)	\$ (25,605,072)
Federal Funds	-	-	\$ (2,633,061)	\$ (2,633,061)
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	-	-	\$ 1,325,000	\$ 1,325,000
Lottery Funds Debt Service	-	-	\$ 903,119	\$ 903,119
Other Funds	-	-	\$ 19,514,631	\$ 19,514,631
<u>Office of the Governor</u>				
General Fund	-	-	\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-	\$ 825,616	\$ 825,616
<u>Secretary of State</u>				
General Fund	-	-	\$ 80,000	\$ 80,000
Other Funds	-	-	\$ 380,312	\$ 380,312
Federal Funds	-	-	\$ 634,419	\$ 634,419

*Excludes Capital Construction

2011-13 Budget Summary*

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>Oregon Health Licensing Agency</u>				
Other Funds	-	-	\$ 46,356	\$ 46,356
<u>Real Estate Agency</u>				
Other Funds	-	-	\$ 496,400	\$ 496,400
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
Lottery Funds	-	-	\$ 1,300,000	\$ 1,300,000
Other Funds	-	-	\$ 106,207	\$ 106,207
Other Funds Nonlimited	-	-	\$ 10,000,000	\$ 10,000,000
<u>Housing and Community Services Department</u>				
Other Funds	-	-	\$ (4,879,057)	\$ (4,879,057)
<u>Department of Veterans' Affairs</u>				
General Fund	-	-	\$ 800,000	\$ 800,000
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	-	-	\$ 2,327,153	\$ 2,327,153
Lottery Funds	-	-	\$ 2,822,847	\$ 2,822,847
Other Funds	-	-	\$ 625,000	\$ 625,000
<u>Department of Community Colleges and Workforce Development</u>				
General Fund	-	-	\$ 3,900,000	\$ 3,900,000
General Fund Debt Service	-	-	\$ (363,510)	\$ (363,510)
<u>Oregon University System</u>				
General Fund	-	-	\$ (8,974,046)	\$ (8,974,046)
General Fund Debt Service	-	-	\$ 5,660,047	\$ 5,660,047
Other Funds	-	-	\$ 1,753,642	\$ 1,753,642

*Excludes Capital Construction

2011-13 Budget Summary*

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Department of Human Services</u>				
General Fund	-	-	\$ 2,753,263	\$ 2,753,263
Federal Funds	-	-	\$ 5,077,079	\$ 5,077,079
<u>Oregon Health Authority</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
Other Funds	-	-	\$ 14,205,000	\$ 14,205,000
Federal Funds	-	-	\$ 23,360,000	\$ 23,360,000
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	-	-	\$ 30,497,095	\$ 30,497,095
General Fund Debt Service	-	-	\$ (486,738)	\$ (486,738)
Other Funds	-	-	\$ (28,627,911)	\$ (28,627,911)
<u>LEGISLATIVE BRANCH</u>				
<u>Legislative Counsel Committee</u>				
Other Funds	-	-	\$ (275,000)	\$ (275,000)
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>State Department of Agriculture</u>				
Lottery Funds	-	-	\$ 543,000	\$ 543,000
<u>State Department of Energy</u>				
Other Funds	-	-	\$ 500,000	\$ 500,000
<u>State Department of Fish and Wildlife</u>				
Other Funds Debt Service	-	-	\$ 726,928	\$ 726,928

*Excludes Capital Construction

2011-13 Budget Summary*

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>State Forestry Department</u>				
Other Funds	-	-	\$ 114,881	\$ 114,881
<u>Water Resources Department</u>				
General Fund	-	-	\$ 487,062	\$ 487,062
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Oregon Criminal Justice Commission</u>				
Other Funds	-	-	\$ 176,384	\$ 176,384
<u>Department of Justice</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
<u>Oregon Military Department</u>				
General Fund Debt Service	-	-	\$ 618,000	\$ 618,000
Other Funds	-	-	\$ 7,657,737	\$ 7,657,737
<u>Oregon Youth Authority</u>				
General Fund	-	-	\$ 300,000	\$ 300,000
<u>TRANSPORTATION PROGRAM AREA</u>				
<u>Department of Transportation</u>				
General Fund	-	-	\$ 2,000,000	\$ 2,000,000
Other Funds	-	-	\$ 13,053,627	\$ 13,053,627
<u>2011-13 Budget Summary</u>				
General Fund Total	-	-	\$ 58,985,427	\$ 58,985,427
Lottery Funds Total	-	-	\$ (18,908,859)	\$ (18,908,859)
Other Funds Total	-	-	\$ 1,665,617	\$ 1,665,617
Federal Funds Total	-	-	\$ 27,264,053	\$ 27,264,053

*Excludes Capital Construction

2009-11 Supplemental Appropriations

	<u>2009-11 Legislatively Approved Budget</u>	<u>2009-11 Committee Recommendation</u>	<u>Committee Change</u>
<u>Public Utility Commission</u>			
Other Funds	-	\$ 10,000	\$ 10,000
<u>Oregon University System (Department of Higher Education)</u>			
Federal Funds	-	\$ 3,550	\$ 3,550
<u>Judicial Department</u>			
General Fund	-	\$ 499,999	\$ 499,999
<u>Public Defense Services Commission</u>			
General Fund	-	\$ 802,570	\$ 802,570
<u>Oregon Watershed Enhancement Board</u>			
Federal Funds	-	\$ 800,000	\$ 800,000
<u>Department of Transportation</u>			
Lottery Funds Debt Service	-	\$ 2	\$ 2

2011-13 Position Summary

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>Office of the Governor</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	2.50	2.50
<u>Secretary of State</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	0.50	0.50
<u>Department of Community Colleges and Workforce Development</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>Department of Education</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>State Commission on Children and Families</u>				
Authorized Positions	-	-	0	0
Full-time Equivalent (FTE) positions	-	-	(0.25)	(0.25)
<u>State Department of Energy</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00
<u>Water Resources Department</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2011 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 939, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

Senate Bill 5508 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budget and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$25 million General Fund to the Emergency Board for general purposes.

Senate Bill 5508 makes two special purpose appropriations to the Emergency Board, totaling \$10 million General Fund:

- \$8 million General Fund for the Department of Human Services and/or the Oregon Health Authority for caseloads or costs for programs and services. This appropriation is in addition to the resources, and the special purpose appropriation to the Emergency Board, included in the budget bills for the Department of Human Services (House Bill 5030) and the Oregon Health Authority (Senate Bill 5529).
- \$2 million General Fund for the Department of Justice for: 1) the on-going legal costs associated with the state's defense of the revenue stream generated from the Master Settlement Agreement entered into with major tobacco companies; and 2) the Defense of Criminal Convictions program. This appropriation is in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2012, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2011-13 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect savings in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, including the State Data Center; Secretary of State audit assessments; and Office of Administrative Hearings charges. Agencies will need to reconcile these changes in the appropriate line items with consideration for the 6.5% overall reduction in services and supplies applied to most agency budgets and reductions in uniform/self-support rent charges. Debt service costs are also adjusted based on

updated bonding information, including a net \$24.4 million reduction in Lottery Funds debt service costs. The combined results of these changes on individual agency budgets are shown in Attachment A. Total savings are \$21.1 million General Fund, \$24.5 million Lottery Funds, \$33.9 million Other Funds, and \$2.6 million Federal Funds.

ADMINISTRATION

Oregon Department of Administrative Services

Senate Bill 5508 includes General Fund appropriations to the Department for the following programs:

- \$100,000 for the Confluence Project, a collaborative effort of Pacific Northwest tribes, civic groups from Washington and Oregon, artists, architects, and landscape designers. Each of its seven sites along the Columbia River features an art installation interpreting the area's ecology and history.
- \$400,000 for the Boardman Health Clinic, which gives Columbia River Community Health Services the amount needed to complete the funding package for this project. The new 15,000 square foot medical facility replaces a 5,000 square foot building that can no longer expand with the existing footprint.
- \$400,000 for Southwestern Oregon Community College's Curry Campus project. The money will help finish equipping and furnishing the facility.
- \$425,000 for Port Orford to purchase a building for the planned marine reserve research and interpretive center.

The Subcommittee added \$19,514,631 Other Funds for costs of issuance and special payments associated with the distribution of proceeds from several Lottery Bond sales; projects are detailed below and approved in the Lottery Bond bill (House Bill 5036). Also included is \$903,119 Lottery Funds to cover the 2011-13 debt service on those bonds.

- \$3,251,756 Other Funds for disbursement to the Port of Morrow for the purpose of Willow Creek/Sage Center Improvements, including construction of sidewalks or other walkways. For debt service, \$173,981 Lottery Funds is approved.
- \$6,478,890 Other Funds for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center. For debt service, \$346,294 Lottery Funds is approved.
- \$2,950,809 Other Funds for disbursement to the Milton-Freewater Water Control District for public infrastructure improvements, including levee restoration/repair projects and bridge projects in Milton-Freewater and surrounding areas. For debt service, \$157,711 Lottery Funds is approved.
- \$2,549,322 Other Funds for disbursement to the Oregon Historical Society for payment of mortgage costs associated with the society's storage facility in Gresham. For debt service, \$225,133 Lottery Funds is approved.
- \$4,283,854 Other Funds for disbursement to the Lane Transit District for the West Eugene EmX Extension; this project supports the acquisition, construction and procurement of the components of an extension of the bus rapid transit system in west Eugene. Debt service for this project was included as part of the omnibus adjustments mentioned previously.

Office of the Governor

The Subcommittee appropriated \$3 million General Fund and increased Federal Funds expenditure limitation by \$825,616 for the purpose of implementing Senate Bill 909, which creates the Oregon Education Investment Board and the Early Learning Council. Three positions (2.50 FTE) were also approved: a Chief Investment Officer and Early Learning Systems Director (both Principal Executive/Manager G) and one half-

time Executive Support Specialist 2. An estimated \$354,067 General Fund will be spent on Personal Services and services and supplies. The Governor's Office anticipates expending the balance of the General Fund resources for professional services contracts for change management, development of a school-readiness assessment tool, and development of a comprehensive early childhood education and care budget. The federal funds, from the federal State Early Childhood Advisory Council grant received during the 2009-11 biennium, will support the Early Learning System Director, the half-time executive support position, associated services and supplies and Professional Services costs for the work of the Early Learning Council.

Secretary of State

The budget for the Secretary of State is increased by \$80,000 General Fund for House Bill 2257, which expands electronic filing requirements of statements to the Elections Division; by \$380,312 Other Funds for House Bill 3247, which requires the agency to establish the "One Stop Shop for Oregon Business" internet portal; and by \$634,419 Federal Funds for two federal grants, with the understanding that the Department of Administrative Services will unschedule the Federal Funds expenditure limitation pending award of the grants. One limited-duration Operations and Policy Analyst 2 position (0.50 FTE) is also established for development of the internet portal. The General Fund appropriation is to finance one-time costs and will be phased out in development of the agency's 2013-15 biennium budget. All but \$75,000 of the Other Funds for the internet portal will also be phased out in the development of the 2013-15 biennium budget. The remaining \$75,000 is projected to cover the ongoing maintenance costs of the internet portal.

CONSUMER AND BUSINESS SERVICES

Oregon Health Licensing Agency

The Subcommittee approved \$46,356 Other Funds expenditure limitation to support licensing and regulatory oversight of Polysomnographic Technologists within the Respiratory Therapist and Polysomnographic Technologist Licensing Board, as established in Senate Bill 723. The Other Funds revenue results from applications, licensure, renewals, and other fees associated with licensing the Polysomnographic Technologists.

Real Estate Agency

The Other Funds expenditure limitation for the agency is increased by \$496,400 to cover expenses for an online licensing system. The agency received a \$500,000 limitation for this project during the 2009-11 biennium. However, due to delays in project implementation, vendor payments will not be made until the first quarter of the 2011-13 biennium.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

Senate Bill 5508 establishes \$1.3 million in new Lottery Funds expenditure limitation for the Department. Of this amount, \$1 million is established for identifying regional governance solutions to improve economic development opportunities and for developing a West Coast strategy to create jobs while reducing carbon emissions and the costs of doing business by retrofitting and redesigning the built environment. The remaining \$300,000 is established for a pilot project providing economic gardening services. An additional \$106,207 Other Funds expenditure limitation is provided for payment of costs to issue lottery revenue bonds for the Department. Bond proceeds will provide the source

of these Other Funds. These bonds are associated with the authorization in House Bill 5036 of \$10,000,000 of lottery revenue bond proceeds for infrastructure financing. A total of \$10,000,000 of lottery revenue bond proceeds will be deposited into the Special Public Works Fund and the Water/Waste Water Fund, where they will be used to provide loans and grants to municipalities with eligible infrastructure projects. The Department is authorized to make these loans and grant payments as Nonlimited Other Funds. The Lottery Funds, Other Funds, and Nonlimited Other Funds expenditures are one-time expenditures that will be phased out in the development of the Department's 2013-15 biennium budget.

Of the Lottery Funds available to the Department in the 2011-13 biennium budget, the amount of \$20,000 is designated for the purpose of promoting Oregon businesses at the 2011 and 2012 China International Fairs for Investment & Trade in Xiamen, China.

Housing and Community Services Department

Other Funds expenditure limitation for the Housing and Community Services Department is reduced by \$4,879,057 to reconcile the amount of Lottery Bond proceeds approved in the Capital Construction budget for the purpose of preserving low income housing with expiring federal subsidies. The low income housing preservation package is anticipated to provide gap financing to preserve about 125 units of affordable housing. The total amount approved is \$5,000,000 Other Funds for project costs and \$120,943 Other Funds for costs of issuance.

Department of Veterans' Affairs

Senate Bill 5508 appropriates a total of \$800,000 General Fund to the Department of Veterans' Affairs for the following purposes:

- \$350,000 to augment payments to county veterans' service organizations for the 2011-13 biennium.
- \$350,000 in one-time funding for interim operation of the Military HelpLine service for veterans until federal funding is secured for the service by the Oregon Military Department.
- \$100,000 in one-time funding to provide assistance with medical transportation to veterans who use wheelchairs.

EDUCATION

Department of Education

The State School Fund is adjusted in Senate Bill 5508 to reflect a rebalance of statewide resources, decreasing General Fund and increasing Lottery Funds expenditure limitation by \$2,822,847.

The Subcommittee approved a one-time appropriation of \$150,000 General Fund for the For Inspiration and Recognition of Science and Technology (FIRST) program.

The Oregon Court of Appeals affirmed a ruling against the Department of Education for breach of contract with Vantage Learning which provided standardized testing in Oregon schools. The resulting judgments total \$3.5 million plus accrued interest at 9% per annum from October 2006 to date of payment, which will exceed \$5 million in total. The Subcommittee approved \$5 million General Fund to assist in covering this liability. The Department estimates that approximately \$2.4 million may be available within its existing 2009-11 legislatively approved budget that would otherwise be reverted to the General Fund. The Department is to first utilize its 2009-11 legislatively approved budget to the greatest

extent possible to address the payments due to Vantage Learning; any remaining balance due may be paid from this new appropriation. Any remaining funds from the \$5 million will be disappropriated when the Legislature convenes in 2012.

One position (1.00 FTE) is established for the Director of the Office of Regional Educational Services approved in Senate Bill 250.

The Subcommittee approved an increase of \$625,000 Other Funds expenditure limitation for the Oregon School for the Deaf (OSD) to support building improvements, repairs and maintenance costs, with the understanding that the Department of Administrative Services (DAS) will unschedule \$450,000 pending a joint report from DAS Facilities Division and OSD. The \$175,000 that is not uncheduled is for replacing carpet in the elementary/middle school building and the building used for the infirmary, food service and administration, as the old carpet is a safety hazard for children. Consistent with the direction provided by the Emergency Board in December 2010, the agency and DAS shall bring forward a five-year maintenance plan that is inclusive of funding available within the existing operating budget, community donations, proceeds from the sale of the School for the Blind, and any resources available from other state agencies. The report should also include an update on facility utilization with the improvements sponsored by the Extreme Makeover: Home Edition program. This report shall be considered in conjunction with the work of a legislative interim work group to review deferred maintenance needs and sustainability of the OSD and the staffing model prepared by ODE in response to a budget note adopted with House Bill 5020 (2011) prior to rescheduling the balance of the expenditure limitation.

Department of Community Colleges and Workforce Development

The Subcommittee approved a net increase of \$3.54 million General Fund for the following purposes:

- \$3.4 million General Fund for Oregon's National Career Readiness Certificate (NCRC) and on-the-job training programs which support the Governor's "Getting Oregon Back to Work" initiative. The Subcommittee also approved establishing one limited duration Program Analyst position (1.00 FTE) to support the NCRC. The position is grant funded and the Department has sufficient Federal Funds expenditure limitation.
- \$500,000 General Fund for a one-time expenditure of \$100,000 to the Trucking Solutions Consortium for administration and \$400,000 for a loan program for students participating in commercial driver license training. These loans are not part of a State program and funding is provided only to establish the private program.
- Decreased debt service by \$363,510 to reflect updated principal and interest payments following the April 2011 sale of Article XI-G bonds.

Oregon University System

The Oregon University System (OUS) budget is adjusted in Senate Bill 5508 to reflect the fiscal impact of Senate Bill 242. The OUS budget was reduced \$7,440,000 General Fund to reflect the System now retaining interest on all monies it receives. The interest on tuition and other revenues was previously deposited in the General Fund. To mitigate the impact of this change on the General Fund, OUS agreed to a reduction in its base budget to offset the lost General Fund revenues. OUS is further directed to phase-out an additional \$14,603,000 General Fund during development of its 2013-15 budget request to reflect the 2013-15 lost General Fund revenue estimate of \$22,043,000. Additional changes due to approval of Senate Bill 242 include a \$1,947,230 General Fund reduction to eliminate funding included in the budget to pay Department of Justice costs now that OUS will no longer be represented by the State. OUS estimates it will cost more to retain outside legal counsel, however, so the budget was increased by \$2,307,230 Other Funds to accommodate the increase in legal costs. Reductions of \$236,816 General Fund and

\$1,018,168 Other Funds are made to reflect OUS not paying DAS assessments after July 1, 2012. Additional Other Funds adjustments related to the fiscal impact of Senate Bill 242 include adding \$250,000 for a risk management consultant, \$200,000 for a study on alternative health plans, and \$14,580 due to increasing the membership of the Board of Higher Education to 15 people. Overall, these changes reduce the OUS budget for education and general services by \$9.6 million General Fund and add \$1.8 million Other Funds expenditure limitation. For complete details on the fiscal effects of Senate Bill 242, see the fiscal impact statement issued for Senate Bill 242-C.

Senate Bill 5508 also appropriates \$5,660,047 General Fund for debt service on outstanding Article XI-Q general obligation bonds. The budget for OUS included no debt service for these bonds, which have largely replaced the use of Certificates of Participation.

The Subcommittee approved an additional \$500,000 General Fund for Dispute Resolution services at the University of Oregon and an additional \$150,000 General Fund for the Labor Education Research Center at the University of Oregon. Both increases were made as one time additions in General Fund support for the 2011-13 biennium only.

HUMAN SERVICES

Oregon Health Authority

The Subcommittee approved an additional \$13.9 million Other Funds and \$23.3 million Federal Funds expenditure limitation for the increased hospital benefits for clients in the Oregon Health Plan Standard program. These increased benefits were part of the hospital provider tax expansion, but were contingent on the passage of Senate Bill 204. For this reason the limitation was not included in Senate Bill 5529, the budget bill for the Oregon Health Authority. The Subcommittee also approved the addition of \$600,000 General Fund to mitigate the reduction to the reimbursement rate for durable medical equipment.

In addition, \$300,000 Other Funds expenditure limitation was added to Public Health to restore funding to the Oregon Trauma System. The Seniors Farmers Market Program was increased by \$5,000 Other Funds and \$60,000 Federal Funds expenditure limitation. Revenues from increased medical marijuana fees will fund the state portion of these two items.

The Subcommittee directed the following budget note related to contracts for managed care plans:

BUDGET NOTE

The Oregon Health Authority (OHA) priority shall be to renew contracts of prepaid managed care plans under contract January 1, 2011 within budgetary constraints. The OHA shall not use a competitive bid process or similar process in the renewal of the contracts for prepaid managed care organizations. OHA will work cooperatively with plans to develop capitation rates using realistic pricing structures which are actuarially sound and which address the fiscal viability of the plans given the budget reductions. This structure should reflect the legislatively approved budget and its reductions as well as the need for federal approval in the most expeditious and fiscally prudent manner.

Department of Human Services

The Subcommittee added \$1.5 million Federal Funds expenditure limitation to the Children, Adults and Families budget, based on a federal bonus for Oregon's low negative error rate in administering the Supplemental Nutrition Assistance Program (SNAP/food stamps). The agency expects to use the one-time federal award to offset General Fund expenditures in program administration. The General Fund will be shifted to the Temporary Assistance to Needy Families (TANF) program budget to continue, for at least the first year of the biennium, the \$50 monthly Post-TANF payments for families who are transitioning from TANF cash assistance to employment. House Bill 5030, the department's budget bill, anticipated eliminating these payments for the full 2011-13 biennium as a budget savings action.

The Subcommittee approved an additional \$500,000 General Fund for Oregon Project Independence. Together with funding in House Bill 5030, this brings program funding to \$9.5 million General Fund for the 2011-13 biennium.

After completion of the DHS budget in House Bill 5030, DHS discovered that the budgeted funding level for Type B Area Agencies on Aging (AAAs), who determine long-term care service and financial eligibility and provide adult protective services for seniors and people with physical disabilities, was not sufficient to fund the AAAs at 85% equity relative to state office costs as was intended. The funding level in House Bill 5030 would instead fund Type B AAAs at 83.7% equity. The Subcommittee approved \$279,161 General Fund and \$260,139 Federal Funds to fund the AAAs at 85% equity through February 2012. This allows time for DHS and the AAAs to review the funding allocation model, overall costs, revenues and caseload trends, with the intent that DHS and the AAAs make a recommendation to the 2012 Legislative Assembly for addressing this issue for the balance of the 2011-13 biennium.

An additional \$2 million General Fund and \$3.3 million Federal Funds was approved to partially restore rate reductions slated for certain providers of developmental disability (DD) comprehensive services. The budget continues the DD provider rate reductions implemented as part of the DHS allotment reductions for the 2009-11 biennium, but the added funding will avoid, at least through February 2012, further reductions otherwise expected for the 2011-13 biennium. The added funding will delay the October 1, 2011 4% comprehensive services rate reduction through February 2012 for Adult Supportive Living Services, Adult and Children's 24-Hour DD Residential Services, Employment Services and Children's Proctor Care; and fund brokerage administration at 89% of equity. The funding will not impact the following reductions set to take effect October 1, 2011: 10% reduction to Adult DD Foster Care providers and Community Developmental Disability Programs; a further 4% reduction in Children's DD Foster Care; and a 4% reduction to non-Alternatives to Employment program transportation.

State Commission on Children and Families

An additional 0.25 FTE reduction is made as a technical adjustment to reflect the Commission's final staffing plan to implement its legislatively adopted budget in Senate Bill 5550.

JUDICIAL BRANCH

Judicial Department

The Subcommittee approved adjustments to the budget for the Judicial Department as follows:

- House Bill 2710 transfers funding of the Collection and Revenue Management Program from Other Funds back to the General Fund. This results in a \$28.2 million Other Funds expenditure limitation reduction, with General Fund appropriations of \$9.3 million for third party debt collection fees and \$18.9 million for Personal Service and services and supplies costs. This action does not result in any change to the Department's positions or FTE.
- A General Fund appropriation of \$2 million for Trial and Appellate level operations costs.
- General Fund appropriations for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000).
- An Other Funds reduction of \$405,816 for the costs of issuance for Oregon eCourt Program Article XI-Q bonds. The Department's budget will retain \$100,000 for the \$6 million of Article XI-Q bonds approved in House Bill 5005.
- A General Fund Debt Service reduction of \$486,738, which reflects a lower Article XI-Q bond issuance for the Oregon eCourt Program than was assumed in the Governor's recommended budget.

LEGISLATIVE BRANCH

Legislative Counsel Committee

The Other Funds expenditure limitation for the Legislative Counsel Committee is decreased by \$275,000 for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000). For the 2011-13 biennium, these two entities will receive a General Fund appropriation through the Oregon Judicial Department (see the Judicial Branch program area narrative above).

NATURAL RESOURCES

State Department of Agriculture

Lottery funds expenditure limitation is increased by \$543,000 on a one-time basis to accommodate 2009-11 carry forward for weed control activities. Due to the excessively wet spring, the Department was unable to complete all the weed control projects originally planned for the 2009-11 biennium.

State Department of Energy

Senate Bill 5508 increases the Department's Other Funds expenditure limitation by \$100,000 for financing and technical assistance to school districts for investments in energy efficiency in the 2011-13 biennium; this includes one limited-duration finance position (1.00 FTE). It also increases Other Funds by \$400,000 for the expenses of one limited-duration Governor's energy policy advisor position (1.00 FTE), for supporting the development of a 10-year plan for energy, and for coordinating other activities related to energy policy within the Office of the Governor and the Department.

The following budget note was approved:

BUDGET NOTE

The Department of Energy will establish a work group to develop policy recommendations to be provided to the Legislature during the February 2012 session relating to large single load customers that result in small utilities being re-designated as large utilities under the renewable portfolio standard. Members of the workgroup shall consist of nine members, appointed as follows:

- The Department of Energy shall appoint:
 - two representatives of the Umatilla Electric Cooperative;
 - one representative of the environmental community;
 - one representative of the natural resource community; and
 - one representative of consumer owned utilities.
- The Co-Speakers of the House of Representatives shall appoint two members, one from each caucus, who shall serve as ex-officio members.
- The Senate President shall appoint two members, one from each caucus, who shall serve as ex-officio members.

A representative of the Governor's office, designated by the Governor, is also invited to participate.

The work group shall:

- examine issues and develop policy recommendations relating to small utilities that have large single load customers, which result in the utilities being reclassified as large utilities under the renewable portfolio standard;
- examine complications resulting from contract requirements between the Bonneville Power Administration and preferred energy customers for Tier II energy contracts, and make recommendations for potential rule or policy changes; and
- submit a report, including findings and recommendations, to the Department of Energy and the interim legislative committees relating to energy and consumer protection no later than February 1, 2012.

Department of Environmental Quality

The Subcommittee approved the following budget note relating to the implementation of new water quality standards:

BUDGET NOTE

By February 15, 2013, DEQ shall report to the Seventy-seventh Legislative Assembly on the status of the water quality standards rules proposed for adoption in June 2011, including whether the rules were adopted by the Environmental Quality Commission (EQC) and approved by the Environmental Protection Agency (EPA). If the standards are adopted and approved, the report shall also include, but need not be limited to:

- the number and types of variances granted;
- a summary of the conditions contained in the variances;
- for each variance application received by DEQ, the cost incurred by a permittee to prepare the variance application as made available by the applicant; and,
- information provided by permittees who applied for a variance on the estimated costs associated with implementing the pollution prevention plan required by the variance and other related fiscal impacts.

By February 15, 2015, DEQ shall report to the Seventy-eighth Legislative Assembly on the status and implementation of the human health toxics standards and any related standards adopted by the EQC and approved by EPA after June 2011. The report shall also include but not be limited to the information listed above.

State Department of Fish and Wildlife

Senate Bill 5508 establishes \$726,928 Other Funds expenditure limitation for State Department of Fish and Wildlife debt service payments for the agency's headquarters building project to be financed with Article XI-Q bonds authorized in HB 5005.

State Forestry Department

The Subcommittee approved an increase of \$414,881 Other Funds for the cost of issuance related to the sale of lottery bonds (\$1.9 million) authorized in House Bill 5036 for the purchase of land in the Gilchrist Forest. The Subcommittee reduced the Private Forests Other Funds expenditure limitation by \$300,000 to remove limitation related to contract services funded by the harvest tax revenue. These services will be accommodated within the Department's total budget authorization for the 2011-13 biennium.

Water Resources Department

Senate Bill 5508 appropriates \$487,062 General Fund to restore a Water Availability Modeler position (\$152,972), a Groundwater Hydrogeologist position (\$159,090) and groundwater research funds (\$125,000) that the Governor's recommended budget proposed to eliminate, and provide \$50,000 services and supplies to contract data systems maintenance and software applications related to the program. Restoring the two positions (2.00 FTE) enables the department to maintain water availability models and hydrographic data needed to make decisions when water right applications, permits, and transfers are evaluated; and identify aquifer boundaries, define water budgets, document the interaction between surface water and groundwater and quantify the impacts of future allocations on senior users and the water resource.

PUBLIC SAFETY

Oregon Criminal Justice Commission

Other Funds expenditure limitation for the Criminal Justice Commission is increased by \$176,384 to provide sufficient limitation for payment to drug courts to comply with the 2005 law that requires the Commission pay 20% of forfeiture collections to drug courts.

Department of Justice

The Subcommittee appropriated \$600,000 General Fund to the Department of Justice for two Crime Victims' programs. The Child Abuse Multidisciplinary Account (CAMI) is to receive \$458,940 General Fund and the Oregon Domestic and Sexual Violence Abuse program is to receive \$141,060 General Fund. These appropriations are in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

Oregon Military Department

The Subcommittee approved \$7.5 million Other Funds expenditure limitation for the expenditure of Article XI-M seismic rehabilitation bonds approved in House Bill 5005. Additionally, the Subcommittee appropriated \$618,000 in General Fund debt service for the Article XI-M bonds and added \$114,000 Other Funds expenditure limitation for the cost of issuance.

The Subcommittee approved a \$43,737 Other Funds expenditure limitation increase for the cost of issuance of The Dalles Readiness Center's Article XI-Q bonds, as approved in House Bill 5005. This issuance, which will occur late in the 2011-13 biennium, does not have any associated General Fund debt service during the biennium.

Oregon Youth Authority

An additional \$300,000 General Fund is appropriated to the Oregon Youth Authority to enhance funding for east Multnomah County gang intervention services.

TRANSPORTATION

Department of Transportation

The Subcommittee added \$2 million General Fund for Senior and Disabled Transportation operating grants in the Oregon Transportation Department's Public Transit division. Public transit activities include offering mobility grants to communities to ensure equality of opportunity to access transportation systems and services for seniors and individuals with disabilities.

The Subcommittee approved an increase of \$12,503,912 Other Funds expenditure limitation to implement provisions of House Bill 5036 authorizing issuance of lottery bonds for Connect Oregon IV for multimodal transportation projects. This amount includes the cost of issuance and the amount of bond proceeds that is anticipated to be distributed during the biennium.

An additional \$549,715 Other Funds expenditure limitation was approved to correct a calculation error in vacancy savings for Motor Carrier Transportation (\$193,815), Transportation Program Development (\$334,957), and the Transportation Safety Program (\$20,943).

Adjustments to 2009-11 Budgets

Public Utility Commission

Senate Bill 5508 increases the Commission's Other Funds expenditure limitation by \$10,000 for the Board of Maritime Pilots related to Attorney General charges associated with rate cases.

Oregon University System (Department of Higher Education)

Federal Funds expenditure limitation for the Oregon University System is increased by \$3,550. Unallocated federal American Recovery and Reinvestment Act funding is added for 2009-11 to ensure the correct distribution of these funds is maintained between the education sectors as required by the granting authority.

Judicial Department

The Judicial Department budget is increased with a \$499,999 General Fund appropriation for operations. The amount of the appropriation is to ensure that the Department receives seven quarters of House Bill 2287 revenues (\$22,002,005) as anticipated in the Department's 2009-11 legislatively approved budget.

Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$802,570 for the Public Defense Services Account for trial-level public defense. The amount of the appropriation is to ensure that the agency receives seven quarters of House Bill 2287 revenues (\$12,380,573) as anticipated in the Commission's 2009-11 legislatively approved budget.

Oregon Watershed Enhancement Board

Expenditure limitation for this Board is increased by \$800,000 Federal Funds to pay out federal land acquisition grants that the agency expects to expend late in the current biennium.

Department of Transportation

The Subcommittee added \$2 Lottery Funds expenditure limitation for debt service payments for Connect Oregon II for multimodal transportation projects and the Southeast Metro Milwaukie Extension bonds.

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
ADMINISTRATION								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,691)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-06	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	-	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(249)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(6,360)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	(404)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
CONSUMER AND BUSINESS SERVICES								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetary Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
HEALTH RELATED LICENSING BRDS	Oregon State Veterinary Medical Examining Board	HB 5028	07	OF	-	-	4,633	-
OREGON HEALTH LICENSING AGENCY	Operating Expenses	HB 5026	01	OF	-	-	(19,614)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	01	GF	(10,650)	-	-	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	02	OF	-	-	(3,637)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	04	FF	-	-	-	(819)
PUBLIC UTILITY COMMISSION	Utility program	SB 5542	01-01	OF	-	-	(5,168)	-
PUBLIC UTILITY COMMISSION	Residential Service Protection Fund	SB 5542	01-02	OF	-	-	(286)	-
PUBLIC UTILITY COMMISSION	Administration	SB 5542	01-03	OF	-	-	(17,065)	-
PUBLIC UTILITY COMMISSION	Board of Maritime Pilots	SB 5542	01-04	OF	-	-	(71)	-
PUBLIC UTILITY COMMISSION	Operating Expenses	SB 5542	02	FF	-	-	-	(36)
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	01	OF	-	-	(506,788)	-
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	02	FF	-	-	-	(2,438)
REAL ESTATE AGENCY	Operating Expenses	SB 5544	01	OF	-	-	(33,430)	-
BOARD OF NURSING	Operating Expenses	SB 5527	01	OF	-	-	(55,413)	-
OREGON MEDICAL BOARD	Operating Expenses	SB 5526	01	OF	-	-	(2,002)	-
PHARMACY, OREGON BOARD OF	Operating Expenses	SB 5536	01	OF	-	-	2,463	-
ECONOMIC DEVELOPMENT								
OREGON BUSINESS DEVELOPMENT DEF Arts		SB 5528	01	GF	(1,316)	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	02-01	OF	-	-	(912)	-
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	02-02	OF	-	-	(9,335)	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	02-03	OF	-	-	(1,923)	-
OREGON BUSINESS DEVELOPMENT DEF Arts & Cultural Trust		SB 5528	02-04	OF	-	-	(1,614)	-
OREGON BUSINESS DEVELOPMENT DEF Debt Service		SB 5528	02-05	OF	-	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	03-01a	LF	-	(8,976)	-	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	03-01b	LF	-	(11,753)	-	-
OREGON BUSINESS DEVELOPMENT DEF Debt service on lottery bonds		SB 5528	03-01d	LF	-	(7,636,301)	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	04-01	FF	-	-	-	(8)
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	04-02	FF	-	-	-	(158)
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	01	GF	822	-	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	02-01	OF	-	-	140,692	-
DEPT OF HOUSING/COMMUNITY SVCS	Debt service on lottery bonds	SB 5515	03	LF	-	(893,958)	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	04	FF	-	-	-	26,833
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	01-03	GF	(572)	-	-	-
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	02-01	OF	-	-	(39,377)	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	02-01	OF	-	-	1,204,757	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	05	FF	-	-	-	(365,884)
EDUCATION								
TEACHER STANDARDS/PRACTICES	Operating Expenses	SB 5545	01	OF	-	-	7,367	-
STUDENT ASSISTANCE COMMISSION	Office of Degree Authorization	HB 5043	01-04	GF	(359)	-	-	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	02	OF	-	-	(5,890)	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	01-03	GF	(3,546)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	01-01	GF	(79,021)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	01-02	GF	(6,578)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	01-03	GF	(6,176)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	01-04	GF	(760)	-	-	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF HIGHER EDUCATION	Debt service on outstanding general obligation bonds	SB 5532	01-05-a	GF	(4,613,989)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Debt service for COPs	SB 5532	01-05-b	GF	(8,483,611)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Repayment to Dept of Energy (Debt Service)	SB 5532	01-05-c	GF	2,085,658	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	02-01	OF	-	-	(247,055)	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	02-02	OF	-	-	(2,191)	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	02-03	OF	-	-	(1,361)	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	02-04	OF	-	-	(1,466)	-
DEPARTMENT OF HIGHER EDUCATION	Debt service on lottery bonds	SB 5532	04	LF	-	(2,450,028)	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	01-01	GF	(9,475)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	02-01	OF	-	-	(4,956)	-
COMMUNITY COLLEGES DEPARTMENT	Oregon Youth Conservation Corps	HB 5011	02-02	OF	-	-	(67)	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	03	FF	-	-	-	(18,423)
COMMUNITY COLLEGES DEPARTMENT	Debt service on lottery bonds	HB 5011	08	LF	-	(586,989)	-	-
DEPT OF EDUCATION	Operations	HB 5020	01-01	GF	(242,493)	-	-	-
DEPT OF EDUCATION	Operations	HB 5020	03-01	OF	-	-	(95,444)	-
DEPT OF EDUCATION	Oregon State Schools for the Deaf	HB 5020	03-02	OF	-	-	(2,358)	-
DEPT OF EDUCATION	Youth Corrections Education Program	HB 5020	03-05	OF	-	-	(1,229)	-
DEPT OF EDUCATION	Operations	HB 5020	04-01	FF	-	-	-	(75,881)
DEPT OF EDUCATION	Debt service on lottery bonds	HB 5020	07	LF	-	(935,761)	-	-
DEPT OF EDUCATION	Debt service on lottery bonds (OEF)	HB 5020	08	LF	-	(322,502)	-	-
HUMAN SERVICES								
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	01	GF	(1,439)	-	-	-
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	02	OF	-	-	(183)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	01	GF	(1,512)	-	-	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	02	OF	-	-	(5,298)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	03	FF	-	-	-	(41,149)
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	01	GF	(552)	-	-	-
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	02	OF	-	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	01-01	GF	(5,183)	-	-	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	01-02	GF	(693,929)	-	-	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	01-03	GF	(250,138)	-	-	-
DEPT OF HUMAN SERVICES	Debt Service	HB 5030	01-04	GF	(73,213)	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	02-01	OF	-	-	(946)	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	02-02	OF	-	-	(38,928)	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	02-03	OF	-	-	(6,453)	-
DEPT OF HUMAN SERVICES	Shared Services	HB 5030	02-04	OF	-	-	(175,921)	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	03-01	FF	-	-	-	30,542
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	03-02	FF	-	-	-	(824,071)
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	03-03	FF	-	-	-	(400,838)
COMMISSION ON CHILDREN/FAMILIES	General Fund	SB 5550	01	GF	(5,608)	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	01-01	GF	(578,758)	-	-	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	01-02	GF	(8,386)	-	-	-
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	01-04	GF	96,134	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	02-01	OF	-	-	(164,642)	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	02-02	OF	-	-	(2,149)	-
OREGON HEALTH AUTHORITY	Shared Services	SB 5529	02-03	OF	-	-	(306,791)	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	02-04	OF	-	-	(7,053,790)	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	04-01	FF	-	-	-	(412,885)
OREGON HEALTH AUTHORITY	Central Services	SB 5529	04-02	FF	-	-	-	57,432
JUDICIAL BRANCH								
JUDICIAL FIT OR DISABILITY COM	Operations	SB 5517	01-01	GF	(45)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	01-02	GF	(136,824)	-	-	-
JUDICIAL DEPARTMENT	Mandated payments	SB 5516	01-03	GF	(272)	-	-	-
JUDICIAL DEPARTMENT	Debt Service	SB 5516	01-05	GF	(2,790,843)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	02-01	OF	-	-	(801)	-
JUDICIAL DEPARTMENT	Operations	SB 5516	04	FF	-	-	-	(7)
PUBLIC DEFENSE SERVICES	Appellate Division	SB 5540	01-01	GF	(12,289)	-	-	-
PUBLIC DEFENSE SERVICES	Contract and Business Services Division	SB 5540	01-03	GF	(3,410)	-	-	-
LEGISLATIVE BRANCH								
LEGISLATIVE ADMIN COMMITTEE	General program	SB 5520	01-01	GF	(17,594)	-	-	-
LEGISLATIVE ASSEMBLY	Presiding Officers, caucuses, desks	SB 5520	04-01	GF	(24,066)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - interim	SB 5520	05-01	GF	(1,624)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - session	SB 5520	05-02	GF	(2,375)	-	-	-
LEGISLATIVE COUNSEL COMMITTEE	Operating Expenses	SB 5520	09	GF	(5,286)	-	-	-
LEGISLATIVE FISCAL OFFICER	Operating Expenses	SB 5520	12	GF	(2,667)	-	-	-
LEGISLATIVE REVENUE OFFICE	Operating Expenses	SB 5520	13	GF	(756)	-	-	-
INDIAN SERVICES COMMISSION	Operating Expenses	SB 5520	14	GF	(201)	-	-	-
NATURAL RESOURCES								
MARINE BOARD	Administration and education	SB 5525	01-01	OF	-	-	(11,610)	-
MARINE BOARD	Administration and education	SB 5525	02-01	FF	-	-	-	(466)
DEPARTMENT OF ENERGY	Operations	SB 5511	01	OF	-	-	(14,134)	-
DEPARTMENT OF ENERGY	Operations	SB 5511	03	FF	-	-	-	(181)
DEPT OF GEOLOGY AND INDUSTRIES	General Fund	SB 5514	01	GF	(2,846)	-	-	-
DEPT OF GEOLOGY AND INDUSTRIES	Other funds	SB 5514	02	OF	-	-	(663)	-
DEPT OF GEOLOGY AND INDUSTRIES	Federal funds	SB 5514	03	FF	-	-	-	(927)
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	01-02	OF	-	-	(50,836)	-
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	02-02	LF	-	(32,312)	-	-
LAND USE APPEALS BOARD	General Fund	HB 5034	01	GF	(597)	-	-	-
LAND USE APPEALS BOARD	Other funds	HB 5034	02	OF	-	-	(24)	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	01	GF	(15,771)	-	-	-
DEPT OF WATER RESOURCES	Debt service on lottery bonds	HB 5049	02	LF	-	152,455	-	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	03-01	OF	-	-	(2,485)	-
DEPT OF WATER RESOURCES	Water development fund	HB 5049	03-02	OF	-	-	(31)	-
DEPT OF WATER RESOURCES	Operating Expenses	HB 5049	04	FF	-	-	-	(22)
WATERSHED ENHANCEMENT BOARD	Watershed Improvement Operating Fund	SB 5547	05	LF	-	(8,025)	-	-
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	06	FF	-	-	-	(133)
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	07	OF	-	-	(15)	-
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	01-01	OF	-	-	(33,568)	-
DEPARTMENT OF STATE LANDS	Oregon Removal-Fill Mitigation Fund	HB 5042	01-02	OF	-	-	(44)	-
DEPARTMENT OF STATE LANDS	Natural Heritage Advisory Council	HB 5042	01-03	OF	-	-	(10)	-
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	01-04	OF	-	-	(1,056)	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	02-01	FF	-	-	-	(24)
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	02-03	FF	-	-	-	(1,020)
DEPT OF AGRICULTURE	Food Safety	HB 5002	01-02	GF	(4,323)	-	-	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	01-03	GF	(2,085)	-	-	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	01-04	GF	(2,506)	-	-	-
DEPT OF AGRICULTURE	Administrative and Support Services	HB 5002	02-01	OF	-	-	(2,243)	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	02-02	OF	-	-	(11,003)	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	02-03	OF	-	-	(12,017)	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	02-04	OF	-	-	(8,294)	-
DEPT OF AGRICULTURE	Parks and Natural Resources Fund	HB 5002	03	LF	-	(4,557)	-	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	04-01	FF	-	-	-	(47)
DEPT OF AGRICULTURE	Natural Resources	HB 5002	04-02	FF	-	-	-	(475)
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	04-03	FF	-	-	-	(487)
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	01-01	GF	(507)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	01-02	GF	(1,856)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	01-03	GF	(54)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	01-04	GF	(23)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	02-01	OF	-	-	(7,575)	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	02-02	OF	-	-	(4,865)	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	02-03	OF	-	-	(4,227)	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	02-04	OF	-	-	(6)	-
DEPT OF ENVIRONMENTAL QUALITY	Agency management	HB 5022	02-05	OF	-	-	(125,857)	-
DEPT OF ENVIRONMENTAL QUALITY	Parks and Natural Resources Fund	HB 5022	03	LF	-	(856)	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	05-01	FF	-	-	-	(814)
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	05-02	FF	-	-	-	(1,188)
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	05-03	FF	-	-	-	(1,348)
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	05-04	FF	-	-	-	(97)
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	01-01	GF	(257)	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	01-02	GF	(35)	-	-	-
DEPT OF FISH AND WILDLIFE	Administration Division	SB 5513	01-03	GF	(22,619)	-	-	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	02-01	OF	-	-	(4,106)	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	02-02	OF	-	-	(3,552)	-
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	02-03	OF	-	-	(99,257)	-
DEPT OF FISH AND WILDLIFE	Capital Improvement	SB 5513	02-04	OF	-	-	(172)	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	04-01	FF	-	-	-	(3,120)
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	04-02	FF	-	-	-	(987)
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	04-03	FF	-	-	-	(57)
DEPT OF FORESTRY	Fire Protection	HB 5023	01-01	GF	(25,985)	-	-	-
DEPT OF FORESTRY	Private forests	HB 5023	01-02	GF	(6,436)	-	-	-
DEPT OF FORESTRY	Debt Service	HB 5023	01-03	GF	(48,018)	-	-	-
DEPT OF FORESTRY	Agency administration	HB 5023	02-01	OF	-	-	(81,246)	-
DEPT OF FORESTRY	Protection from fire	HB 5023	02-02	OF	-	-	(66,576)	-
DEPT OF FORESTRY	State forests	HB 5023	02-03	OF	-	-	(61,666)	-
DEPT OF FORESTRY	Private forests	HB 5023	02-04	OF	-	-	(7,257)	-
DEPT OF FORESTRY	Debt Service	HB 5023	02-06	OF	-	-	(19,077)	-
DEPT OF FORESTRY	Equipment pool	HB 5023	02-07	OF	-	-	(26,752)	-
DEPT OF FORESTRY	Facilities maintenance and management	HB 5023	02-08	OF	-	-	(64)	-
DEPT OF FORESTRY	Debt service on lottery bonds	HB 5023	03	LF	-	175,837	-	-

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF FORESTRY	Agency administration	HB 5023	04-01	FF	-	-	-	(472)
DEPT OF FORESTRY	Protection from fire	HB 5023	04-02	FF	-	-	-	(5,779)
DEPT OF FORESTRY	Private forests	HB 5023	04-04	FF	-	-	-	(2,808)
DEPT OF LAND CONSERVTN/DEVELOP	Planning program	HB 5032	01-01	GF	(8,499)	-	-	-
DEPT OF LAND CONSERVTN/DEVELOP	Operating expenses	HB 5032	02	OF	-	-	(55)	-
DEPT OF LAND CONSERVTN/DEVELOP	Planning program	HB 5032	03	FF	-	-	-	(3,008)
COLUMBIA RIVER GORGE COMMISSION	Operating Expenses	HB 5010	01	GF	(54)	-	-	-
PUBLIC SAFETY								
BOARD OF PAROLE/POST PRISON	General Fund	SB 5535	01	GF	(1,693)	-	-	-
OREGON STATE POLICE	Patrol services, criminal investigations and gaming enforcement	SB 5537	01-01	GF	(121,630)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	01-02	GF	(3,867)	-	-	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	01-03	GF	(20,086)	-	-	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	01-04	GF	(38,137)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	02-02	OF	-	-	(14,755)	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	02-03	OF	-	-	(195)	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	02-04	OF	-	-	(30,270)	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	03-02	FF	-	-	-	(737)
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	03-04	FF	-	-	-	(458)
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	04-00	LF	-	(4,692)	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	01-01	GF	(45,050)	-	-	-
DEPT OF CORRECTIONS	Administration, public services, general services and human resources	SB 5505	01-02	GF	(781,145)	-	-	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	01-03	GF	(11,505)	-	-	-
DEPT OF CORRECTIONS	Debt Service	SB 5505	01-05	GF	(3,022,038)	-	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	02-01	OF	-	-	(4,402)	-
DEPT OF CORRECTIONS	Administration, public services, and general services	SB 5505	02-02	OF	-	-	(85,615)	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	02-03	OF	-	-	(13)	-
CRIMINAL JUSTICE COMMISSION	General Fund	SB 5507	01	GF	(1,421)	-	-	-
CRIMINAL JUSTICE COMMISSION	Other funds	SB 5507	02	OF	-	-	(50)	-
CRIMINAL JUSTICE COMMISSION	Federal funds	SB 5507	03	FF	-	-	-	(191)
DISTRICT ATTORNEYS/DEPUTIES	Department of Justice for District Attorneys	HB 5019	01	GF	(3,060)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	01	GF	(107,062)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	02	OF	-	-	(460,491)	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	03	FF	-	-	-	(514,045)
DEPT OF MILITARY	Administration	HB 5037	01-01	GF	(8,530)	-	-	-
DEPT OF MILITARY	Operations	HB 5037	01-02	GF	(17,641)	-	-	-
DEPT OF MILITARY	Emergency Management	HB 5037	01-03	GF	(388)	-	-	-
DEPT OF MILITARY	Community Support	HB 5037	01-04	GF	(513)	-	-	-
DEPT OF MILITARY	Capital Debt Service and Related Costs	HB 5037	01-05	GF	(211,996)	-	-	-
DEPT OF MILITARY	Administration	HB 5037	02-01	OF	-	-	(466)	-
DEPT OF MILITARY	Operations	HB 5037	02-02	OF	-	-	(1,066)	-
DEPT OF MILITARY	Emergency Management	HB 5037	02-03	OF	-	-	(3,495)	-
DEPT OF MILITARY	Community Support	HB 5037	02-04	OF	-	-	(17)	-
DEPT OF MILITARY	Operations	HB 5037	03-01	FF	-	-	-	(26,146)

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF MILITARY	Emergency Management	HB 5037	03-02	FF	-	-	-	(2,475)
DEPT OF MILITARY	Community Support	HB 5037	03-03	FF	-	-	-	(1,647)
PUBLIC SAFETY/STDS/TRAINING	Operations	SB 5541	02	OF	-	-	(40,497)	-
OREGON YOUTH AUTHORITY	Operations	SB 5549	01-01	GF	(156,486)	-	-	-
OREGON YOUTH AUTHORITY	Debt Service	SB 5549	01-02	GF	(159,158)	-	-	-
OREGON YOUTH AUTHORITY	Operations	SB 5549	03	FF	-	-	-	(4,584)
TRANSPORTATION								
AVIATION DEPARTMENT	Operations	HB 5004	01-01	OF	-	-	(2,668)	-
OREGON DEPT OF TRANSPORTATION	Maintenance and emergency relief program	HB 5046	02-02	OF	-	-	(562,909)	-
OREGON DEPT OF TRANSPORTATION	Preservation program	HB 5046	02-03	OF	-	-	(6,613)	-
OREGON DEPT OF TRANSPORTATION	Bridge program	HB 5046	02-04	OF	-	-	(21,791)	-
OREGON DEPT OF TRANSPORTATION	Operations program	HB 5046	02-05	OF	-	-	(76,146)	-
OREGON DEPT OF TRANSPORTATION	Modernization program	HB 5046	02-06	OF	-	-	(3,562)	-
OREGON DEPT OF TRANSPORTATION	Special programs	HB 5046	02-07	OF	-	-	(625,605)	-
OREGON DEPT OF TRANSPORTATION	Local government program	HB 5046	02-08	OF	-	-	(7,778)	-
OREGON DEPT OF TRANSPORTATION	Driver and motor vehicle services	HB 5046	02-09	OF	-	-	(1,862,141)	-
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	02-10	OF	-	-	(92,287)	-
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	02-11	OF	-	-	(103,298)	-
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	02-13	OF	-	-	(3,625)	-
OREGON DEPT OF TRANSPORTATION	Rail	HB 5046	02-14	OF	-	-	(11,201)	-
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	02-15	OF	-	-	(14,980)	-
OREGON DEPT OF TRANSPORTATION	Central services	HB 5046	02-16	OF	-	-	(1,903,041)	-
OREGON DEPT OF TRANSPORTATION	Debt Service	HB 5046	02-17	OF	-	-	(17,906,875)	-
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	03-02	FF	-	-	-	(1,123)
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	03-03	FF	-	-	-	(2,272)
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	03-04	FF	-	-	-	(5,164)
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	03-06	FF	-	-	-	(21,148)
OREGON DEPT OF TRANSPORTATION	Debt service on lottery bonds	HB 5046	04-01	LF	-	(11,276,491)	-	-
TOTAL					(21,137,899)	(24,477,825)	(33,909,520)	(2,633,061)

A-Engrossed Senate Bill 5701

Ordered by the Senate March 5
Including Senate Amendments dated March 5

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Joint Interim Committee on Ways and Means)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases and decreases certain biennial appropriations made from General Fund to specified state agencies **and Emergency Board. Makes certain biennial appropriations from General Fund to specified state agencies and Emergency Board.**

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by specified state agencies.

Limits biennial expenditures of specified state agencies from federal funds. Limits biennial expenditures of Judicial Department for specialty courts **and capital improvement. Limits biennial expenditures of Oregon Department of Administrative Services from bond proceeds.** Increases and decreases limitations on expenditures for certain biennial expenses for specified state agencies.

Increases amount that Department of Education may spend from State School Fund for fiscal year beginning July 1, 2012.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending section 5, chapter 20,
3 Oregon Laws 2011; repealing section 5, chapter 339, Oregon Laws 2011, section 12, chapter 496,
4 Oregon Laws 2011, section 6, chapter 577, Oregon Laws 2011, section 5, chapter 590, Oregon
5 Laws 2011, section 52, chapter 600, Oregon Laws 2011, section 12, chapter 609, Oregon Laws
6 2011, section 5, chapter 621, Oregon Laws 2011, and section 4, chapter 666, Oregon Laws 2011;
7 appropriating money; limiting expenditures; and declaring an emergency.

8 **Be It Enacted by the People of the State of Oregon:**

9 **SECTION 1.** Notwithstanding any other law limiting expenditures, the amount of
10 **\$1,712,451 is established for the biennium beginning July 1, 2011, as the maximum limit for**
11 **payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts,**
12 **and including reimbursements from federal service agreements, but excluding lottery funds**
13 **and federal funds, collected or received by the Judicial Department, for specialty courts.**

14 **SECTION 2.** Notwithstanding any other law limiting expenditures, the amount of \$413,449
15 **is established for the biennium beginning July 1, 2011, as the maximum limit for payment of**
16 **expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but ex-**
17 **cluding lottery funds and federal funds, collected or received by the Department of Cor-**
18 **rections, for capital improvements.**

19 **SECTION 3.** Notwithstanding any other law limiting expenditures, the amount of \$200,000
20 **is established for the biennium beginning July 1, 2011, as the maximum limit for payment of**

NOTE: Matter in boldfaced type in an amended section is new; matter *italic and bracketed* is existing law to be omitted.
New sections are in boldfaced type.

1 expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but ex-
2 cluding lottery funds, federal funds and those funds described in section 7, chapter 616,
3 Oregon Laws 2011, collected or received by the Department of Community Colleges and
4 Workforce Development, for debt service on outstanding general obligation bonds sold pur-
5 suant to Article XI-G of the Oregon Constitution.

6 SECTION 4. (1) In addition to and not in lieu of any other appropriation, there is appro-
7 priated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General
8 Fund, the amount of \$3,500,000, to be allocated to the Public Defense Services Commission
9 for trial level public defense.

10 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated
11 by the Emergency Board prior to December 1, 2012, the moneys remaining on that date be-
12 come available for any purpose for which the Emergency Board lawfully may allocate funds.

13 SECTION 5. In addition to and not in lieu of any other appropriation, there is appropri-
14 ated to the Department of State Lands, for the biennium beginning July 1, 2011, out of the
15 General Fund, the amount of \$681,266, which may be expended for payment of expenses re-
16 lated to the Portland Harbor Superfund project.

17 SECTION 6. Notwithstanding any other provision of law, the General Fund appropriation
18 made to the Emergency Board by section 1, chapter 600, Oregon Laws 2011, for the biennium
19 beginning July 1, 2011, is decreased by \$681,266.

20 SECTION 7. Notwithstanding any other provision of law, the General Fund appropriation
21 made to the Emergency Board by section 6, chapter 537, Oregon Laws 2011, for the biennium
22 beginning July 1, 2011, for allocation to the State Forestry Department for fire suppression
23 costs, is decreased by \$2,120,017.

24 SECTION 8. Notwithstanding any other law limiting expenditures, the amount of \$1 is
25 established for the biennium beginning July 1, 2011, as the maximum limit for payment of
26 expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but ex-
27 cluding lottery funds and federal funds, collected or received by the Office of the Governor
28 from the Governor's Office Operating Fund.

29 SECTION 9. Notwithstanding any other law limiting expenditures, the amount of \$140,000
30 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of
31 expenses for capital improvement from federal funds received by the State Department of
32 Fish and Wildlife.

33 SECTION 10. Notwithstanding any other law limiting expenditures, the amount of \$85,455
34 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of
35 expenses from federal funds received by the Teacher Standards and Practices Commission.

36 SECTION 11. Notwithstanding any other law limiting expenditures, the amount of
37 \$3,932,550 is established for the biennium beginning July 1, 2011, as the maximum limit for
38 payment of expenses for construction and maintenance of court facilities from bond proceeds
39 collected or received by the Oregon Department of Administrative Services.

40 SECTION 12. (1) Notwithstanding any other law limiting expenditures, the amount of
41 \$134,361,683 is established for the biennium beginning July 1, 2011, as the maximum limit for
42 payment of expenses from federal funds collected or received by the Employment Depart-
43 ment under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)
44 and section 418 of the Social Security Act (42 U.S.C. 618), as amended.

45 (2) Notwithstanding any other law limiting expenditures, the amount of \$158,066,704 is

1 established for the biennium beginning July 1, 2011, as the maximum limit for payment of
2 expenses from federal funds other than those described in section 3, chapter 339, Oregon
3 Laws 2011, or subsection (1) of this section collected or received by the Employment De-
4 partment.

5 SECTION 13. Notwithstanding any other law limiting expenditures, the amount of \$97,460
6 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of
7 expenses for capital improvement from fees, moneys or other revenues, including Miscella-
8 neous Receipts, and including reimbursements from federal service agreements, but exclud-
9 ing lottery funds and federal funds other than those described in this section, collected or
10 received by the Judicial Department.

11 SECTION 14. In addition to and not in lieu of any other appropriation, there is appro-
12 priated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General
13 Fund, the amount of \$2,900,000 for any purpose for which the Emergency Board lawfully may
14 allocate funds.

15 SECTION 15. (1) In addition to and not in lieu of any other appropriation, there is ap-
16 propriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the
17 General Fund, the amount of \$60,000,000 for:

18 (a) Supplemental allocations to state agencies for restoration of targeted programs if the
19 Oregon Department of Administrative Services reduces allotments under ORS 291.261;

20 (b) Home foreclosure issues; or

21 (c) Human services caseload increases.

22 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated
23 by the Emergency Board prior to December 1, 2012, the moneys remaining on that date be-
24 come available for any purpose for which the Emergency Board lawfully may allocate funds.
25 SECTION 16. (1) In addition to and not in lieu of any other appropriation, there is ap-
26 propriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the
27 General Fund, the amount of \$10,000,000, to be allocated for the preservation of education
28 programs as described in subsection (2) of this section.

29 (2) If the Oregon Department of Administrative Services reduces allotments under ORS
30 291.261, a state agency administering a program appropriation described in this subsection
31 may request allocations of moneys from the Emergency Board in a total amount that does
32 not exceed the total amount of the allotment reduction applicable to the appropriation. This
33 subsection applies to:

34 (a) The appropriation made to the Oregon Department of Administrative Services by
35 section 1, chapter 582, Oregon Laws 2011;

36 (b) The appropriation made to the Department of Community Colleges and Workforce
37 Development by section 1 (2), chapter 616, Oregon Laws 2011; and

38 (c) The appropriation made to the Department of Education by section 2, chapter 619,
39 Oregon Laws 2011.

40 (3) If any of the moneys appropriated by subsection (1) of this section are not allocated
41 by the Emergency Board prior to December 1, 2012, the moneys remaining on that date be-
42 come available for any purpose for which the Emergency Board lawfully may allocate funds.

43 SECTION 17. (1) In addition to and not in lieu of any other appropriation, there is ap-
44 propriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the
45 General Fund, the amount of \$1,084,432, to be allocated to the Judicial Department for court

1 operations.
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 3 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated
 4 by the Emergency Board prior to December 1, 2012, the moneys remaining on that date be-
 5 come available for any purpose for which the Emergency Board lawfully may allocate funds.
 6 SECTION 18. Section 5, chapter 339, Oregon Laws 2011, section 12, chapter 496, Oregon
 7 Laws 2011, section 6, chapter 577, Oregon Laws 2011, section 5, chapter 590, Oregon Laws
 8 2011, section 52, chapter 600, Oregon Laws 2011, section 12, chapter 609, Oregon Laws 2011,
 9 section 5, chapter 621, Oregon Laws 2011, and section 4, chapter 666, Oregon Laws 2011, are
 repealed.

10 SECTION 19. Notwithstanding any other provision of law, the authorized appropriations
 11 and expenditure limitations for the biennium beginning July 1, 2011, for the following agen-
 12 cies and programs are changed by the amounts specified:
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14 (1) ADMINISTRATIVE.

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18		2011	
19		Oregon Laws	
20		Chapter/	
21	Agency/Program/Funds	Section	Adjustment
22			
23	Oregon Department of		
24	Administrative Services:		
25	Operating expenses		
26	Other funds	Ch. 571 2(1)	-\$6,307,494
27	Mill Creek debt service		
28	General Fund	Ch. 571 1(2)	+29,427
29	Go Oregon debt service		
30	General Fund	Ch. 571 1(3)	+209,061
31	Debt service on lottery bonds		
32	Oregon Public Broadcasting		
33	Lottery funds	Ch. 571 3(1)	+65,729
34	Pendleton Round-Up		
35	Lottery funds	Ch. 571 3(2)	+3,054
36	Port of Morrow		
37	Lottery funds	Ch. 571 3(3)	+6,110
38	Port of Newport-NOAA		
39	Lottery funds	Ch. 571 3(4)	+108,960
40	Judicial Department		
41	court facilities		
42	Lottery funds	Ch. 571 3(5)	+34,444
43	Tillamook FEMA match		
44	Lottery funds	Ch. 571 3(6)	+46,550
45	Lane Transit District EmX		

1	Lottery funds	Ch. 571 3(7)	+24,276
2	Coos Bay railroad		
3	Lottery funds	Ch. 571 3(8)	+10,854
4	SAGE Center		
5	Lottery funds	Ch. 600 39(2)(a)	+6,310
6	Eastern Oregon Trade Center		
7	Lottery funds	Ch. 600 39(2)(b)	+12,560
8	Milton-Freewater		
9	flood control		
10	Lottery funds	Ch. 600 39(2)(c)	+5,720
11	Oregon Historical Society		
12	Lottery funds	Ch. 600 39(2)(d)	+8,165
13	State Treasurer:		
14	Other funds	Ch. 627 1(1)	+250,000
15	Public Employees Retirement		
16	System:		
17	Other funds	Ch. 495 1(1)	-750,000
18	Secretary of State:		
19	Executive Office, Business		
20	Services Division, Information		
21	Systems Division and Human		
22	Resources Division		
23	General Fund	Ch. 411 1(1)	-128,891
24	Elections Division		
25	General Fund	Ch. 411 1(2)	-4,006
26	Archives Division		
27	General Fund	Ch. 411 1(3)	-423
28	Oregon Liquor Control		
29	Commission:		
30	Other funds	Ch. 578 1(1)	+507,973
31	Department of Revenue:		
32	General Fund	Ch. 625 1	-1,175,191
33	Employment Relations Board:		
34	General Fund	Ch. 572 1	+1,000,000
35	Office of Governor:		
36	General Fund	Ch. 538 1	+372,362
37	Oregon Education		
38	Investment Board		
39	General Fund	Ch. 600 30	-105,000
40	State Library:		
41	General Fund	Ch. 341 1	-19,886
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(2) CONSUMER AND BUSINESS SERVICES.

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2011

Oregon Laws

Chapter/

Section Adjustment

Oregon Health Licensing

Agency:

 Other funds Ch. 539 1 -\$20,751

Bureau of Labor and

Industries:

 General Fund Ch. 576 1 -213,815

Department of Consumer and

Business Services:

 Federal funds Ch. 617 2 +2,434,040

(3) ECONOMIC AND COMMUNITY DEVELOPMENT.

2011

Oregon Laws

Chapter/

Section Adjustment

Agency/Program/Funds

Oregon Business

Development Department:

Oregon Arts Commission

 General Fund Ch. 579 1 -\$8,729

 Debt service

 Other funds Ch. 579 2(5) +321,885

 Business, innovation and

 trade

 Other funds Ch. 579 2(1) -277,500

 Lottery funds Ch. 579 3(1)(a) -284,920

Shared services

 Lottery funds Ch. 579 3(1)(b) -127,418

Oregon Film and Video Office

 Lottery funds Ch. 579 3(1)(c) -81,315

Debt service on lottery bonds

 Lottery funds Ch. 579 3(1)(d) +2,830,159

Housing and Community

1	Services Department:			
2	General Fund	Ch. 574 1		+136,416
3	Other funds	Ch. 574 2		+9,081,162
4	Federal funds	Ch. 574 4		+5,000,000
5	Debt service on lottery bonds			
6	Lottery funds	Ch. 574 3		+80,919
7	Department of Veterans'			
8	Affairs:			
9	Services provided by			
10	Department of Veterans'			
11	Affairs			
12	General Fund	Ch. 587 1(1)		+91,964
13	Veterans' services			
14	organizations payments			
15	General Fund	Ch. 587 1(3)		+572
16	Employment Department:			
17	General Fund	Ch. 339 1		-336,868
18	Other funds	Ch. 339 2(1)		-5,385,131
19				
20				
21	(4) EDUCATION.			
22				
23				
24		2011		
25		Oregon Laws		
26		Chapter/		
27	Agency/Program/Funds	Section	Adjustment	
28				
29	Oregon Student Access			
30	Commission:			
31	Oregon Opportunity Grants			
32	General Fund	Ch. 541 1(1)		-\$34,152
33	Other payments to individuals			
34	and institutions			
35	General Fund	Ch. 541 1(2)		+34,152
36	Operations			
37	General Fund	Ch. 541 1(3)		-29,756
38	Oregon University System:			
39	Education and general			
40	services of higher education			
41	General Fund	Ch. 583 1(1)		-11,550
42	Debt service on outstanding			
43	general obligation bonds			
44	General Fund	Ch. 583		
45		1(5)(a)		+1,653,560

1	Debt service on outstanding			
2	certificates of participation			
3	General Fund	Ch. 583		
4		1(5)(b)		+585,977
5	Repayment to State Department			
6	of Energy			
7	General Fund	Ch. 583		
8		1(5)(c)		-3,132,437
9	Debt service			
10	Other funds	Ch. 583 2(6)		+344,054
11	Sports Lottery Account			
12	Lottery funds	Ch. 583 3		-232,960
13	Debt service on lottery bonds			
14	Lottery funds	Ch. 583 4		+260,577
15	Department of Community			
16	Colleges and Workforce			
17	Development:			
18	General Fund	Ch. 600 31		-119,000
19	General Fund	Ch. 600 32		-17,500
20	Operations			
21	General Fund	Ch. 616 1(1)(a)		-96,762
22	Skill centers			
23	General Fund	Ch. 616		
24		1(1)(b)		-19,250
25	Debt service on Article			
26	XI-G bonds			
27	General Fund	Ch. 616		
28		1(1)(c)		+351,965
29	Debt service on lottery bonds			
30	Lottery funds	Ch. 616 8		+261,437
31	Department of Education:			
32	Operations			
33	General Fund	Ch. 619 1(1)		-298,878
34	Oregon State School for			
35	the Deaf			
36	General Fund	Ch. 619 1(2)		-151,056
37	Early Head Start			
38	General Fund	Ch. 619 2(11)		+587,015
39	Grants-in-aid and purchased			
40	services			
41	Other funds	Ch. 619 6		+5,610,036
42	Debt service on lottery bonds			
43	Lottery funds	Ch. 619 7		+1,907,943
44	Lottery funds	Ch. 619 8		-59,056
45	Other funds	Ch. 619 9		+61,218

1	State School Fund			
2	General Fund	Ch. 20 1		+5,479,570
3	State School Fund -			
4	Administrative Services			
5	Economic Development Fund			
6	Lottery funds	Ch. 20 2		-2,979,570
7	State School Fund - Local			
8	Option Equalization			
9	General Fund	Ch. 496 17		-175,000
10	General Fund	Ch. 682 8		-70,000
11	General Fund	Ch. 639 9		-8,750
12	General Fund	Ch. 600 55		-2,000,000
13	General Fund	Ch. 600 56		-5,250
14	General Fund	Ch. 663 3		-7,000
15	General Fund	Ch. 711 2(1)		-5,250
16	General Fund	Ch. 711 2(2)		-1,050
17	Oregon Health and Science			
18	University			
19	General Fund	Ch. 651 3		-18,375

(5) HUMAN SERVICES.

22		2011		
23				
24		Oregon Laws		
25		Chapter/		
26		Section	Adjustment	
27				
28	Agency/Program/Funds			
29				
30	Department of Human Services:			
31	Central Services			
32	General Fund	Ch. 621 1(1)		-\$522,515
33	Other funds	Ch. 621 2(1)		-10,047
34	Federal funds	Ch. 621 3(1)		-1,269,217
35	Children, Adults and Families			
36	General Fund	Ch. 621 1(2)		+26,759,752
37	Other funds	Ch. 621 2(2)		+14,874,410
38	Federal funds	Ch. 621 3(2)		+32,127,357
39	Seniors and People with			
40	Disabilities			
41	General Fund	Ch. 621 1(3)		+77,249,200
42	Other funds	Ch. 621 2(3)		+4,371,222
43	Federal funds	Ch. 621 3(3)+129,821,636		
44	Shared Services			
45	Other funds	Ch. 621 2(4)		+2,769,858

1	Oregon Health Authority:		
2	Programs		
3	General Fund	Ch. 580 1(1)	-26,058,247
4	Other funds	Ch. 580 2(1)	+15,403,999
5	Federal funds	Ch. 580 4(1)	+74,029,869
6	Central Services		
7	General Fund	Ch. 580 1(2)	+2,139,813
8	Other funds	Ch. 580 2(2)	-31,170
9	Federal funds	Ch. 580 4(2)	+78,803,882
10	Capital improvement		
11	General Fund	Ch. 580 1(3)	-663,318
12	Shared Services		
13	Other funds	Ch. 580 2(3)	+3,221,972
14	Gambling addiction		
15	treatment and prevention		
16	Lottery funds	Ch. 580 3	-390,969
17			

(6) JUDICIAL BRANCH.

20			
21		2011	
22		Oregon Laws	
23		Chapter/	
24		Section	Adjustment
25	Agency/Program/Funds		
26			
27	Commission on Judicial		
28	Fitness and Disability:		
29	Operations		
30	General Fund	Ch. 340 1(1)	+\$6,228
31	Extraordinary expenses		
32	General Fund	Ch. 340 1(2)	-12,647
33	Judicial Department:		
34	Judicial compensation		
35	General Fund	Ch. 634 1(1)	+1,868,270
36	Operations		
37	Other funds	Ch. 634 2(1)	+5,449,982
38	Mandated payments		
39	General Fund	Ch. 634 1(3)	+472,992
40	Electronic court		
41	General Fund	Ch. 634 1(4)	-93,643
42	Other funds	Ch. 634 3	+23,391,369
43	Debt service		
44	General Fund	Ch. 634 1(5)	+3,286,198
45	Other funds	Ch. 634 2(3)	+226,592

1	Third party collections			
2	General Fund	Ch. 600 15		+2,379,729
3	Operations - special			
4	payments			
5	General Fund	Ch. 628 1		-259,000
6	General Fund	Ch. 628 2		-259,000
7	General Fund	Ch. 628 3		-4,900
8	Public Defense Services			
9	Commission:			
10	Appellate Division			
11	General Fund	Ch. 636 1(1)		-112,000
12	Contract and Business			
13	Services Division			
14	General Fund	Ch. 636 1(3)		+112,000
15	Public Defense Services			
16	Account			
17	Other funds	Ch. 636 2(1)		+2,637,500
18				
19				

(7) LEGISLATIVE BRANCH.

21				
22		2011		
23		Oregon Laws		
24		Chapter/		
25		Section		
26	Agency/Program/Funds		Adjustment	
27				
28	Legislative Administration			
29	Committee:			
30	General program			
31	General Fund	Ch. 577 1(1)		-\$371,755
32	Debt service			
33	General Fund	Ch. 577 1(2)		+236,904
34	Legislative Assembly:			
35	Presiding officers,			
36	caucuses, desks			
37	General Fund	Ch. 577 4(1)		-558,047
38	Assembly - interim			
39	General Fund	Ch. 577 5(1)		+557,027
40	Assembly - session			
41	General Fund	Ch. 577 5(2)		-127,140
42	Legislative Counsel Committee:			
43	General Fund	Ch. 577 9		+400,043
44	Legislative Fiscal Officer:			
45	General Fund	Ch. 577 12		+29,973

1	Legislative Revenue Officer:		
2	General Fund	Ch. 577 13	-14,531
3	Commission on Indian Services:		
4	General Fund	Ch. 577 14	-26,451

(8) NATURAL RESOURCES.

2011

Oregon Laws

Chapter/

Agency/Program/Funds Section Adjustment

14	State Marine Board:		
15	Administration and education		
16	Federal funds	Ch. 187 2(1)	+\$243,200
17	Marine law enforcement		
18	Other funds	Ch. 187 1(2)	+757,200
19	Federal funds	Ch. 187 2(2)	+292,800
20	Facilities construction,		
21	maintenance and land		
22	acquisition		
23	Other funds	Ch. 187 1(3)	+509,800
24	Federal funds	Ch. 187 2(3)	-536,000
25	State Department of Energy:		
26	Other funds	Ch. 632 1	+4,249,010
27	Federal funds	Ch. 632 3	+109,164
28	Energy efficiency and		
29	sustainable technology		
30	Lottery funds	Ch. 632 2	+75,746
31	State Department of Geology		
32	and Mineral Industries:		
33	General Fund	Ch. 186 1	-1,204
34	Other funds	Ch. 186 2	+1,788,385
35	Federal funds	Ch. 186 3	+1,709,304
36	State Parks and Recreation		
37	Department:		
38	Director's office		
39	Lottery funds	Ch. 584 2(1)	+45,638
40	Central Services		
41	Lottery funds	Ch. 584 2(2)	+280,114
42	Park development		
43	Lottery funds	Ch. 584 2(3)	+592,240
44	Federal funds	Ch. 584 3(1)	+2,190,000
45			

1	Direct services			
2	Lottery funds	Ch. 584 2(4)	+673,108	
3	Community support and grants			
4	Lottery funds	Ch. 584 2(5)	+140,142	
5	Federal funds	Ch. 584 3(3)	+861,950	
6	Water Resources Department:			
7	Water resources program			
8	General Fund	Ch. 416 1	-255,387	
9	Debt service on lottery bonds			
10	Lottery funds	Ch. 416 2	+25,633	
11	Oregon Watershed			
12	Enhancement Board:			
13	Watershed Improvement			
14	Operating Fund			
15	Lottery funds	Ch. 588 5	-784,354	
16	Department of State Lands:			
17	Common School Fund			
18	programs			
19	Other funds	Ch. 412 1(1)	+1,057,597	
20	Federal funds	Ch. 412 2(1)	+178,000	
21	Natural Heritage			
22	Advisory Council			
23	Federal funds	Ch. 412 2(2)	+250,127	
24	State Department of			
25	Agriculture:			
26	Administrative and			
27	support services			
28	General Fund	Ch. 409 1(1)	+20,125	
29	Food Safety			
30	General Fund	Ch. 409 1(2)	-46,288	
31	Other funds	Ch. 409 2(2)	+31,311	
32	Natural Resources			
33	General Fund	Ch. 409 1(3)	-589,002	
34	Agricultural Development			
35	General Fund	Ch. 409 1(4)	-193,203	
36	Other funds	Ch. 409 2(4)	+10,000	
37	Parks and Natural			
38	Resources Fund			
39	Lottery funds	Ch. 409 3	+932,123	
40	County fair support			
41	Lottery funds	Ch. 409 5	+763	
42	Department of			
43	Environmental Quality:			
44	Water quality			
45	General Fund	Ch. 536 1(2)	-169,003	

1	Land quality			
2	General Fund	Ch. 536 1(3)		-86,615
3	Debt service			
4	General Fund	Ch. 536 1(5)		+193,612
5	State Department of			
6	Fish and Wildlife:			
7	Fish Division			
8	General Fund	Ch. 573 1(1)		-294,504
9	Other funds	Ch. 573 2(1)		+41,000
10	Administrative Services			
11	Division			
12	General Fund	Ch. 573 1(3)		-5,368
13	Debt service			
14	General Fund	Ch. 573 1(4)		+12,168
15	Capital Improvement			
16	Other funds	Ch. 573 2(4)		-70,000
17	State Forestry Department:			
18	Protection from fire			
19	General Fund	Ch. 537 1(1)		+2,993,720
20	Private forests			
21	General Fund	Ch. 537 1(2)		-985,723
22	Debt service			
23	General Fund	Ch. 537 1(3)		+102,087
24	Debt service on lottery bonds			
25	Lottery funds	Ch. 537 3		+88,377
26	Department of Land			
27	Conservation and			
28	Development:			
29	Planning program			
30	General Fund	Ch. 254 1(1)		-302,792
31				

(9) PUBLIC SAFETY.

32				
33				
34				
35		2011		
36		Oregon Laws		
37		Chapter/		
38		Section	Adjustment	
39	Agency/Program/Funds			
40				
41	Department of State Police:			
42	Patrol services, criminal			
43	investigations and gaming			
44	enforcement			
45	General Fund	Ch. 635 1(1)		+\$5,369,604

1	Federal funds	Ch. 635 3(1)	+521,944
2	Fish and wildlife enforcement		
3	General Fund	Ch. 635 1(2)	-98,021
4	Other funds	Ch. 635 2(2)	+436,875
5	Lottery funds	Ch. 635 4	+202,180
6	Forensic services and State		
7	Medical Examiner		
8	General Fund	Ch. 635 1(3)	-709,326
9	Administrative services,		
10	information management		
11	and Office of the State		
12	Fire Marshal		
13	General Fund	Ch. 635 1(4)	+693,862
14	Department of Corrections:		
15	Operations and health		
16	services		
17	General Fund	Ch. 631 1(1)	+22,771,363
18	Other funds	Ch. 631 2(1)	+10,306
19	Administration, public		
20	services, general services		
21	and human resources		
22	General Fund	Ch. 631 1(2)	+3,275,828
23	Other funds	Ch. 631 2(2)	+87,684
24	Transitional services		
25	General Fund	Ch. 631 1(3)	+1,862,081
26	Other funds	Ch. 631 2(3)	+29
27	Community corrections		
28	General Fund	Ch. 631 1(4)	+5,270,671
29	Other funds	Ch. 631 2(4)	+3,223,179
30	Debt service		
31	General Fund	Ch. 631 1(5)	+4,887,059
32	Capital improvements		
33	General Fund	Ch. 631 1(6)	+92,240
34	Agency operations		
35	Federal funds	Ch. 631 3	+907,373
36	Oregon Criminal Justice		
37	Commission:		
38	Federal funds	Ch. 214 3	+6,987,121
39	Department of Justice for		
40	district attorneys:		
41	General Fund	Ch. 252 1	+359,976
42	Department of Justice:		
43	General Fund	Ch. 575 1	-160,840
44	Other funds	Ch. 575 2	-722,713
45	Federal funds	Ch. 575 3	-795,709

1	Oregon Military Department:		
2	Operating expenses		
3	General Fund	Ch. 623 1(2)	+36,891
4	Emergency management		
5	General Fund	Ch. 623 1(3)	+4,379,103
6	Other funds	Ch. 623 2(3)	+4,000,000
7	Community support		
8	Other funds	Ch. 623 2(4)	+118,339
9	Capital debt service and		
10	related costs		
11	General Fund	Ch. 623 1(5)	-71,937
12	Other funds	Ch. 623 2(5)	+548,167
13	Department of Public Safety		
14	Standards and Training:		
15	General Fund	Ch. 586 1	+315,518
16	Other funds	Ch. 586 2	-873,897
17	Oregon Youth Authority:		
18	Operations		
19	General Fund	Ch. 590 1(1)	-1,605,977
20	Debt service		
21	General Fund	Ch. 590 1(2)	+186,988
22			
23			
24	(10) TRANSPORTATION.		
25			
26		2011	
27		Oregon Laws	
28		Chapter/	
29		Section	Adjustment
30	Agency/Program/Funds		
31			
32	Department of Transportation:		
33	Debt service - Oregon		
34	Wireless Interoperability		
35	Network (OWIN)		
36	General Fund	Ch. 542 1	-\$15,416,043
37	Maintenance and emergency		
38	relief programs		
39	Other funds	Ch. 542 2(2)	+9,211,366
40	Driver and motor vehicle		
41	services		
42	Other funds	Ch. 542 2(9)	+500,000
43	Debt service		
44	Other funds	Ch. 542	
45		2(17)	+15,970,871

1 Lottery funds Ch. 542 4 +2,914,388

2
3
4 SECTION 20. In addition to and not in lieu of any other appropriation, there is appro-
5 priated to the Department of Land Conservation and Development, for the biennium begin-
6 ning July 1, 2011, out of the General Fund, the amount of \$200,000, which may be expended
7 for payment of expenses related to regional land use planning activities.

8 SECTION 21. In addition to and not in lieu of any other appropriation, there is appro-
9 priated to the State Forestry Department, for the biennium beginning July 1, 2011, out of the
10 General Fund, the amount of \$200,000, which may be expended for payment of expenses re-
11 lated to forest policy.

12 SECTION 22. In addition to and not in lieu of any other appropriation, there is appro-
13 priated to the Department of Land Conservation and Development, for the biennium begin-
14 ning July 1, 2011, out of the General Fund, the amount of \$350,000, for grants to Jackson,
15 Josephine and Douglas counties for expenses related to regional land use planning activities.

16 SECTION 23. Section 5, chapter 20, Oregon Laws 2011, as amended by section 21, chapter 496,
17 Oregon Laws 2011, and section 47, chapter 600, Oregon Laws 2011, is amended to read:

18 **Sec. 5.** (1) The Department of Education may not spend more than \$2,928,830,000 from the State
19 School Fund for the fiscal year beginning July 1, 2011.

20 (2) The Department of Education may not spend more than [\$2,842,830,000] \$2,845,330,000 from
21 the State School Fund for the fiscal year beginning July 1, 2012.

22 SECTION 24. This 2012 Act being necessary for the immediate preservation of the public
23 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
24 on its passage.
25 _____

Public Safety Program Area

The Department of Correction's (DOC) share of the \$28 million reduction is \$7.9 million General Fund. To meet this target, DOC submitted a plan which would eliminate 81 positions. DOC's plan follows the spirit of the budget note with all but one of the positions being a supervisor or management service position. When discussing this plan, it is important to set the context of the agency's budget for the 2011-13 biennium. Even before addressing this \$7.9 million issue, DOC estimates that it faces a \$48.8 million General Fund "hole" in its budget made up of four major components: (1) \$20.0 million from the unspecified reduction included in the legislatively adopted budget which has been included in DOC's budget in some amount for the past four biennia; (2) \$7.2 million in an unspecified Services and Supplies reduction that was included in most General Fund agency budgets; (3) \$15.2 million gap in funding between the amount in the budget for employee compensation and what the end result was from the bargained contracts with represented employees; and (4) \$6.4 million in increased costs of a new Hepatitis C Drug therapy that DOC is implementing.

DOC leadership has stated that they will fill this \$48.8 million General Fund gap with management actions that stay within its current budget. They have developed a plan which generally assumes the message that the Legislature gave them during the 2012 session which was to not close or significantly reduce the scope of any of DOC's 13 institutions or significantly reduce any "program" resources both within the institutions or funding that is passed to the community. The management and other actions to close the \$48.8 million gap include:

- Holding positions vacant – Currently the agency has identified almost 340 vacant positions, most of which are vacant to generate savings. Supervisory or management service positions represent 58, or 17% of these positions.
- Health services savings – including delaying the implementation of some of the Hepatitis C treatment, reducing medical supplies, and delaying indefinitely the development of an electronic health records system.
- Assuming the reimbursement to counties for Ballot Measure 73 offenders will be less than budgeted – if this assumption is wrong, the agency will have to find resources to make up the difference.
- Assuming that the agency will not hire additional staff to meet the forecasted growth in the number of inmates.
- Assuming increased resources from a variety of sources including cost of health care collections, debt service savings through refinancing, and additional federal State Criminal Alien Assistance Program (SCAAP) funding.
- Delaying payments for various software licenses until the start of the 2013-15 biennium.

Some of these actions or savings will be difficult to realize, and the likelihood of new issues appearing is possible. After DOC submitted its proposal to eliminate the 81 positions, the Department of Administrative Services (DAS) notified DOC and LFO that refinancing of existing debt generated an additional \$5.5 million General Fund in debt service savings that was not previously assumed. LFO recommends that \$2.5 million of these new resources be dedicated to fill the \$48.8 million gap described above, specifically for those items which will be difficult to realize the estimated savings. The remaining \$3.0 million should be used to offset some of the 81 position eliminations proposed to fill the \$7.9 "mid-management" gap.

Most, if not all, of these 81 positions proposed for elimination are currently filled so their elimination will mean a direct layoff or indirect layoff if the incumbent has bumping rights back into a represented position. DOC took the approach to eliminate or significantly reduce entire programs or groups of

employees instead of “thinning the soup” with smaller reductions in many areas. Specifically, DOC’s proposed plan eliminates the following positions:

- **Five supervisory positions in the General Services Division** (\$498,656) will be eliminated including a wireless communications manager and a supervising electrician which will limit flexibility in responding to emergencies (represented staff that will pick up the workload must be paid for on-call time and overtime), a business office manager and support services manager resulting in managers having to supervise staff that are over 200 miles away, and a construction project manager.
- **Five nurse manager positions** (\$587,275) across the state will be eliminated which DOC expects to result some institutions not meeting standards established by the agency and those set forth by the National Commission on Correctional Health Care. In addition, remaining nurse managers will provide significantly less direct patient care as they assume more managerial responsibilities. As the level of institutional care is affected, increased use of more expensive outside medical care may increase.
- **Eight safety specialist positions** (\$772,441) will be eliminated in the Human Resources Division. DOC asserts this will result in litigation and increased time loss. Safety related violations will not be investigated, Oregon OSHA requirements will not be followed, and workplace safety may suffer. Future workers compensation assessments will likely increase over time.
- **Two community corrections monitoring positions** (\$189,393) will be eliminated which will mean DOC will no longer be able to review compliance with SB 267 (evidenced-based programs) and monitoring of local community corrections will be reduced.
- Three positions eliminated in the Directors Office will mean that the **internal audit function within the agency will be discontinued** (\$254,966). This will limit the agency’s ability to monitor and oversee its financial and programmatic operations.
- **Six Lieutenant positions are eliminated within the Inspector General’s Office** (\$609,817) which will effectively shut down the Security Threat Management (STM) program which manages over 900 inmates. These Lieutenants act as “probation officers” to inmates who represent the most danger to the safe and secure operation of the institutions. These inmates will no longer be monitored on a daily basis and information will not be collected and shared within the institutions.
- **Almost half, or 52, of the Lieutenant positions in the Operations Division** (\$4,974,258) will be eliminated. Lieutenants represent the first step in the non-represented security hierarchy. They provide and oversee training, are the first-level supervisors with management oversight of trial service correctional officers as well as provide all evaluations of all line-staff performance. They also oversee special operations such as Tactical Teams within the institutions. DOC asserts the consequences of this reduction include: (1) a decrease in institution readiness and the ability to respond to emergencies; (2) increased overtime schedule and assignment management duties must be picked up by others; (3) violations to the Collective Bargaining Agreements may not be investigated in a timely manner potentially creating labor management issues; and (4) supervisory presence in critical areas or critical times within the prisons will be severely hampered. Most of the Lieutenants in the larger medium prisons will be eliminated leaving Captains to bear almost all of the sworn staff management responsibilities. Responsibilities will also be pushed down to represented staff. As an example, at Snake River (the largest prison in the system with roughly 3,000 inmates), the current staffing for the 3rd shift has one captain, four lieutenants, seven sergeants, two corporals, and 119 correctional officers. If these 52 Lieutenant positions are eliminated there would be one captain, one lieutenant, and the same number of represented staff.

Since most of these positions are filled, the savings from their elimination may be reduced from the costs of laying off employees. Many of these positions have bumping rights back into represented positions which will set off a series of steps which will potentially end up with employees which cost

much less than the eliminated positions being laid off. In addition, other costs like vacation pay-out and unemployment costs have not been fully factored into these estimates.

LFO reviewed these reductions in light of the existing budget reductions and vacant positions as well as the change in employment patterns over the past 10 years. Between the 2001-03 biennium and the current 2011-13 biennium, the total budgeted bed capacity (the basis for what the budget is built on) increased by 3,348, or just under 30%. Institutional staff (does not include health services staff) also increased, but at a much smaller rate of 8%. As a result the number of budgeted beds per employee increased from 4.05 to 4.80, or by 18.5%. The ratio for beds to security staff (Correctional Officers, Sergeants, Corporals, Lieutenants and Captains) increased by 17.6%, but for the non-represented or management Lieutenants and Captains the increase was 30.7% and 28.1%, respectively. For non-sworn management staff (PEM series), the increase was over 34%. Department-wide, there is a similar trend of the number of employees not keeping pace with the growth in budgeted beds for almost all areas other than Health Services and Human Resources; and in areas where the Legislature has made a policy choice to increase the level of services such as Behavioral Health and Transition and Release. Based on information provided by DOC, the management to staff ratios department-wide has increased from 1 to 9.2 in 2001-03 to the current 1 to 10.1. If DOC's proposal to address the \$7.9 million gap is implemented, the ratio increases to 1 to 12.1. None of the comparisons above take into account vacant positions – over 340 are now vacant, many of which are management service.

LFO recommends the following actions to meet the \$7.9 million target:

- As noted above, use \$3.0 million of the General Fund debt refinancing savings to reduce the number of positions as originally proposed by the agency.
- Eliminate the five managers in the General Services Division and the five nurse management positions as proposed by DOC.
- Eliminate both of the proposed Community Corrections central office positions as well as one additional management level position. This program has two higher level managers and given the other reductions it is appropriate to eliminate one of these two manager positions.
- Retain the internal audit function, but reduce the staff from three to two.
- Eliminate one of the positions in the Government Efficiencies and Communications unit, specifically one that is assigned to work on internal state government activities that other agencies are using existing staff to complete.
- Retain the safety program to insure worker and facility safety as well as to control future workers' compensation costs, but reduce the program by one position.
- Eliminate 24 of the 58 Lieutenant positions proposed by the agency including those that are part of the Security Threat Management program. The agency will need to determine which positions to retain. LFO remains concerned about the number of Lieutenant positions eliminated in its recommendation.

Based on these recommended actions, LFO also recommends a future allocation of \$922,918 from the Emergency Fund to offset position eliminations. This amount represents the difference between the DOC targeted General Fund reduction and the net value of the LFO recommended actions. Specifically, the recommended use of the debt service savings and the proposed Emergency Fund allocation are recommended to be used to maintain the safety program and to reduce the number of Lieutenant positions proposed to be eliminated.

The Department of State Police's (OSP) target is \$2,541,490 General Fund. To meet this amount, OSP submitted a list of 22 positions for elimination and seven position reclassifications. Generally the positions submitted by the agency are supervisory or management service. These positions are over

Oregon Legislative Emergency Board
Certificate

December 12, 2012

Pursuant to the provisions of ORS 291.328, and acting under the authority of 291.326(1)(a), (b), (c), and (d); 291.371; and 291.375; this hereby certifies that the Emergency Board, meeting on December 12, 2012, took the following actions:

- 1. Treasurer of State**
Deferred to the 2013 legislative session consideration of a request from the Treasurer of State to establish three permanent full-time positions to plan for and initiate replacement of the agency's Local Government Investment Pool Voice Response System, with the understanding that the Treasurer may continue to use existing staff and administratively established positions where necessary to both maintain the functionality of the Voice Response System and to develop a business case for the modernization of the Voice Response System.
- 2. Judicial Department**
Increased the Other Funds expenditure limitation established for the Judicial Department by section 1, chapter 110, Oregon Laws 2012, specialty courts, by \$580,000, and increased the Other Funds expenditure limitation established for the Judicial Department by section 2(1), chapter 634, Oregon Laws 2011, Operations, by \$380,000 for expenditures of grant renewals.
- 3. Judicial Department**
Increased the Other Funds expenditure limitation established for the Judicial Department by section 13, chapter 110, Oregon Laws 2012, capital improvement, by \$110,000 to address deferred maintenance issues with the Supreme Court Building.
- 4. Oregon Health Authority**
Approved the transfer of General Fund appropriations, increased Other Funds expenditure limitations, increased Federal Funds expenditure limitations, and authorized the establishment of 72 positions (18.77 FTE) for the Oregon Health Authority; with the understanding that the Department of Administrative Services will unschedule General Fund, and Other Funds and Federal Funds expenditure limitation; per the attached table.
- 5. Oregon Health Authority**
Acknowledged receipt of a report from the Oregon Health Authority on the agency's efforts to pursue a competitive bidding process for generic drugs within the Medicaid program.
- 6. Department of Human Services**
Allocated \$40,097,207 from the special purpose appropriation made to the Emergency Board by section 15(1), chapter 110, Oregon Laws 2012, to supplement appropriations made to the Department of Human Services, approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, and increased Federal Funds expenditure limitations; with the understanding that the Department of Administrative Services will unschedule General Fund and Other Funds expenditure limitation; per the attached table.

- 7. Department of Corrections**
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$191,768 for the Circles of Support and Accountability (COESA) Training and Technical Assistance Project.
- 8. Department of Corrections**
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$291,797 to provide advanced-level skills training for probation officers.
- 9. Department of Corrections
Oregon Health Authority**
Acknowledged receipt of a report from the Department of Corrections and Oregon Health Authority on the purchase of pharmaceutical drugs for the inmate health services program, with the understanding that the agencies will report by April 2013 on steps taken to reduce the cost of pharmaceuticals, which could include, but is not limited to: a) utilizing the Oregon Prescription Drug Program (OPDP), b) working with the Oregon Health Authority to explore 340-B eligibility, and c) resolving whether non-drug supplies can be purchased through OPDP or multiple group purchasing organizations.
- 10. Department of Justice**
Allocated \$1,102,857 from the special purpose appropriation made to the Emergency Board by section 57(1), chapter 600, Oregon Laws 2011, to supplement the appropriation made to the Department of Justice by section 1, chapter 575, Oregon Laws 2011 for ongoing legal costs associated with the defense of the revenue stream from the Master Settlement Agreement.
- 11. Military Department**
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$133,355 for 2012 fire season expenses.
- 12. Military Department**
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$300,000, and increased the Federal Funds expenditure limitation established for the Military Department by section 3(3), chapter 623, Oregon Laws 2011, Community support, by \$650,000 for the Oregon Youth Challenge Program.
- 13. Department of Public Safety Standards and Training**
Approved the submission of a federal grant application by the Department of Public Safety Standards and Training to the White House Office of National Drug Control Policy in the amount of \$100,000 for the Oregon High Intensity Drug Trafficking Area Training Initiative; and increased the Federal Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 3, chapter 586, Oregon Laws 2011, by \$50,000.

15. Housing and Community Services Department

Approved the submission of a federal grant application by the Housing and Community Services Department to the U.S. Department of Housing and Urban Development for a National Foreclosure Mitigation Counseling grant of up to \$807,804 to provide foreclosure intervention counseling to owner-occupants of single-family properties who are delinquent on their mortgages and/or at risk of default or foreclosure.

16. Department of Forestry

Acknowledged receipt of a report from the Department of Forestry on the 2012 fire season; allocated \$2,660,983 from the special purpose appropriation made to the Emergency Board by section 6(1), chapter 537, Oregon Laws 2011, for fire protection expenses, to supplement the appropriation made to the Department of Forestry by section 1(1), chapter 537, Oregon Laws 2011, Fire protection; and deferred to the 2013 legislative session consideration of the request for an allocation of \$22,093 from the general purpose Emergency Fund.

17. Department of Fish and Wildlife

Increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(2), chapter 573, Oregon Laws 2011, Wildlife Division, by \$1,219,834; increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(1), chapter 573, Oregon Laws 2011, Fish Division, by \$1,555,846; and authorized the establishment of three limited duration positions (0.75 FTE) and the reclassification of two positions; to accommodate unanticipated federal revenues and to complete federal contracts.

18. Department of Agriculture

Deferred to the 2013 legislative session consideration of the request by the Department of Agriculture for an allocation of \$446,040 from the general purpose Emergency Fund to fund research on issues surrounding growing of canola.

19. Department of Agriculture

Increased the Federal Funds expenditure limitation established for the Department of Agriculture by section 4(2), chapter 409, Oregon Laws 2011, Natural resources, by \$101,200 for a grant to help meet Korea's phytosanitary requirements for importation of blueberries.

20. Department of Agriculture

Acknowledged receipt of a report from the Department of Agriculture on use of emergency funds approved at the September 2012 meeting of the Emergency Board to help those affected by rangeland fires in Southeast Oregon.

22. Department of Environmental Quality

Increased the Federal Funds expenditure limitation established for the Department of Environmental Quality by section 5(1), chapter 536, Oregon Laws 2011, Air quality, by \$900,000, and authorized within the Federal Funds expenditure limitations established for the Department of Environmental Quality by section 5, chapter 536, Oregon Laws 2011, the transfer \$300,000 from subsection (4), Cross program, to subsection (1), Air quality, for final payments of diesel engine and exhaust improvement grants and purchase of air quality monitoring equipment.

23. Parks and Recreation Department

Approved, retroactively, the submission of a federal grant application by the Parks and Recreation Department to the U.S. Fish and Wildlife Service in the amount of \$60,000 to enhance the Sullivan Gulch Channel.

24. Department of Aviation

Increased the Other Funds Capital Construction expenditure limitation established for the Department of Aviation by section 1(10)(d), chapter 742, Oregon Laws 2007, and increased by section 1(1), chapter 79, Oregon Laws 2012, by \$48,000, for the Chiloquin Apron Rehabilitation, Obstruction Removal and Lighting project.

25. Department of Transportation

Approved, retroactively, the submission of a federal grant application by the Department of Transportation to the Federal Motor Carrier Safety Administration in the amount of \$154,824 to support agency efforts to comply with revised federal regulations for Commercial Driver Licenses and Commercial Learner Permits.

26. Department of Transportation

Approved, retroactively, the submission of a federal grant application by the Department of Transportation to the Federal Transportation Administration in the amount of \$2,400,000 to construct a trail between Warren Creek and Lindsey Creek State Park.

27. Department of Transportation

Increased the Other Funds Capital Construction expenditure limitation established for the Department of Transportation by section 1(5), chapter 615, Oregon Laws 2011, Portland drive testing center, by \$4,187,246 for facility upgrade and remodeling.

28. Department of Transportation

Increased the Federal Funds expenditure limitation established for the Department of Transportation by section 3(4), chapter 542, Oregon Laws 2011, Public transit, by \$12,800,000 for federal transit grant reimbursement to local recipients, and increased the Other Funds expenditure limitation established for the Department of Transportation by section 2(13), chapter 542, Oregon Laws 2011, Public transit, by \$900,000 for federal cost allocation.

29. Department of Administrative Services

Acknowledged receipt of a report from the Department of Administrative Services on Improving Government expenditures that were not anticipated in its legislatively adopted budget for 2011-13, with instructions that the Department: a) unschedule the \$2 million designated for scoping the HR system replacement project until the scoping project and the replacement project are reviewed by the appropriate legislative committee, b) report during its 2013-15 budget request hearing to the Joint Committee on Ways and Means on savings and outcomes achieved by the other eleven Improving Government projects, and c) report to the Joint Committee on Ways and Means as soon as the final costs of the steam tunnel repair project are known and request the inclusion of a capital construction project to the list of 2011-13 approved projects, if necessary.

30. Department of Administrative Services

Established for the 2011-13 biennium an Other Funds expenditure limitation for the Department of Administrative Services in the amount of \$11,965,254 for distributions to taxing districts from the Shared Services Fund.

- 31. Department of Administrative Services**
Acknowledged receipt of a report from the Department of Administrative Services on the coordination of funding requests related to removal of debris from Oregon's beaches created by the tsunami that devastated Japan in March 2011.
- 32. Citizens' Initiative Review Commission**
Acknowledged receipt of a report from the Citizens' Initiative Review Commission on the 2012 initiative review process.
- 33. Bureau of Labor and Industries**
Allocated \$76,069 from the Emergency Fund established by section 1, chapter 600, Oregon Laws 2011, to supplement the appropriation made to the Bureau of Labor and Industries by section 1, chapter 576, Oregon Laws 2011 to fund two positions in the Wage and Hour Division until the end of the biennium, and requested that an equivalent amount of Wage Security and Prevailing Wage Rate funds be reallocated back to the General Fund during the 2013 legislative session.
- 34. Bureau of Labor and Industries**
Increased the Federal Funds expenditure limitation established for the Bureau of Labor and Industries by section 4, chapter 576, Oregon Laws 2011, by \$41,123 for increased caseload and program costs in federal contracts with the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.
- 35. Oregon Liquor Control Commission**
Acknowledged receipt of a report from the Oregon Liquor Control Commission on sales, revenue, and available expenditure limitation related to agents' compensation and credit card fees, as directed by budget note.
- 36. Office of the Governor**
Employment Department
Approved, retroactively, the submission of a federal grant application by the Office of the Governor to the U.S. Department of Education and the U.S. Department of Health and Human Services in the amount of \$20.5 million for a Race-To-The-Top grant; increased the Federal Funds expenditure limitation established for the Office of the Governor by section 135, chapter 37, Oregon Laws 2012, Early Learning Council and Youth Development Council, by \$1,223,658; increased the Other Funds expenditure limitation established for the Employment Department by section 2(1), chapter 339, Oregon Laws 2011, Operating budget, by \$1,658,526; and authorized the establishment of three limited duration positions (0.39 FTE) in the Governor's Office for the Early Learning Council and two limited duration positions (0.26 FTE) in the Employment Department for the 2011-13 biennium activities under this federal grant; with the understanding that the Department of Administrative Services will unschedule the limitation increases until the funds are received from the federal government.
- 37. Office of the Governor**
Increased the Other Funds expenditure limitation established for the Office of the Governor by section 134, chapter 37, Oregon Laws 2012, Early Learning Council and Youth Development Council, by \$825,616 to cover expenditures.

39. Legislative Fiscal Office

Transferred unallocated balances in the amount of \$24,968,138 from special purpose appropriations made to the Emergency Board to the general purpose appropriation legal citation, per the attached table.

/s/ Ken Rocco

Ken Rocco, Legislative Fiscal Officer

OREGON HEALTH AUTHORITY 2011-13
December 2012

Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget	Adjustments to Position Authority
<u>Transfers, Allocation, Establishments, and Expenditure Limitation Adjustments:</u>			
Programs			
Ch 580 1(1)	General	(678,149)	
Ch 580 2(1)	Other Limited	330,398,308	
Ch 580 4(1)	Federal Limited	98,237,280	
	Total	427,957,439	22 positions / 6.27 FTE
Central Services			
Ch 580 1(2)	General	678,149	
Ch 580 2(2)	Other Limited	451,206	
Ch 580 4(2)	Federal Limited	30,714,336	
	Total	31,843,691	50 positions / 12.50 FTE
Department Total			
	General	-	
	Other Limited	330,849,514	
	Federal Limited	128,951,616	
	Total	459,801,130	72 positions / 18.77 FTE
Ch 580 5(3)	Other Non-limited	21,320,100	
<u>Request Department of Administrative Services to unschedule:</u>			
Programs			
Ch 580 1(1)	General Fund	5,237,309	
Shared Services			
Ch 580 2(3)	Other Limited	1,444,016	
Central Services			
Ch 580 4(2)	Federal Limited	10,000,000	

DEPARTMENT OF HUMAN SERVICES 2011-13		
December 2012		
Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget
Transfers, Allocations, and Expenditure Limitation Adjustments:		
Children, Adults and Families		
Ch 621 1(2), OL 2011	General	15,208,014
Ch 621 2(2), OL 2011	Other	(6,136,367)
Ch 621 3(2), OL 2011	Federal	18,987,971
	Total	28,059,618
Seniors and People with Disabilities		
Ch 621 1(3), OL 2011	General	25,763,775
Ch 621 2(3), OL 2011	Other	7,665,889
Ch 621 3(3), OL 2011	Federal	67,721,385
	Total	101,151,049
Central Services		
Ch 621 1(1), OL 2011	General	101,918
Ch 621 2(1), OL 2011	Other	60,000,000
	Total	60,101,918
Debt Service		
Ch 621 1(4), OL 2011	General	(976,500)
Shared Services		
Ch 621 2(4), OL 2011	Other	3,450
Department Total		
	General	40,097,207
	Other	61,532,972
	Federal	86,709,356
	Total	188,339,535
Request Department of Administrative Services to unschedule:		
Central Services		
Ch 621 1(1), OL 2011	General	101,918
Ch 621 2(1), OL 2011	Other	60,000,000

Special Purpose Appropriation Transfer Detail		
Oregon Laws 2011 Chapter/Section	Agency/Purpose	Amount
Chapter 625, sec. 6(1)	Department of Revenue - Elderly Rental Assistance Program payments	(300,000)
Chapter 600, sec. 57(1)	Department of Justice - Tobacco Master Settlement Agreement litigation and Defense of Criminal Convictions program	(897,143)
Oregon Laws 2012		
Chapter/Section	Agency/Purpose	
Chapter 110, sec. 15(1)	Various Agencies - Allotment mitigation, home foreclosure, human services caseload costs	(12,270,995)
Chapter 110, sec. 16(1)	Various Agencies - Allotment mitigation for Community College Support Fund, Department of Education Grant-in-Aid, Oregon Health and Sciences University	(10,000,000)
Chapter 110, sec. 4(1)	Public Defense Services Commission - Trial level public defense	(1,500,000)
Total transfers from special purpose appropriations		
		(24,968,138)
Chapter 600, sec. 1, OL 2011	Emergency Board – General Purpose	24,968,138
Net General Fund Change		0