

# **2023-25 Legislatively Adopted Budget**

## **Section 2**



**SB 1548 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Williams

**Joint Committee On Ways and Means**

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**Action Date:** 02/24/22

**Action:** Do Pass the B-Eng bill.

**House Vote**

**Yeas:** 11 - Breese-Iverson, Bynum, Evans, Gomberg, McLain, Nosse, Reschke, Sanchez, Smith G, Stark, Valderrama

**Senate Vote**

**Yeas:** 11 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivet, Legislative Fiscal Office

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**Department of Human Services  
2021-23**

## **Budget Summary**

	2021-23 Legislatively Approved Budget	2022 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
General Fund	\$ -	\$ 766,789	\$ 766,789	100.0%
Federal Funds Limited		\$ 2,487,751	\$ 2,487,751	100.0%
Total	\$ -	\$ 3,254,540	\$ 3,254,540	100.0%

## **Position Summary**

Authorized Positions	0	8	8
Full-time Equivalent (FTE) positions	0.00	3.84	3.84

## **Summary of Revenue Changes**

Senate Bill 1548 appropriates \$766,789 General Fund to the Oregon Department of Human Services (ODHS) and increases Federal Funds expenditure limitation by \$2,487,751 to create a new in-home service option for children or adults with an intellectual or developmental disability who receive in-home services and supports through ODHS and enacts reporting requirements for service providers.

## **Summary of Human Services Subcommittee Action**

SB 1548 has several provisions that impact the ODHS Intellectual and Developmental Disabilities (I/DD) service delivery system. It creates a new in-home service option, agency with choice (AWC), allowing I/DD consumers to choose their direct service staff but not have to be the employer of record, which can be administratively burdensome for consumers. The bill also gives small-home providers, in single-family detached homes, a temporary exemption from the new building code requirement to have an automatic fire suppression sprinkler system, while still ensuring consumer safety through compliance with Department fire safety standards in administrative rule. The bill requires providers to annually report staffing and fiscal data to the Office of Developmental Disabilities, including information on executive compensation and benefits, direct support professional compensation and benefits, and overhead expenditures.

The primary budgetary impacts are related to collecting and analyzing information related to the new provider reporting requirements, building audit modules on providers within the ODHS Centralized Abuse Management (CAM) system, rulemaking and rate setting for AWC, and handling increased applications for provider enrollments in the new service option. Changes to CAM are estimated to cost \$2 million total funds, which is primarily funded through a 90% federal funding match rate allowable through the Centers for Medicare and Medicaid Services.

The bill appropriates \$381,048 General Fund and increases Federal Funds expenditure limitation by \$2,102,010 to cover the Services and Supplies costs, which includes the audit module build in the CAM system and position related Services and Supplies costs.

Developing AWC will require staff to create policy related to the new provider type and subsequent rule making, resulting in an on-going need for policy development and analysis. This will require one new Operations & Policy Analyst 3 position to develop and maintain policy, handle increased provider enrollments, and respond to the increase in agency applications. Under the provisions of the bill, I/DD will be required to gather, manage, and analyze fiscal and staffing data reports, submitted annually by each provider agency. Staff will be needed in I/DD to develop or establish standards for reporting tools, conduct rule writing for provider reporting, develop standards for the conditions under which a provider's application would be approved or denied, and review and analyze applications and reporting findings on an ongoing basis. I/DD will be required to conduct enhanced licensing compliance and quality assurance activities on service providers, primarily related to the new agency finance and expense reporting requirements.

The bill appropriates \$385,741 General Fund and increases Federal Funds expenditure limitation by \$385,741 for Personal Services to support the following permanent full-time positions:

Fiscal Analyst 2	1 position (0.46 FTE)
Fiscal Analyst 2	1 position (0.46 FTE)
Fiscal Analyst 3	1 position (0.46 FTE)
Compliance Specialist 3	1 position (0.46 FTE)
Compliance Specialist 2	1 position (0.46 FTE)
Compliance Specialist 2	1 position (0.46 FTE)
Operations & Policy Analyst 3	1 position (0.54 FTE)
Principal Executive/Manager D	1 position (0.54 FTE)



## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Human Services  
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 060-09 - Intellectual and Developmental Disabilities Program</b>									
Personal Services	\$ 385,741	\$ -	\$ -	\$ -	\$ 385,741	\$ -	\$ 771,482	8	3.84
Services and Supplies	\$ 381,048	\$ -	\$ -	\$ -	\$ 2,102,010	\$ -	\$ 2,483,058		
SUBCOMMITTEE RECOMMENDATION*	<u>\$ 766,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,487,751</u>	<u>\$ -</u>	<u>\$ 3,254,540</u>	<u>8</u>	<u>3.84</u>
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

\*Excludes Capital Construction Expenditures

**SB 1556 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Williams

**Joint Committee On Ways and Means**

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**Action Date:** 02/26/22

**Action:** Do Pass the B-Eng bill.

**House Vote**

**Yeas:** 8 - Bynum, Evans, Gomberg, McLain, Nosse, Sanchez, Smith G, Valderrama

**Nays:** 3 - Breese-Iverson, Reschke, Stark

**Senate Vote**

**Yeas:** 6 - Golden, Gorsek, Lieber, President Courtney, Steiner Hayward, Taylor

**Nays:** 5 - Anderson, Girod, Hansell, Knopp, Thomsen

**Exc:** 1 - Frederick

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivet, Legislative Fiscal Office

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**Department of Human Services**

**2021-23**

## **Budget Summary**

	<b>2021-23 Legislatively Approved Budget</b>	<b>2022 Committee Recommendation</b>	<b>Committee Change from 2021-23 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
General Fund	\$ -	\$ 248,843	\$ 248,843	100.0%
Federal Funds Limited		\$ 84,361	\$ 84,361	100.0%
Total	\$ -	\$ 333,204	\$ 333,204	100.0%

## **Position Summary**

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.63	0.63

## **Summary of Revenue Changes**

Senate Bill 1556 appropriates \$248,843 General Fund to the Oregon Department of Human Services (ODHS) and increases Federal Funds expenditure limitation by \$84,361 to establish a certification process and implement an online registry for direct care providers of home- or community-based services.

## **Summary of Capital Construction Subcommittee Action**

SB 1556 directs ODHS to adopt by rule, criteria for the certification of direct care providers of home- or community-based services. This includes home care workers or employees of agencies providing home- or community-based services to clients within the Aging and People with Disabilities system. ODHS is also directed to maintain an online home- or community-based services caregiver registry that is accessible to the public. The Department is directed to work with stakeholder groups to design certification requirements, explore ways to improve the skill level and training of home or community-based services caregivers, and improve pathways for caregivers to access continued education and advancement.

The bill appropriates \$133,978 General Fund for one permanent full-time Operations and Policy Analyst 3 position (0.63 FTE) to conduct rulemaking, work with stakeholders, and to assist with the development of the certification process, and ongoing monitoring and verification of training, certification, and application processes for caregivers. The bill also appropriates \$114,865 General Fund and increases Federal Funds expenditure limitation by \$84,361 for position-related Services and Supplies costs and funding for information technology costs related to the online home- or community-based services caregiver registry.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Human Services  
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Personal Services	\$ 133,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,978	1	0.63
Services and Supplies	\$ 114,865	\$ -		\$ -	\$ 84,361	\$ -	\$ 199,226		
TOTAL ADJUSTMENTS	\$ 248,843	\$ -	\$ -	\$ -	\$ 84,361	\$ -	\$ 333,204	1	0.63
SUBCOMMITTEE RECOMMENDATION *	\$ 248,843	\$ -	\$ -	\$ -	\$ 84,361	\$ -	\$ 333,204	1	0.63
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%

\*Excludes Capital Construction Expenditures

## Legislative Fiscal Office

900 Court St. NE, H-178  
Salem OR 97301  
503-986-1828



## Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

### Certificate

June 3, 2022

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), (d); ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting via remote interface on June 3, 2022, took the following actions:

**1. Commission on Judicial Fitness and Disability**

Acknowledged receipt of a report on compensation plan changes.

**2. Oregon Judicial Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Assistance, in the amount of \$2,000,000 over a period of four federal fiscal years, to improve, expand, and enhance adult drug courts.

**3. Public Defense Services Commission**

Acknowledged receipt of a report on compensation plan changes.

**4. Public Defense Services Commission**

Acknowledged receipt of a report on the agency's reorganization.

**5. Public Defense Services Commission**

Acknowledged receipt of a report on a financial update; and authorized the transfer of \$1,250,000 from the General Fund appropriation established for the Public Defense Services Commission by section 1(3), chapter 444, Oregon Laws 2021, Appellate Division, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; authorized the transfer of \$10,602,500 from the General Fund appropriation established for the Public Defense Services Commission by section 1(4), chapter 444, Oregon Laws 2021, Trial Criminal Division, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; and authorized the transfer of \$7,706,454 from the General Fund appropriation established for the Public Defense Services Commission by section 1(5), chapter 444, Oregon Laws 2021, Nonroutine Expenses, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; to align General Fund appropriations with expenditures in support of the agency's legislative approved programs.

**6. Public Defense Services Commission**

Allocated \$413,011 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(8), chapter 444, Oregon Laws 2021, Administrative Services Division, for a one fiscal year contract extension with the Oregon Judicial Department for information technology support.

**7. Public Defense Services Commission**

Allocated \$70,250,989 from the special purpose appropriation made to the Emergency Board by section 3(1)(a), chapter 444, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(4), chapter 444, Oregon Laws 2021, Trial Criminal Division; allocated \$14,554,511 from the special purpose appropriation made to the Emergency Board by section 3(1)(b), chapter 444, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(5), chapter 444, Oregon Laws 2021, Nonroutine Expenses; allocated \$5,002,135 from the special purpose appropriation made to the Emergency Board by section 3(1)(c), chapter 444, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; and allocated \$10,192,365 from the special purpose appropriation made to the Emergency Board by section 3(1)(d), chapter 444, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(7), chapter 444, Oregon Laws 2021, Juvenile Division; for public defense services.

**8. Public Defense Services Commission**

Allocated \$94,155 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(8), chapter 444, Oregon Laws 2021, Administrative Services Division, to fund the administrative reclassification of a Procurement Analyst 1 position to a Manager 2 position.

**9. State Treasurer**

Increased the Other Funds expenditure limitation established for the State Treasurer by section 1(2), chapter 443, Oregon Laws 2021, Trust Property Services, by \$177,320, and authorized an increase of 0.59 FTE, to fund the reclassification of four positions and increase of two positions from part-time to full-time for the Trust Property Program.

**10. Higher Education Coordinating Commission**

Established a General Fund appropriation by allocating \$19,000,000 from the special purpose appropriation made to the Emergency Board by section 455(1), chapter 110, Oregon Laws 2022, to the Higher Education Coordinating Commission, for the implementation of the Oregon Tribal Student Grant Program.

**12. Department of Education**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, in the amount of \$5,400,000 over a period of five years, to support the development, implementation, and evaluation of a sustainable

infrastructure for school-based mental health, promote healthy social and emotional development of school-aged youth, and prevent youth violence in school settings.

**13. Department of Education**

Approved the submission of a federal grant application to the U.S. Department of Health and Human Services, Administration for Children and Families, in the amount of up to \$1,600,000 over a period of four years, to design and conduct research on how state child care policies are implemented into practice and to measure the effect of state and federal investments on provider engagement in state-funded child care programs.

**15. Oregon Health Authority**

Allocated \$30,000,000 from the special purpose appropriation made to the Emergency Board by section 281(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health; and increased the Federal Funds expenditure limitation established for the Oregon Health Authority by section 5(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, by \$45,000,000; for the Oregon Essential Workforce Health Care Program.

**16. Oregon Health Authority**

Allocated \$42,500,000 from the special purpose appropriation made to the Emergency Board by section 385(1), chapter 110, Oregon Laws 2022, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health; and increased the Federal Funds expenditure limitation established for the Oregon Health Authority by section 5(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, by \$112,000,000; for increasing behavioral health provider rates.

**17. Department of Human Services**

Established an Other Funds expenditure limitation of \$4,432,000 for the Department of Human Services, Aging and People with Disabilities program; and established an Other Funds expenditure limitation of \$3,347,000 for the Department of Human Services, Intellectual and Developmental Disabilities program, for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Department of Human Services; for one-time worker incentive payments to eligible direct care workers in nursing facilities and group homes.

**18. Department of Human Services**

Established a General Fund appropriation by allocating \$5,000,000 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to the Department of Human Services, for drought response efforts, with the understanding the Department of Administrative Services will unschedule \$4,000,000 of the amount until the agency provides the Legislative Fiscal Office and Chief Financial Office a spending plan.

**19. Department of Human Services**

Acknowledged receipt of various reports required by budget notes related to recent investments in long-term care capital improvement and emergency preparedness, long-term care workforce development and training, and foster care respite services, as well as barriers to mental health for individuals served by the Aging and People with Disabilities and the Intellectual and Developmental Disabilities programs.

**20. Department of Justice**

Increased the Federal Funds expenditure limitation established for the Department of Justice by section 3(3), chapter 427, Oregon Laws 2021, Crime Victim and Survivor Services Division, by \$35,110,718, for a federal Victims of Crime Act grant.

**21. Department of Justice**

Allocated \$357,161 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Justice by section 1(4), chapter 427, Oregon Laws 2021, Crime Victim and Survivor Services, and authorized the establishment of three limited duration positions (1.42 FTE), for the administration of a community based violence prevention program.

**22. Oregon Military Department**

Established a General Fund appropriation by allocating \$63,050 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to the Oregon Military Department, for Capital improvement; and increased the Federal Funds expenditure limitation established for the Oregon Military Department by section 3(5), chapter 662, Oregon Laws 2021, Capital improvement, by \$189,150; for the installation of new computer fiberoptic cable at the Senator Jackie Winters Oregon National Guard Youth Challenge Campus.

**23. Criminal Justice Commission**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Justice Programs, in the amount of up to \$250,000, for a Prison Rape Elimination Act Standards grant.

**24. Department of Corrections**

Acknowledged receipt of a report on overtime usage.

**25. Oregon State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Statistics, in the amount of up to \$2,000,000, for the national criminal background check system.

**26. Oregon State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Community Oriented Policing Services, in the amount of up to \$175,000, for the Law Enforcement Mental Health and Wellness grant.



**27. Oregon State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration, in the amount of \$966,156, for hazardous materials emergency preparedness.

**28. Department of Public Safety Standards and Training**

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(2), chapter 381, Oregon Laws 2021, Public Safety Memorial Fund, by \$429,930, to accommodate an increase in expenditures from the Fund.

**29. Housing and Community Services Department**

Allocated \$1,000,000 from the special purpose appropriation made to the Emergency Board by section 8(1), chapter 556, Oregon Laws 2021, to supplement the appropriation made to the Housing and Community Services Department by section 1, chapter 556, Oregon Laws 2021, for administrative expenses associated with program start-up for a grant program that supports gap financing for affordable housing projects co-located with child care or early learning centers, with the understanding that the Housing and Community Services Department will return to the Emergency Board to request remaining funds when a third-party program administrator has been selected and solicitation for project proposals is ready to proceed.

**30. Oregon Business Development Department**

Increased the Federal Funds expenditure limitation established for the Oregon Business Development Department by section 4(1), chapter 560, Oregon Laws 2021, Business, innovation and trade, by \$26,500,000, and authorized the establishment of four permanent positions (2.00 FTE), for the administration and expenditure of federal State Small Business Credit Initiative program funds.

**31. Oregon Business Development Department**

Established an Other Funds expenditure limitation of \$287,800 for the Oregon Business Development Department, for Business, innovation and trade, for funding from the Coronavirus Relief Fund received by the Department of Administrative Services and transferred to the Oregon Business Development Department, for the Rural Broadband Capacity Program.

**32. Oregon Business Development Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, Forest Services, in the amount of \$13,000,000, to provide loans and grants for economic development projects that benefit local communities in the vicinity of the Opal Creek Wilderness area.

**33. Oregon Business Development Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$5,000,000, for the capitalization of the Oregon Brownfields Revolving Loan Fund.

- 35. Department of State Lands**  
Increased the Federal Funds expenditure limitation established for the Department of State Lands by section 3(2), chapter 607, Oregon Laws 2021, Common School Fund programs, by \$146,116, for the expenditure of federal grant funds awarded by the U.S. Environmental Protection Agency, Wetland Program Development program, for the development of an electronic geographic information system data set for wetlands and waters delineation and determination records.
- 36. Department of State Lands**  
Increased the Federal Funds expenditure limitation established for the Department of State Lands by section 3(2), chapter 607, Oregon Laws 2021, Common School Fund programs, by \$236,833, for the expenditure of federal grant funds awarded by the U.S. Environmental Protection Agency in the previous two biennia, for wetlands programs.
- 39. Oregon Department of Energy**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Energy, in the amount of \$200,000, to support state energy security planning.
- 40. Department of Land Conservation and Development**  
Approved, retroactively, the submission of a federal grant application to the U.S. Economic Development Administration, in the amount of up to \$500,000, to assist with mitigation of regulatory barriers to the use of mass timber products.
- 43. Department of Agriculture**  
Allocated \$1,192,241 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Agriculture by section 7, chapter 4, Oregon Laws 2021 (second special session), for the suppression of grasshoppers and crickets.
- 45. Department of Agriculture**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, in the amount of up to \$62,000,000 over a period of eight years, for Climate Smart Commodities.
- 46. Department of Forestry**  
Approved, retroactively, the submission of a federal grant application to the U.S. Economic Development Administration, in the amount of \$3,250,000, to accelerate forest restoration and provide additional wood fiber to support mass-timber manufacturing.
- 47. Department of Forestry**  
Increased the Federal Funds expenditure limitation established for the Department of Forestry by section 4(3), chapter 605, Oregon Laws 2021, State forests, by \$1,115,923, for the expenditure of federal grant awards for Topographical Data and Habitat Conservation Plan Development.

- 48. Department of Forestry**  
Established a General Fund appropriation by allocating \$50,000,000 from the special purpose appropriation made to the Emergency Board by section 312(1), chapter 110, Oregon Laws 2022, to the Department of Forestry, for cash flow needs.
- 49. Department of Forestry**  
Increased the Federal Funds expenditure limitation established for the Department of Forestry by section 4(5), chapter 605, Oregon Laws 2021, Private Forests, by \$17,000,000, for expenditure of federal grant funds awarded by the U.S. Forest Service for the Forest Legacy Program.
- 51. Department of Forestry**  
Increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(4), chapter 605, Oregon Laws 2021, Federal forest restoration, by \$3,000,000, for the expenditure revenues resultant from federal forest restoration work under Good Neighbor Authority agreements.
- 52. Department of Forestry**  
Allocated \$1,957,075 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 605, Oregon Laws 2021, Fire protection; and increased the Other Funds expenditure limitation established for the Department of Forestry by section 2(2), chapter 605, Oregon Laws 2021, Fire protection, by \$315,000; for payment of premium costs associated with the state's 2022 catastrophic wildfire insurance policy.
- 53. Department of Forestry**  
Increased the Federal Funds expenditure authority established for the Department of Forestry by section 4(5), chapter 605, Oregon Laws 2021, Private forests, by \$598,368, and authorized the establishment of six limited duration positions (3.00 FTE), to address workload staffing issues resultant from increased federal funding for existing programs.
- 54. Department of Geology and Mineral Industries**  
Approved the submission of a federal grant application to the Federal Emergency Management Agency, in the amount of \$1,017,215, for the Cooperating Technical Partners Program.
- 55. Department of Geology and Mineral Industries**  
Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration, in the amount of \$494,331, for the National Tsunami Hazard Mitigation Program.
- 56. Department of Environmental Quality**  
Approved, retroactively, the submission of a federal grant application to the Environmental Protection Agency, in the amount of \$500,000, to enhance air quality monitoring.

**57. Department of Environmental Quality**

Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$1,919,100, for projects under the Pollution Prevention Grant Program.

**59. Department of Transportation**

Increased the Other Funds expenditure limitation established for the Department of Transportation by section 2(13), chapter 442, Oregon Laws 2021, Rail, by \$10,100,000, for rail crossing safety improvements; and increased the Other Funds and Federal Funds expenditure limitations, and authorized the establishment of limited duration and permanent positions, for administration of additional transportation funding under the Infrastructure Investment and Jobs Act federal transportation funding authorization; per the attached table.

**60. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the Federal Motor Carrier Safety Administration, in the amount of \$2,000,000, to implement an information technology solution for an Over-Dimension Permitting System.

**61. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$20,000,000, for improvements to Oregon 99 in the Phoenix area.

**62. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$18,000,000, for safety improvements on Outer Powell Boulevard.

**63. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the Federal Transit Administration, in the amount of up to \$14,155,246, to fund purchases of transit vehicles and other transit costs.

**64. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$36,000,000, for improvements to the Interstate 5 Aurora-Donald interchange.

**65. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$52,650,000, for freight connectivity and multimodal improvements to US 97 in the Redmond area.

**66. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$120,000,000, for improvements to Interstate 205.

**67. Department of Transportation**

Approved the submission of a federal grant application to the Federal Highway Administration, in the amount of \$360,000, to update the Rogue Umpqua National Scenic Byway Corridor Management Plan.

**68. Department of Aviation**

Increased the Other Funds expenditure limitation established for the Department of Aviation by section 1(4), chapter 602, Oregon Laws 2021, General aviation entitlement grant program, by \$227,444; and increased the Federal Funds expenditure limitation established for the Department of Aviation by section 2(2), chapter 602, Oregon Laws 2021, General aviation entitlement grant program, by \$2,047,000; for infrastructure projects at ten state-owned airports.

**70. Oregon Board of Dentistry**

Acknowledged receipt of a report on adoption of dental therapy fees.

**71. Oregon State Board of Nursing**

Increased the Other Funds expenditure limitation established for the Oregon State Board of Nursing by section 1, chapter 310, Oregon Laws 2021, by \$664,645, and authorized the establishment of two limited duration positions (1.08 FTE), for increased licensing and legal costs.

**72. Public Employees Retirement System**

Increased the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(6)(b), chapter 145, Oregon Laws 2021, Core Retirement System: ORION Modernization Project, by \$3,797,797, and authorized the establishment of six limited duration positions (2.75 FTE), for the pre-planning phase of the ORION Modernization Project.

**73. Bureau of Labor and Industries**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Labor, in the amount of \$4,000,000, to expand the number of registered apprenticeship programs and apprentices across the state.

**74. Department of Administrative Services**

Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(7), chapter 425, Oregon Laws 2021, Enterprise Goods and Services, by \$3,266,681, to address costs associated with moving the implementation date of the Workday Payroll and Time Tracking project from July 1, 2022 to December 1, 2022.

**75. Department of Administrative Services**

Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(4), chapter 425, Oregon Laws 2021, Chief Human Resources Office, by \$505,831, and authorized the establishment of three limited duration positions (1.50 FTE), to address increased workload and to develop the state's workforce.

- 76. Department of Administrative Services**  
Acknowledged receipt of a report on compensation plan changes.
- 77. Department of Revenue**  
Acknowledged receipt of a report on the conditions of the Revenue building facility relating to seismic and architectural studies.
- 78. Department of Revenue**  
Allocated \$617,350 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Revenue by section 1(1), chapter 441, Oregon Laws 2021, Administration; increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(1), chapter 441, Oregon Laws 2021, Administration, by \$154,377; and authorized the establishment of seven permanent positions (3.21 FTE); to create a new internal controls office comprised of compliance, risk, and business continuity functions to improve the security of taxpayer financial and personal information.
- 79. Oregon Employment Department**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Labor, in the amount of \$3,000,000 over three years, to assist underserved workers in understanding and receiving unemployment insurance benefits and services.
- 80. Housing and Community Services Department**  
Established a General Fund appropriation by allocating \$5,000,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to the Housing and Community Services Department, for distribution to Home Forward to administer an affordable housing stabilization grant fund for affordable housing providers that can demonstrate outstanding debt from past due rent accumulated by residents in affordable units between April 1, 2020 and April 30, 2022.

**ATTACHMENT**  
**Item 59: Department of Transportation**

<b>DEPARTMENT OF TRANSPORTATION 2021-23</b>				
<b>June 2022</b>				
<b>Division/Appropriation Reference</b>	<b>Fund Type</b>	<b>Adjustments to Legislatively Approved Budget</b>	<b>Adjustments to Position Authority</b>	
<b>Expenditure Limitation Adjustments:</b>				
<b>Maintenance and emergency relief programs</b>				
Ch 442 2(2), OL 2021	Other	9,231,721		
<b>Preservation program</b>				
Ch. 442 2(3), OL 2021	Other	8,948,822	4 pos / 1.29 FTE	
<b>Bridge program</b>				
Ch 442 2(4), OL 2021	Other	99,495,444	6 pos / 2.13 FTE	
<b>Operations program</b>				
Ch 442 2(5), OL 2021	Other	23,852,333	6 pos / 2.13 FTE	
<b>Modernization program</b>				
Ch 442 2(6), OL 2021	Other	20,815,887	6 pos / 2.17 FTE	
<b>Special Programs</b>				
Ch 442 2(7), OL 2021	Other	96,868,520	18 pos / 6.58 FTE	
<b>Local government program</b>				
Ch 442 2(8), OL 2021	Other	103,467,668	2 pos / 0.75 FTE	
<b>Commerce and compliance</b>				
Ch 442 3(2), OL 2021	Federal	4,000,000	7 pos / 3.42 FTE	
<b>Policy, data and analysis</b>				
Ch 442 2(11), OL 2021	Other	36,878,097	9 pos / 4.17 FTE*	
*2 positions / 0.84 FTE authorized as limited duration				
<b>Public transit</b>				
Ch 442 2(12), OL 2021	Other	3,333,333		
Ch 442 3(4), OL 2021	Federal	88,800,000		
	Total	92,133,333	7 pos / 2.38 FTE	
<b>Support services</b>				
Ch 442 2(15), OL 2021	Other	965,558	7 pos / 3.50 FTE*	
*2 pos / 1.00 FTE authorized as limited duration				
<b>ODOT headquarters</b>				
Ch 442 2(16), OL 2021	Other	2,709,407	4 pos / 1.25 FTE	
<b>Department Total</b>				
	Other	406,566,790		
	Federal	92,800,000		
	Total	499,366,790	76 pos / 29.77 FTE	

## Legislative Fiscal Office

900 Court St. NE, H-178  
Salem OR 97301  
503-986-1828



## Oregon Legislative Emergency Board

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair

### Certificate

September 23, 2022

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), (d); ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting via remote interface on September 23, 2022, took the following actions:

**2. Oregon Judicial Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, in the amount of \$800,000 over a period of three federal fiscal years, for system improvements to juvenile justice prevention and intervention programs.

**3. Oregon Judicial Department**

Acknowledged receipt of a report on compensation plan changes.

**4. Oregon Judicial Department  
Department of Human Services  
Public Defense Services Commission  
Department of Justice**

Allocated \$682,616 from the special purpose appropriation made to the Emergency Board by section 34(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Judicial Department by section 1(2), chapter 557, Oregon Laws 2021, Operations, and authorized the establishment of six permanent positions (1.50 FTE); allocated \$335,979 from the special purpose appropriation made to the Emergency Board by section 34(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Human Services by section 1(5), chapter 606, Oregon Laws 2021, Child welfare programs, and authorized the establishment of one permanent position (0.25 FTE); allocated \$91,907 from the special purpose appropriation made to the Emergency Board by section 34(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(4), chapter 444, Oregon Laws 2021, Trial Criminal Division; and increased the Other Funds expenditure limitation established for the Department of Justice by section 2(3), chapter 427, Oregon Laws 2021, Civil Enforcement Division, by \$104,363, and authorized the establishment of one permanent position (0.25 FTE); for the Family Treatment Court program.



- 5. Public Defense Services Commission**  
Acknowledged receipt of a report on Compliance, Audit, and Performance Management, with instructions.
- 6. Public Defense Services Commission**  
Acknowledged receipt of a report on the reorganization of the Public Defense Services Commission, with instructions.
- 8. Public Defense Services Commission**  
Allocated \$121,649 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Public Defense Services Commission by section 1(2), chapter 444, Oregon Laws 2021, Compliance, Audit and Performance Division, and authorized the establishment of one permanent General Counsel position (0.25 FTE), for a Compliance, Audit, and Performance Management Division chief.
- 9. Oregon Department of Education**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, Agricultural Marketing Service, in the amount of up to \$2,062,715, to purchase domestic local food for distribution to schools.
- 11. Higher Education Coordinating Commission**  
Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$5,000,000, for the America the Beautiful Challenge program.
- 12. Higher Education Coordinating Commission**  
Approved, retroactively, the submission of a federal grant application to the Department of Labor, in the amount of \$5,500,000, to distribute to workforce community partners to provide high quality jobs and employment training and services to connect unemployed and underemployed workers to secure jobs.
- 13. Higher Education Coordinating Commission**  
Acknowledged receipt of a report on the State Longitudinal Data System.
- 14. Oregon Health Authority**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, in the amount of up to \$3,000,000 over a period of three years, to support projects that increase the number of community health workers and health support workers and to enhance their skills in providing effective community outreach, initiating and maintaining support to connections with care and support services, and recovering from the COVID-19 pandemic and other public health emergencies in underserved communities.
- 15. Oregon Health Authority**  
Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$534,000, to provide support for

improvements to drinking water systems for small, underserved, and disadvantaged communities.

**16. Oregon Health Authority**

Approved the submission of a federal grant application to the Environmental Protection Agency, in the amount of \$23,673,000, for the Drinking Water State Revolving Loan Fund program.

**17. Oregon Health Authority**

Approved, retroactively, the submission of a federal grant application to the Centers for Disease Control and Prevention, in the amount of \$30,685,251 over a period of five years, to support core infrastructure improvements in the areas of public health workforce, foundational capabilities, and data modernization.

**18. Oregon Health Authority**

Allocated \$881,987 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, to address the health risk of excessive nitrate levels in domestic wells located in the Lower Umatilla Basin Groundwater Management Area.

**19. Oregon Health Authority**

Allocated \$9,000,000 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health; and increased the Other Funds expenditure limitation established for the Oregon Health Authority by section 2(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, by \$111,000,000; to continue responding to the COVID-19 pandemic through activities eligible for reimbursement from the Federal Emergency Management Agency.

**20. Oregon Health Authority**

Allocated \$9,650,000 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health; increased the Other Funds expenditure limitation established for the Oregon Health Authority by section 2(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, by \$2,317,000; and increased the Federal Funds expenditure limitation established for the Oregon Health Authority by section 5(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health, by \$2,000,000; for addressing staffing and bed capacity needs in Oregon's acute care hospitals.

**21. Oregon Health Authority**

Allocated \$1,791,515 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(2), chapter 668, Oregon Laws 2021, Oregon State Hospital; and authorized the establishment of 20 permanent positions (7.60 FTE); for responding to a federal audit of the Oregon State Hospital.

**22. Department of Human Services**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention, in the amount of \$750,000 over a period of three years, to support and develop programs that foster positive family engagements between incarcerated parents and their minor children.

**23. Department of Human Services**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Children's Bureau, in the amount of \$200,000, to support Oregon's Kinship Navigator program.

**24. Department of Human Services**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Administration for Children and Families, in the amount of \$600,000, to plan for large-scale repatriation operations for U.S. citizens.

**25. Department of Human Services**

Allocated \$5,000,000 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Human Services by section 1(3), chapter 606, Oregon Laws 2021, Self-sufficiency programs, for distribution to the Oregon Food Bank for emergency food assistance.

**26. Department of Human Services**

Increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(1), chapter 606, Oregon Laws 2021, Central services, by \$3,000,000, to support shelter, food, and wrap-around services for 95 households in Jackson County.

**27. Department of Human Services**

Allocated \$21,380,000 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Human Services by section 1(6), chapter 606, Oregon Laws 2021, Aging and people with disabilities programs; allocated \$4,400,000 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of Human Services by section 1(1), chapter 606, Oregon Laws 2021, Central services; and increased the Federal Funds expenditure limitation established for the

Department of Human Services by section 3(6), chapter 606, Oregon Laws 2021, Aging and people with disabilities programs, by \$2,600,000, to provide one-time support to address hospital and long-term care facility capacity needs associated with workforce shortages.

**28. Department of Human Services**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Administration for Community Living, in the amount of \$2,107,701, to enhance and improve the Adult Protective Services program.

**29. Department of Human Services  
Long-Term Care Ombudsman**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Administration for Community Living, in the amount of \$240,523; increased the Federal Funds expenditure limitation established for the Department of Human Services by section 3(6), chapter 606, Oregon Laws 2021, Aging and people with disabilities programs, by \$240,523; and increased the Other Funds expenditure limitation established for the Long-Term Care Ombudsman by section 2, chapter 469, Oregon Laws 2021, by \$240,523; to strengthen the capacity of the Ombudsman program.

**30. Oregon Military Department**

Increased the Federal Funds Capital Construction expenditure limitation established for the Oregon Military Department by section 2(2), chapter 106, Oregon Laws 2018, Camp Umatilla Facilities Biomass Heating Upgrades, by \$2,550,000; increased the Federal Funds Capital Construction expenditure limitation established for the Oregon Military Department by section 2(2)(b), Chapter 659, Oregon Laws 2021, Camp Umatilla Guard Shack, by \$1,314,099; and established a Federal Funds Capital Construction expenditure limitation of \$1,896,000 for the Oregon Military Department; for funding the Rees Training Center Modified Record Fire Range.

**31. Oregon Department of Emergency Management**

Established a General Fund appropriation by allocating \$2,000,000 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account; and established an Other Funds expenditure limitation of \$2,000,000 for the Department of Emergency Management, mitigation and recovery program; for providing grant funding to the City of Echo for flood damage mitigation.

**32. Oregon Department of Emergency Management**

Established a General Fund appropriation by allocating \$2,000,000 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account; and established an Other Funds expenditure limitation of \$2,000,000 for the Department of Emergency

Management, mitigation and recovery program; for providing grant funding to Wallowa County for storm damage mitigation.

**33. Department of Justice**

Allocated \$883,366 from the special purpose appropriation made to the Emergency Board by section 148(1), chapter 110, Oregon Laws 2022, to supplement the appropriation made to the Department of Justice by section 1(6), chapter 427, Oregon Laws 2021, Division of Child Support; and increased the Federal Funds expenditure limitation established for the Department of Justice by section 3(4), chapter 427, Division of Child Support, by \$1,714,768, for the Child Support Enforcement Automated System; with instructions.

**34. Department of Corrections**

Acknowledged receipt of a report on overtime usage.

**35. Criminal Justice Commission**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance, in the amount of up to \$400,000 over a period of three years, to work toward adoption of metrics to implement the Justice Counts program.

**36. Oregon Youth Authority**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Programs, in the amount of up to \$800,000 over a period of three years, to expand and improve research and evaluation of services provided by the Oregon Youth Authority.

**37. Department of Public Safety Standards and Training**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Homeland Security, in the amount of up to \$20,000, for the 2022 State Fire Training Systems grant program.

**38. Department of Public Safety Standards and Training**

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 381, Oregon Laws 2021, Operations, by \$500,000, to provide wildland fire training grants.

**39. Department of Public Safety Standards and Training**

Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 381, Oregon Laws 2021, Operations, by \$1,280,000, to add two additional Basic Police courses to the 2021-2023 training calendar.

**40. Department of State Police**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance, in the

amount of up to \$249,000 over a period of three years, to assist with human remains identification.

**41. Oregon Business Development Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Commerce, National Telecommunications and Information Administration, in the amount of \$5,000,000, for Broadband Equity, Access, and Deployment; approved, retroactively, the submission of a federal grant application to the U.S. Department of Commerce, National Telecommunications and Information Administration, in the amount of \$782,193, for State Digital Equity Planning; established a Federal Funds expenditure limitation of \$2,807,000 for the Oregon Business Development Department, Infrastructure program; and authorized the establishment of eight permanent positions (3.04 FTE); for administration and activities associated with the Broadband Equity, Access, and Deployment grant, State Digital Equity Planning grant, and American Rescue Plan Act, Capital Projects Funds for broadband allocated to the Oregon Business Development Department through prior legislative action.

**43. Oregon Business Development Department**

Increased the Federal Funds expenditure limitation established for the Oregon Business Development Department by section 4(2), chapter 560, Oregon Laws 2021, Infrastructure, by \$3,900,000, to allow the agency to expend federal grant funds received from the U.S. Environmental Protection Agency for additional capitalization of the Brownfields Cleanup Fund.

**44. Oregon Business Development Department**

Increased the Other Funds expenditure limitation established for the Oregon Business Development Department by section 2(2), chapter 560, Oregon Laws 2021, Infrastructure, by \$10,000,000, for the payment of state income tax reimbursements to local governments under the Oregon Industrial Site Readiness Program, with the understanding that \$5,456,611 of that amount will be unscheduled by the Department of Administrative Services pending certification of the following year's transfer amount.

**45. Oregon Business Development Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Small Business Administration, in the amount of \$750,000, to provide financial assistance to Oregon small businesses seeking to begin or grow international sales.

**46. Oregon Business Development Department**

Increased the Other Funds expenditure limitation established for the Oregon Business Development Department by section 2(4), chapter 560, Oregon Laws 2021, Arts and Cultural Trust, by \$180,000, for the expenditure additional funds available for artist resilience grants.

**47. Oregon Business Development Department**

Increased the Federal Funds expenditure limitation established for the Oregon Business Development Department by section 4(2), chapter 560, Oregon Laws 2021, Infrastructure, by \$2,000,000, for the expenditure of grant funds from the U.S.

Department of Agriculture, Forest Services, to provide grants and loans for economic development projects that benefit communities in the vicinity of the Opal Creek Wilderness area.

**48. Oregon Employment Department**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Justice, Bureau of Justice Administration, in the amount of \$900,000 over a period of three years, to provide reemployment and career services to adults in custody.

**49. Housing and Community Services Department**

Allocated \$9,000,000 from the special purpose appropriation made to the Emergency Board by section 8(1), chapter 556, Oregon Laws 2021, to supplement the appropriation made to the Housing and Community Services Department by section 1, chapter 556, Oregon Laws 2021, for gap financing for affordable rental housing projects that are co-located with child care or early learning centers, with the understanding that the Department of Administrative Services will unschedule funds pending the selection of projects.

**50. Housing and Community Services Department**

Increased the Federal Funds expenditure limitation established for the Housing and Community Services Department by section 244, chapter 110, Oregon Laws 2022, by \$6,175,259, for expenditures pursuant to the Community Development Block Grant Disaster Relief plan for the 2021-23 biennium.

**51. Housing and Community Services Department**

Increased the Federal Funds expenditure limitation established for the Housing and Community Services Department by section 4, chapter 556, Oregon Laws 2021, by \$47,089,450, for additional Emergency Rental Assistance payments from reallocated federal funds under the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act.

**52. Housing and Community Services Department**

Increased the Federal Funds expenditure limitation established for the Housing and Community Services Department by section 4, chapter 556, Oregon Laws 2021, by \$16,383,491, and authorized the establishment of two permanent positions (0.76 FTE), for administration of supplemental weatherization and home energy assistance program dollars received under the Infrastructure Investment and Jobs Act.

**53. Housing and Community Services Department**

Increased the Other Funds expenditure limitation established for the Housing and Community Services Department by section 2, chapter 556, Oregon Laws 2021, by \$310,431, and authorized the establishment of four permanent positions (1.52 FTE), for federally required management and occupancy reviews performed under contract with the federal Department of Housing and Urban Development.

- 54. Housing and Community Services Department**  
Increased the Federal Funds expenditure limitation established for the Housing and Community Services Department by section 4, chapter 556, Oregon Laws 2021, by \$2,000,000, to partially finance the Courtney Place YMCA Veterans Housing Project in Salem.
- 55. Department of State Lands**  
Increased the Other Funds expenditure limitation established for the Department of State Lands by section 1(1), chapter 607, Oregon Laws 2021, Common School Fund programs, by \$2,451,520, for the Land Administration System replacement project.
- 56. Department of State Lands**  
Increased the Other Funds expenditure limitation for the Department of State Lands established by section 1(3), chapter 607, Oregon Laws 2021, South Slough National Estuarine Research Reserve operations, by \$450,000, for the operational costs of the South Slough National Estuarian Research Reserve.
- 57. Department of State Lands**  
Acknowledged receipt of a report on abandoned and derelict vessels.
- 58. Department of Energy**  
Approved the submission of a federal grant application to the U.S. Department of Energy, in the amount of \$9,962,272, for the first year of a five-year program to prevent outages and enhance the resilience of the electric grid; established a General Fund appropriation by allocating \$200,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to the Oregon Department of Energy, for establishing the grid resilience grant program; and authorized the establishment of one limited duration position (0.38 FTE) for the purpose of grant administration.
- 59. Department of Forestry**  
Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$5,000,000, for the America the Beautiful Challenge program.
- 60. Department of Geology and Mineral Industries**  
Approved the submission of a federal grant application to the U.S. Geological Survey, National Geological and Geophysical Data Preservation Program, in the amount of up to \$50,000, to scan, archive, and make publicly available historic assay reports, mine maps, and historic agency photographs and Oregon Bureau of Mines and Geology files.
- 61. Department of Environmental Quality**  
Approved the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$5,500,000 over a period of five years, to expediate the reuse and development of properties based on need, using environmental justice screening criteria.



- 62. Department of Environmental Quality**  
Increased the Other Funds expenditure limitation established for the Department of Environmental Quality by section 2(1), chapter 673, Oregon Laws 2021, Air Quality, by \$357,204, and authorized the establishment of four limited duration positions (1.26 FTE), for permitting program needs related to industrial growth.
- 63. State Marine Board**  
Increased the Other Funds expenditure limitation established for the State Marine Board by section 1(3), chapter 428, Oregon Laws 2021, Facilities construction and maintenance, by \$510,766, for Waterway Access Grants administered by the Board.
- 64. Department of Agriculture**  
Allocated \$550,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the State Department of Agriculture by section 1(3), section 600, Oregon Laws 2021, Natural resources; and authorized the establishment of one limited duration position (0.33 FTE); for initial response to the detection of the Emerald Ash Borer beetle in Oregon.
- 65. Department of Agriculture**  
Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$4,324,000, for the America the Beautiful Challenge program.
- 66. Water Resources Department**  
Increased the Federal Funds expenditure limitation established for the Water Resources Department by section 4(4), chapter 665, Oregon Laws 2021, Technical services, by \$381,651, for the expenditure of unanticipated federal grant monies awarded by the Federal Emergency Management Agency for the High Hazard Potential Dams Program.
- 67. Water Resources Department**  
Established a General Fund appropriation by allocating \$5,000,000 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to the Water Resources Department, for distribution to Klamath County to address dry domestic and community water wells.
- 68. Water Resources Department**  
Approved, retroactively, the submission of a federal grant application to the Federal Emergency Management Agency, in the amount of up to \$1,000,000, for the High Hazard Potential Dams program.
- 69. Water Resources Department**  
Approved, retroactively, the submission of a federal grant application to the Federal Emergency Management Agency, in the amount of up to \$200,000, for the Dam Safety program.

**70. Parks and Recreation Department**

Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$350,000, for the America the Beautiful Challenge program.

**71. Department of Fish and Wildlife**

Increased the Other Funds expenditure limitation established for the State Department of Fish and Wildlife by section 2(7), chapter 679, Oregon Laws 2021, Habitat Division, by \$2,000,000, to expend funds from the Private Forest Accord Mitigation Subaccount for eligible purposes.

**72. Department of Fish and Wildlife**

Approved, retroactively, the submission of a federal grant application to the U.S. Bureau of Land Management, Good Neighbor Authority Program, in the amount of \$6,551,330, for forest, rangeland, and watershed restoration work; and increased the Federal Funds expenditure limitation established for the State Department of Fish and Wildlife by section 4(5), chapter 679, Oregon Laws 2021, Habitat Division, by \$510,000; for grant expenditures.

**73. Department of Fish and Wildlife**

Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration, in the amount of up to \$100,000, to fund research aimed at preventing whale entanglements.

**74. Department of Fish and Wildlife**

Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$14,873,310, for the America the Beautiful Challenge program.

**75. Department of Fish and Wildlife**

Approved, retroactively, the submission of two federal grant applications to the National Oceanic and Atmospheric Administration, in the amount of \$8,527,743, for restoring fish passage in the Wallowa River basin and the North Fork Klaskanine River basin.

**76. Department of Fish and Wildlife**

Approved, retroactively, the submission of a federal grant application to the United States Forest Service, in the amount of \$1,000,000, for addressing fish passage in the Illinois River basin and to update the fish passage barrier database.

**77. Department of Fish and Wildlife**

Approved, retroactively, the submission of a federal grant application to the U.S. Fish and Wildlife Service, in the amount of \$1,000,000, for a Habitat Conservation Planning Assistance grant to develop the statewide Private Forest Accord Aquatic Habitat Conservation Plan.

- 78. Department of Fish and Wildlife**  
Approved, retroactively, the submission of federal grant applications to the U.S. Fish and Wildlife Service, in the amount of \$1,378,373, to enhance detection and response to wildlife disease outbreaks.
- 79. Department of Fish and Wildlife**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture, in the amount of \$372,434, for response to wild cervid chronic wasting disease; and increased the Federal Funds expenditure limitation established for the State Department of Fish and Wildlife by section 4(2), chapter 679, Oregon Laws 2021, Wildlife Division, by \$277,000; for grant expenditures.
- 80. Department of Transportation**  
Authorized the transfer of Other Funds expenditure limitations to align expected expenditures with statutorily authorized purposes, per the attached table.
- 81. Department of Transportation**  
Approved the submission of a federal grant application to the U.S. Department of Transportation, Federal Highway Administration, in the amount of \$100,000,000, for the Reconnecting Communities I-5 Rose Quarter project.
- 82. Department of Transportation**  
Established a General Fund appropriation by allocating \$3,000,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to the Department of Transportation, to support completion of the Treasure Valley Intermodal Facility project in Nyssa, Oregon.
- 83. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, Federal Highway Administration, in the amount of \$1,000,000, for a Bridge Investment Program planning grant for the I-5 Interstate Bridge Replacement Project.
- 84. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, Federal Highway Administration, in the amount of \$750,000,000, for a Bridge Investment Program grant for the construction of the I-5 Interstate Bridge Replacement Project.
- 85. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Highway Administration, in the amount of \$3,800,000 over a period of five years, to construct streetscape and safety improvements in Mosier, Oregon.

**86. Department of Transportation**

Approved, retroactively, the submission of a federal grant application to the Federal Highway Administration, in the amount of \$2,100,000 over a period of five years, to improve pedestrian, visitor, and resident safety in Paisley, Oregon.

**87. Department of Consumer and Business Services**

Increased the Other Funds expenditure limitation established for the Department of Consumer and Business Services by section 1(2), chapter 503, Oregon Laws 2021, Workers' Compensation Division, by \$1,024,877, and authorized the establishment of two limited duration positions (0.50 FTE), for the advancement of the Workers' Compensation IT system modernization project.

**88. Department of Consumer and Business Services**

Increased the Federal Funds expenditure limitation established for the Department of Consumer and Business Services by section 2(5), chapter 503, Oregon Laws 2021, Division of Financial Regulation, by \$5,000,000, for expenditure of federal pass-through funds distributed by the U.S. Centers for Medicare and Medicaid Services for the Oregon Reinsurance Program.

**89. Board of Examiners for Speech-Language Pathology and Audiology**

Increased the Other Funds expenditure limitation established for the State Board of Examiners for Speech-Language Pathology and Audiology by section 5, chapter 504, Oregon Laws 2021, by \$107,000, to address increased licensing and caseload costs.

**90. Department of Administrative Services**

**Department of Corrections**

Increased the Other Funds expenditure limitation established for the Department of Corrections by section 95, chapter 669, Oregon Laws 2021, by \$30,160,191, for funding from the Coronavirus Relief Fund received by the Oregon Department of Administrative Services and transferred to the Department of Corrections to cover operational and payroll costs; increased the Federal Funds expenditure limitation established for the Oregon Department of Administrative Services by section 81, chapter 669, Oregon Laws 2021, by \$30,160,191, to support the transfer of Coronavirus Relief Fund to the Department of Corrections; increased the Other Funds expenditure limitation established for the Oregon Department of Administrative Services by section 2(3), chapter 518, Oregon Laws 2019, Office of the State Chief Information Officer - Policy, by \$3,917,490, for Office 365 expenditures; and increased the Other Funds expenditure limitation established for the Oregon Department of Administrative Services by the Emergency Board at its November 2020 meeting (Item 3), by \$3,222,369, for reimbursement of personal protective equipment purchases by the Federal Emergency Management Agency; to reconcile final Coronavirus Relief Fund resources and fully expend those resources for eligible expenditures that were incurred prior to December 31, 2021.

**91. Department of Administrative Services**

Acknowledged receipt of a report on compensation plan changes.

**92. Department of Administrative Services**

Acknowledged receipt of a report on uniform rent rates.

**93. Oregon Liquor and Cannabis Commission**

Increased the Other Funds expenditure limitation established for the Oregon Liquor and Cannabis Commission by section 1(1), chapter 640, Oregon Laws 2021, Administrative expenses, by \$2,562,734, for administrative expenses related to bank card fees; increased the Other Funds expenditure limitation established for the Oregon Liquor and Cannabis Commission by section 1(4), chapter 640, Oregon Laws 2021, Agents' compensation - all other, by \$11,881,048, for contracted liquor store agent payments; and increased the Other Funds expenditure limitation established for the Oregon Liquor and Cannabis Commission by section 1(5), chapter 640, Oregon Laws 2021, Agents' compensation - distillery agents, by \$3,733,000, for payments to distillery agents; to pay expenses that are calculated as a percentage of liquor sales, which have exceeded legislatively adopted budget forecasts.

**94. Oregon Business Development Department**

Established a General Fund appropriation by allocating \$10,000,000 from the special purpose appropriation made to the Emergency Board by section 447(1), chapter 110, Oregon Laws 2022, to the Oregon Business Development Department, for a program providing financial assistance to employers to mitigate the costs associated with compliance with overtime compensation requirements, with the understanding that the Department of Administrative Services will unschedule that amount pending the establishment of the program by the Legislature.

**ATTACHMENT**  
**Item 80: Department of Transportation**

Department of Transportation 2021-23			
September 2022			
Division/Appropriation Reference		Fund Type	Adjustments to Legislatively Approved Budget
<b>Expenditure Limitation Adjustments:</b>			
<b>Maintenance and emergency relief programs</b>			
Ch. 442 2(2), OL 2021		Other	\$ 60,000,000
<b>Preservation program</b>			
Ch. 442 2(3), OL 2021		Other	\$ 50,000,000
<b>Bridge program</b>			
Ch. 442 2(4), OL 2021		Other	\$ (150,000,000)
<b>Operations program</b>			
Ch. 442 2(5), OL 2021		Other	\$ (75,000,000)
<b>Modernization program</b>			
Ch. 442 2(6), OL 2021		Other	\$ 175,000,000
<b>Special programs</b>			
Ch. 442 2(7), OL 2021		Other	\$ (75,000,000)
<b>Local government program</b>			
Ch. 442 2(8), OL 2021		Other	\$ 15,000,000

## Legislative Fiscal Office

900 Court St. NE, H-178  
Salem OR 97301  
503-986-1828



## Oregon Legislative Emergency Board

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair

### Certificate

December 9, 2022

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), (d); ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting on December 9, 2022, took the following actions:

**1. Public Defense Services Commission**

Acknowledged receipt of a report on the reorganization of the Public Defense Services Commission.

**2. Public Defense Services Commission**

Acknowledged receipt of a report on a financial update; and authorized the transfer of \$2,000,000 from the General Fund appropriation established for the Public Defense Services Commission by section 1(3), chapter 444, Oregon Laws 2021, Appellate Division, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; authorized the transfer of \$5,000,000 from the General Fund appropriation established for the Public Defense Services Commission by section 1(4), chapter 444, Oregon Laws 2021, Trial Criminal Division, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; authorized the transfer of \$5,000,000 from the General Fund appropriation established for the Public Defense Services Commission by section 1(5), chapter 444, Oregon Laws 2021, Nonroutine Expenses, to the General Fund appropriation established for the Public Defense Services Commission by section 1(6), chapter 444, Oregon Laws 2021, Court Mandated Expenses; established an Other Funds expenditure limitation for the Public Defense Services Commission, Trial Criminal Division, in the amount of \$4,000,000, for the reimbursement of juvenile contract expenses from federal Title IV-E funding transferred from the Department of Human Services; and transferred \$4,000,000 from the Other Funds expenditure limitation established for the Public Defense Services Commission by section 2(2), chapter 444, Oregon Laws 2021, Juvenile Division, to the newly established expenditure limitation; to align General Fund appropriations and Other Funds expenditure limitations, with no net budget increase, in support of the agency's legislatively approved programs.

**3. Public Defense Services Commission**

Established a General Fund appropriation by allocating \$10,000,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to the Public Defense Services Commission, for the unrepresented defendant/persons crisis, with instructions.

- 4. Higher Education Coordinating Commission**  
Allocated \$975,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Higher Education Coordinating Commission by section 1(3), chapter 660, Oregon Laws 2021, Community College Support Fund for distribution to community colleges and community college service districts and school districts, to disburse to Klamath Community College for the purchase of a water well drilling rig and creation of a well drillers curriculum.
- 5. Higher Education Coordinating Commission**  
Allocated \$800,000 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Higher Education Coordinating Commission by section 1(6), chapter 660, Oregon Laws 2021, Oregon National Guard tuition assistance, for the Oregon National Guard Tuition Assistance program.
- 6. Teacher Standards and Practices Commission**  
Increased the Other Funds expenditure limitation established for the Teacher Standards and Practices Commission by section 1, chapter 641, Oregon Laws 2021, for general operations, by \$269,072, and authorized the establishment of one limited duration position (0.25 FTE), to develop standards-based leadership practices and a statewide framework for school principal preparation.
- 7. Department of Human Services**  
Increased the Other Funds expenditure limitation established for the Department of Human Services by section 2(3), chapter 606, Oregon Laws 2021, Self-sufficiency programs, by \$9,000,000, and authorized the establishment of one limited duration position (0.42 FTE), to expand homeless youth services.
- 9. Department of Human Services**  
Acknowledged receipt of a report on the Department of Human Services' 2021-23 financial status.
- 10. Department of Human Services**  
Increased the Federal Funds expenditure limitation established for the Department of Human Services by section 3(7), chapter 606, Oregon Laws 2021, Intellectual/developmental disabilities programs, by \$12,122,000, to continue a one-time 5% COVID-19 rate increase until June 30, 2023.
- 11. Oregon Health Authority**  
Acknowledged receipt of a report on the Oregon Health Authority's 2021-23 financial status.
- 12. Oregon Health Authority**  
Allocated \$1,498,030 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(2), chapter 668, Oregon Laws 2021, Oregon State Hospital, and authorized the establishment of 21



permanent positions (5.25 FTE), to accommodate complex patient care needs at the Oregon State Hospital.

**13. Oregon Health Authority**

Allocated \$4,563,439 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(2), chapter 668, Oregon Laws 2021, Oregon State Hospital; allocated \$294,082 from the special purpose appropriation made to the Emergency Board by section 267(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Oregon Health Authority by section 1(1), chapter 668, Oregon Laws 2021, Health Systems, Health Policy and Analytics, and Public Health; and authorized the establishment of 59 permanent positions (14.75 FTE); to respond to a federal court ruling that establishes limits on the time patients on Aid and Assist orders can be held in the Oregon State Hospital.

**16. Oregon Health Authority**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Administration, in the amount of \$250,000, for the Transformation Transfer Initiative.

**17. Department of Emergency Management**

Approved, retroactively, the submission of a federal grant application to the U.S. Department of Homeland Security, Cybersecurity and Infrastructure Security Agency, in the amount of \$2,988,945, for a State and Local Cybersecurity Program grant.

**18. Oregon Military Department**

Increased the Federal Funds Capital Construction expenditure limitation established for the Oregon Military Department by the Emergency Board at its September 2022 meeting (Item 30), by \$404,000, for the Rees Training Center Modified Record Fire Range.

**19. Oregon Military Department**

Established a Federal Funds Capital Construction expenditure limitation of \$3,500,000 for the Oregon Military Department, for the Corvallis Armory Service Life Extension project; and established a Federal Funds Capital Construction expenditure limitation of \$900,000 for the Oregon Military Department, for Corvallis Armory Parking Lot improvements.

**20. Department of State Police**

Increased the Federal Funds expenditure limitation established for the Department of State Police by section 3(1), chapter 470, Oregon Laws 2021, Patrol Services, Criminal Investigations and Office of the State Fire Marshal, by \$650,000; and increased the Other Funds expenditure limitation established for the Department of State Police by section 2(1), chapter 470, Oregon Laws 2021, Patrol Services, Criminal Investigations, Gaming Enforcement and Office of the State Fire Marshal, by \$116,305; for the Equitable Sharing Program.

- 22. Department of State Police**  
Allocated \$16,571,294 from the Emergency Fund established by section 1, chapter 669, Oregon Laws 2021, to supplement the appropriation made to the Department of State Police by section 1(1), chapter 470, Oregon Laws 2021, Patrol Services, Criminal Investigations, Gaming Enforcement and Office of the State Fire Marshal, for costs incurred during the 2021 and 2022 fire seasons.
- 23. Oregon Youth Authority**  
Acknowledged receipt of a report on community residential treatment program utilization.
- 24. Department of Public Safety Standards and Training**  
Increased the Other Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 2(1), chapter 381, Oregon Laws 2021, Operations, by \$1,280,000, for two additional Basic Police courses.
- 25. Criminal Justice Commission**  
Increased the Federal Funds expenditure limitation established for the Criminal Justice Commission by section 4, chapter 379, Oregon Laws 2021, by \$909,346; and authorized the establishment of one limited duration position (0.25 FTE); for federal grant awards received for Prison Rape Elimination Act Standards and the Justice Counts Implementation program.
- 26. Criminal Justice Commission**  
Approved the submission of a federal grant application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance, in the amount of \$3,127,544, for a State Crisis Intervention Program grant.
- 27. Department of Corrections**  
Acknowledged receipt of a report on overtime usage.
- 29. Department of State Lands**  
Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration, in the amount of \$300,000, for South Slough Reserve capacity building activities; and increased the Federal Funds expenditure limitation established for the Department of State Lands by section 3(1), chapter 607, Oregon Laws 2021, South Slough National Estuarian Research Reserve operations, by \$100,000, for grant expenditures.
- 30. Department of State Lands**  
Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration, in the amount of \$3,535,900, for the Wasson Creek watershed ridgetop-to-estuary restoration project.
- 31. Department of State Lands**  
Approved, retroactively, the submission of a federal grant application to the U.S. Environmental Protection Agency, in the amount of \$1,000,000, for brownfields cleanup

to perform remediation of contaminated sediment at the Moore and Wright Islands Natural Area on the Columbia Slough.

**33. Department of Fish and Wildlife**

Approved the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$51,757,285, for culvert projects to improve fish passage.

**34. Department of Fish and Wildlife**

Increased the Federal Funds expenditure limitation established for the State Department of Fish and Wildlife by section 4(1), chapter 679, Oregon Laws 2021, Fish Division, by \$270,000; and increased the Federal Funds expenditure limitation established for the State Department of Fish and Wildlife by section 4(5), chapter 679, Oregon Laws 2021, Habitat Division, by \$200,000; for expenditure of federal grant awards for wildlife disease detection and response and development of the Private Forest Accord Aquatic Habitat Conservation Plan.

**36. Department of Forestry**

Approved, retroactively, the submission of a federal grant application to the U.S. Forest Service, in the amount of \$6,000,000, to assist at-risk local communities to cover expenses related to natural disasters, including wildfires, from 2019 through 2021.

**37. Department of Forestry**

Approved, retroactively, the submission of a federal grant application to the U.S. Forest Service, in the amount of 17,362,678, for the creation, updating, or project implementation of Community Wildfire Protection Plans.

**38. Department of Forestry**

Acknowledged receipt of a report on the 2022 fire season; and allocated \$5,988,093 from the special purpose appropriation made to the Emergency Board by section 5(1), chapter 605, Oregon Laws 2021, to supplement the appropriation made to the State Department of Forestry by section 1(2), chapter 605, Oregon Laws 2021, Fire protection, for the state's portion of 2022 fire season severity resources cost; allocated \$8,788,683 from the special purpose appropriation made to the Emergency Board by section 167(1), chapter 669, Oregon Laws 2021, to supplement the appropriation made to the State Department of Forestry by section 1(2), chapter 605, Oregon Laws 2021, Fire protection, for the state's portion of net large-fire costs for the 2022 fire season; and increased the Other Funds expenditure limitation established for the State Department of Forestry by section 2(2), chapter 605, Oregon Laws 2021, Fire protection, by \$24,999,724, to enable processing of payments and cost of operations from the 2022 fire season.

**39. Department of Forestry**

Increased the Federal Funds expenditure limitation established for the State Department of Forestry by section 4(5), chapter 605, Oregon Laws 2021, Private forests, by \$810,094, for the expenditure of federal grant awards from the Economic Development Administration for forest restoration byproduct commercialization.

- 40. Department of Energy**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Energy, in the amount of \$5,464,180, for State Energy Program funds made available through the Infrastructure Investment and Jobs Act.
- 41. Department of Land Conservation and Development**  
Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Association, in the amount of up to \$450,000, and authorized the establishment of one limited duration position (0.25 FTE), to develop projects that conserve or restore coastal natural habitats and build coastal resiliency.
- 42. Department of Land Conservation and Development**  
Approved, retroactively, the submission of a federal grant application to the National Oceanic and Atmospheric Administration, in the amount of \$2,011,530, for acquisition of property on the Central Coast of Oregon on Cape Foulweather.
- 43. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the Federal Highway Administration, in the amount of \$46,630,800, to complete the final portion of the Historic Columbia River Highway State Trail.
- 44. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the U.S. Department of Transportation, in the amount of \$487,000, to develop bridge inspection protocols and interfaces using unmanned aerial systems.
- 45. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application to the National Fish and Wildlife Foundation, in the amount of \$515,478, for an America the Beautiful Challenge Grant to design two wildlife corridors across Interstate 5 near the Cascade Siskiyou Monument.
- 46. Department of Consumer and Business Services**  
Acknowledged receipt of a report on workers' compensation premium assessment rates.
- 47. State Library**  
Increased the Other Funds expenditure limitation established for the State Library by section 3, chapter 308, Oregon Laws 2021, by \$335,000, for increased information technology access and rent costs.
- 48. Department of Administrative Services**  
Acknowledged receipt of a report on compensation plan changes.
- 49. Legislative Fiscal Office**  
Transferred unallocated balances in the amount of \$67,856,869 from special purpose appropriations made to the Emergency Board to the Emergency Fund appropriation, per the attached table.

**ATTACHMENT**  
**Item 49: Legislative Fiscal Office**

**Special Purpose Appropriation Transfer Detail**

<b>Oregon Laws 2021 and 2022 Chapter/Section</b>	<b>Agency / Purpose</b>	<b>Amount</b>
Ch. 605, sec. 5(1), OL 2021	Department of Forestry - Fire Protection Expenses	(1,865,640)
Ch. 110, sec. 148(1), OL 2022	Department of Justice - Child Enforcement Automated System	(4,241,634)
Ch. 668, sec. 11(1), OL 2021	Oregon Health Authority - Oregon State Hospital Staffing Levels	(9,189,057)
Ch. 669, sec. 267(1), OL 2021	Oregon Health Authority and Department of Human Services - Caseloads/Other Issues	(41,540,947)
Ch. 669, sec. 169(1), OL 2021	Department of Education and Department of Early Learning and Care - New Agency	(1,901,447)
Ch. 669, sec. 34(1), OL 2021	Various Agencies - Family Treatment Court Programs	(6,824,068)
Ch. 669, sec. 167(1), OL 2021	Various Agencies - State Response to Natural Disasters	(2,294,076)
<b>Total transfers from special purpose appropriations</b>		<b>(67,856,869)</b>
Ch. 669, sec. 1, OL 2021	Emergency Board - General Purpose	67,856,869
<b>Net General Fund Change</b>		<b>0</b>

**HB 2468 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Bynum

**Joint Committee On Ways and Means**

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**Action Date:** 06/07/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 10 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Valderrama

**Exc:** 2 - Reschke, Smith G

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Tim Walker, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

## **Budget Summary**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
Department of Human Services				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 304,611	\$ 304,611	100.0%
Other Funds Limited	\$ -	\$ -	\$ 389,847	\$ 389,847	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 59,293	\$ 59,293	100.0%
Total	\$ -	\$ -	\$ 753,751	\$ 753,751	100.0%

## **Position Summary**

Department of Human Services				
Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	0.75	0.75

## **Summary of Revenue Changes**

House Bill 2468 appropriates \$304,611 General Fund and \$389,847 Other Funds to the Department of Human Services (DHS) to make changes to the Provider Pay system to determine business days since payment to Employment Related Day Care providers, calculate the penalty payment, create audit records, and support accounting changes and standard data interface maintenance. Federal Funds revenue is increased by \$59,293 for DHS staffing costs to implement the measure. Associated Other Funds expenditure limitation is also included to allow the agency to expend funds.

## **Summary of Human Services Subcommittee Action**

House Bill 2468 authorizes the Early Learning Council (ELC) to adopt rules for reasonable requirements for landlords of tenants who operate a certified family child care home. The measure also requires ELC to adopt rules establishing a timeline to issue payments to Employment Related Day Care (ERDC) providers and establishes a nine percent penalty on the amount due for late payments. In order to implement the late payment penalty provision of the bill, DHS will need to make changes to the Provider Pay (PP) system, the payment system used by the state to pay ERDC providers. The penalty provision will require new functionality for the PP system to determine the business days since payment, calculate the penalty payment, create audit records, and support table changes for the accounting. Additionally, the accounting interface would also require standard interface maintenance to account for the new penalty payment.

The PP system is managed within Shared Services, which provides several support functions to both Oregon Health Authority and DHS, including information technology, financial services, budget, facilities, and procurement. A General Fund appropriation increase of \$203,550 is made to Services and Supplies within DHS Self-Sufficiency Programs (SSP) to support the changes.

Payments to ERDC providers is budgeted as Other Funds within SSP. An increase of \$233,280 Other Funds expenditure limitation is provided to SSP, which is the estimated amount of penalty payments that will be made by the program. The funding will be passed through from the Department of Early Learning and Care. For staffing support within DHS, \$101,061 General Fund is appropriated for one permanent part-time Operations and Policy Analyst 3 (0.25 FTE) to facilitate the IT system changes and support reporting, as well as one permanent full-time Accountant 1 (0.50 FTE) for testing review and configuration to facilitate reconciliation of general ledger accounts. The remaining General Fund is budgeted within the State Assessments and Enterprise-wide Costs unit (SAEC), along with \$4,703 Other Funds expenditure limitation, and \$59,293 Federal Funds expenditure limitation. Remaining Other Funds expenditure limitation is passed through to Shared Services within the DHS to cover the staffing costs and related Services and Supplies. The pass-through results in a “double budgeting” for the positions. Additionally, DHS uses a cost-allocation model for these positions, consisting of General Fund, Other Funds, and Federal Funds, which are budgeted within SAEC.



## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Health Authority and Department of Human Services  
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Department of Human Services										
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 10-45 - Shared Services										
Personal Services	\$ -	\$ -	\$ -	\$ 140,787	\$ -	\$ -	\$ -	\$ 140,787	2	0.75
Services and Supplies	\$ -	\$ -	\$ -	\$ 11,077	\$ -	\$ -	\$ -	\$ 11,077		
SCR 10-50 - State Assessments and Enterprise-Wide Costs										
Services and Supplies	\$ 8,267	\$ -	\$ -	\$ 362	\$ -	\$ 4,564	\$ -	\$ 13,193		
Special Payments	\$ 92,794	\$ -	\$ -	\$ 4,341	\$ -	\$ 54,729	\$ -	\$ 151,864		
SCR 060-01 - Self-Sufficiency Programs										
Services and Supplies	\$ 203,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,550		
Special Payments	\$ -	\$ -	\$ -	\$ 233,280	\$ -	\$ -	\$ -	\$ 233,280		
TOTAL ADJUSTMENTS	\$ 304,611	\$ -	\$ -	\$ 389,847	\$ -	\$ 59,293	\$ -	\$ 753,751	2	0.75
SUBCOMMITTEE RECOMMENDATION	\$ 304,611	\$ -	\$ -	\$ 389,847	\$ -	\$ 59,293	\$ -	\$ 753,751	2	0.75

**HB 2683 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. McLain

**Joint Committee On Ways and Means**

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**Action Date:** 06/07/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**House Vote**

**Yeas:** 9 - Breese-Iverson, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Valderrama

**Nays:** 1 - Cate

**Exc:** 2 - Reschke, Smith G

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Julie Neburka, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

**Oregon Health Authority**

**2023-25**

**Department of Early Learning and Care**

**2023-25**

## **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>		2023-25 Current Service Level		2023-25 Committee Recommendation		Committee Change from 2021-23 Leg. Approved	
							\$ Change	% Change
<b>Department of Human Services</b>								
General Fund	\$	-	\$	-	\$	313,407	\$ 313,407	100.0%
Other Funds Limited	\$	-	\$	-	\$	1,830,240	\$ 1,830,240	100.0%
Federal Funds Limited	\$	-	\$	-	\$	313,406	\$ 313,406	100.0%
<b>Oregon Health Authority</b>								
General Fund	\$	-	\$	-	\$	7,843	\$ 7,843	100.0%
Other Funds Limited	\$	-	\$	-	\$	626,811	\$ 626,811	100.0%
Federal Funds Limited	\$	-	\$	-	\$	7,843	\$ 7,843	100.0%
<b>Department of Early Learning and Care</b>								
General Fund	\$	-	\$	-	\$	1,830,240	\$ 1,830,420	100.0%
<b>Total</b>	\$	-	\$	-	\$	4,929,790	\$ 4,929,970	100.0%

## **Position Summary**

### **Oregon Department of Human Services**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

### **Oregon Health Authority**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

### **Department of Early Learning and Care**

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

### **Summary of Revenue Changes**

House Bill 2683 appropriates \$1,830,420 General Fund to the Department of Early Learning and Care (DELIC) and \$313,407 General Fund to the Department of Human Services (DHS) for the purposes of the bill. The General Fund to DELIC is passed through to DHS, which will expend the funding as Other Funds. The Oregon Health Authority's (OHA) Other Funds revenues come from those same funds expended out of DHS' budget to account for the shared service arrangement between the two agencies. Federal Funds revenues for DHS and OHA come from Medicaid administrative match funds.

### **Summary of Education Subcommittee Action**

House Bill 2683 directs DELIC, through the Early Learning Council, to expand access to the Employment Related Day Care (ERDC) program to families by establishing eligibility criteria that separately assess household income; employment status; involvement with child welfare and related services; usage of homelessness services, teen parent, or domestic violence services; and any other additional criteria established by the council. The ERDC program provides subsidized access to childcare for families with working parents. By July 1, 2025, DELIC must establish eligibility criteria based on household income and employment status. By July 1, 2027, the Council must establish eligibility criteria based on the child's or child's family's use or risk of use of support or intervention services. In order to support the expanded services, DELIC will focus on information system updates, rulemaking, and internal policy development during the 2023-25 biennium. Due to rulemaking timelines, children using or at risk of using intervention or preventative services will receive subsidies after July 1, 2027.

The Subcommittee recommended \$1,830,240 General Fund for DELIC to pass through DHS. Other Funds expenditure limitation is increased in the same amount in the DHS budget to receive these funds and use them to pay for updates to the ONE Eligibility system required by the measure.

The Subcommittee recommended \$313,407 General Fund, \$1,830,240 Other Funds, \$313,406 Federal Funds, and two positions (1.50 FTE) for DHS to implement the bill. This includes one permanent full-time Training and Development Specialist 1 position (0.75 FTE) and one permanent full-time Training and Development Specialist 2 position (0.75 FTE), as well as position-related Services and Supplies and contracted work to update the ONE eligibility system and to pass through to OHA under their shared services agreement. The \$313,407 General Fund and \$313,406 Federal Funds recommended for DHS will be passed through to OHA under their shared services arrangement.

The Subcommittee recommended \$7,843 General Fund, \$626,811 Other Funds, \$7,843 Federal Funds and two positions (1.50 FTE) for OHA. This includes one permanent full-time Information Systems Specialist 8 and one permanent full-time Information Systems Specialist 7, as well as position-related Services and Supplies costs.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Early Learning and Care, Department of Human Services and Oregon Health Authority  
Patrick Heath – 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
<b>Department of Early Learning and Care</b>									
<b>SCR 100 - Department Operations</b>									
Special Payments	\$ 1,830,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,830,240		
<b>Department of Human Services</b>									
<b>SCR 060-12 - Oregon Eligibility Partnership</b>									
Personal Services	\$ -	\$ -	\$ 344,859	\$ -	\$ -	\$ -	\$ 344,859	2	1.50
Services and Supplies	\$ -	\$ -	\$ 1,485,381	\$ -	\$ -	\$ -	\$ 1,485,381		
<b>SCR 010-50 - Statewide Assessments and Enterprise-wide Costs</b>									
Services and Supplies	\$ 313,407	\$ -	\$ -	\$ -	\$ 313,406	\$ -	\$ 626,813		
<b>Oregon Health Authority</b>									
<b>SCR 10-45 - Shared Services</b>									
Personal Services	\$ -	\$ -	\$ 592,083	\$ -	\$ -	\$ -	\$ 592,083	2	1.50
Services and Supplies	\$ -	\$ -	\$ 34,728	\$ -	\$ -	\$ -	\$ 34,728		
<b>SCR 10-50 - Statewide Assessments and Enterprise-wide Costs</b>									
Services and Supplies	\$ 7,843	\$ -	\$ -	\$ -	\$ 7,843	\$ -	\$ 15,686		
TOTAL ADJUSTMENTS	\$ 2,151,490	\$ -	\$ 2,457,051	\$ -	\$ 321,249	\$ -	\$ 4,929,790	4	3.00
SUBCOMMITTEE RECOMMENDATION *	\$ 2,151,490	\$ -	\$ 2,457,051	\$ -	\$ 321,249	\$ -	\$ 4,929,790	4	3.00

**HB 3395 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Dexter

**Joint Committee On Ways and Means**

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**Action Date:** 06/12/23

**Action:** Do pass with amendments. (Printed A-Eng.)

**House Vote**

**Yeas:** 9 - Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 1 - Cate

**Exc:** 2 - Breese-Iverson, Reschke

**Senate Vote**

**Yeas:** 7 - Anderson, Campos, Dembrow, Frederick, Gelser Blouin, Sollman, Steiner

**Exc:** 3 - Findley, Girod, Knopp

**Abs:** 1 - Hansell

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Department of Administrative Services**

**2023-25**

**Department of Land Conservation and Development**

**2023-25**

**Department of Human Services**

**2023-25**

**Housing and Community Services Department**

**2023-25**

## **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Department of Administrative Services</b>					
General Fund	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	100.0%
<b>Department of Land Conservation and</b>					
General Fund	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	100.0%
<b>Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ 4,244,963	\$ 4,244,963	100.0%
<b>Housing and Community Services</b>					
General Fund	\$ -	\$ -	\$ 38,029,802	\$ 38,029,802	100.0%
Total	\$ -	\$ -	\$ 48,524,765	\$ 48,524,765	100.0%

## **Position Summary**

<b>Department of Administrative Services</b>				
Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00
<b>Department of Land Conservation and</b>				
Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00
<b>Department of Human Services</b>				
Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00
<b>Housing and Community Services</b>				
Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.76	1.76

## **Summary of Revenue Changes**

House Bill 3395 appropriates a total of \$48.5 million General Fund across the following agencies: the Department of Administrative Services (DAS), the Department of Land Conservation and Development (DLCD), the Department of Human Services (DHS), and the Housing and Community Services Department (HCSD) for purposes related to housing and community development as required in the bill.

## **Summary of Transportation and Economic Development Subcommittee Action**

House Bill 3395 allows residential uses on lands zoned for commercial uses within urban growth boundaries. The bill also expands allowable purposes of the Emergency Housing Account to include grants to assist companion animals of individuals experiencing or at risk of homelessness.

### **Department of Administrative Services**

House Bill 3395 requires the DAS, in consultation with DLCD and HCSD to provide grants to councils of governments and economic development districts to support housing and community development capacity within cities, counties, and the nine federally recognized tribes in Oregon. The bill appropriates \$5.0 million General Fund to DAS to provide grants required under the measure.

### **Department of Land Conservation and Development**

House Bill 3395 appropriates \$1.3 million General Fund to DLCD to provide technical assistance grants to local governments to assist in amending their comprehensive plans.

### **Department of Human Services**

House Bill 3395 appropriates \$4.2 million General Fund to DHS for one limited duration Program Analyst 3 position (1.00 FTE) to support work associated with the distribution of \$4.0 million in affordable housing support to low-income college students in accordance with DHS self-sufficiency programs.

### **Housing and Community Services Department**

House Bill 3395 appropriates \$38.0 million General Fund to HCSD for the following purposes:

- \$10.0 million for grants to qualified housing sponsors to develop community housing supporting agricultural employees.
- \$7.5 million for a grant program to establish the Affordable Homeownership Revolving Loan Fund that will allow a first-time home buyer who is purchasing a home, cooperative, or condominium to establish equity at a faster rate. The grant is directed to the Network for Oregon Affordable Housing (NOAH). Grant funds will not be distributed until NOAH establishes a loan fund with a balance of no less than \$10.0 million of additional private money. Loans from the fund must be used for the purchase of a dwelling subject to affordability restrictions under ORS 456.270 to ORS 456.295 and loans may only be made to applicants that have met with an approved or certified



housing counseling agency with a first-time home-buyer program. The loan must have a term of 20 years or less and have a fixed interest rate that is not more than that would allow monthly amortized principal and interest payments under the term of the loan to be the amount that would result from a 30-year fixed mortgage or 0.5 percent. House Bill 3395 requires HCSD to report to an appropriate interim legislative committee on the use of the funds by NOAH. HCSD will receive reports on its spending and provide reports to the Legislative Assembly by September 15, 2025, and September 15, 2027.

- \$20.0 million for grants to one or more nonprofit corporations to develop the Affordable Housing Loan Guarantee Fund, created for the purpose of guaranteeing the repayment of loans to finance construction of housing subject to affordable housing covenants for low- and moderate-income households. HCSD is directed to create funding process criteria and require annual reports from the grantees on the use of the funds.
- \$0.5 million, on a one-time basis, to support the administrative workload associated with this bill including one limited duration Procurement and Contract Specialist 3 position (0.88 FTE) and one limited duration Program Analyst 3 position (0.88 FTE).

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Administrative Services, Department of Land Conservation and Development, Department of Human Services, Housing and Community Services Department  
 Tamara Brickman -- (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
Department of Administrative Services									
SCR 10700-099 - Special Government Payments									
Special Payments	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000		
Department of Land Conservation and Development									
SCR 66000-003 - Grants									
Special Payments	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000		
Department of Human Services									
SCR 100-060- Self Sufficiency Program									
Personal Services	\$ 222,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,987	1	1.00
Services and Supplies	\$ 21,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,976		
Special Payments	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
Housing and Community Services Department									
SCR 91400-030- Multifamily Rental Housing Programs									
Personal Services	\$ 194,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,741	1	0.88
Services and Supplies	\$ 20,780						\$ 20,780		
Special Payments	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000,000		
SCR 91400-040- Single Family Housing Programs									
Special Payments	\$ 7,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500,000		
SCR 91400-070- Central Services									
Personal Services	\$ 194,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,741	1	0.88
Services and Supplies	\$ 119,540						\$ 119,540		
TOTAL ADJUSTMENTS	\$ 48,524,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,524,765	3	2.76
SUBCOMMITTEE RECOMMENDATION *	\$ 48,524,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,524,765	3	2.76

**HB 3409 C BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Lieber

**Senate Committee On Rules**

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**Action Date:** 06/21/23  
**Action:** Do pass with amendments to the B-Eng bill. (Printed C-Eng.)  
**Senate Vote**  
**Yeas:** 3 - Lieber, Manning Jr, Steiner  
**Nays:** 1 - Knopp  
**Exc:** 1 - Hansell  
**Prepared By:** Adam Crawford, Department of Administrative Services  
**Reviewed By:** April McDonald, Legislative Fiscal Office

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**Department of Energy**

**2023-25**

**Department of Land Conservation and Development**

**2023-25**

**Oregon Watershed Enhancement Board**

**2023-25**

**Department of Consumer and Business Services**

**2023-25**

**Department of Environmental Quality**

**2023-25**

**Department of Forestry**

**2023-25**

**Department of Human Services**

**2023-25**

**Oregon Health Authority**

**2023-25**

**HB 3409 C BUDGET REPORT and MEASURE SUMMARY**

**Higher Education Coordinating Commission  
2023-25**

**Department of Administrative Services  
2023-25**

## **Budget Summary**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Oregon Department of Energy</b>					
General Fund	\$ -	\$ -	\$ 9,810,308	\$ 9,810,308	100.0%
Other Funds Limited	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
Total	\$ -	\$ -	\$ 11,810,308	\$ 11,810,308	100.0%
<b>Department of Land Conservation and Development</b>					
General Fund	\$ -	\$ -	\$ 7,740,433	\$ 7,740,433	100.0%
Total	\$ -	\$ -	\$ 7,740,433	\$ 7,740,433	100.0%
<b>Oregon Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ 10,187,615	\$ 10,187,615	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 125,081	\$ 125,081	100.0%
Total	\$ -	\$ -	\$ 10,312,696	\$ 10,312,696	100.0%
<b>Oregon Health Authority</b>					
General Fund	\$ -	\$ -	\$ 387,671	\$ 387,671	100.0%
Total	\$ -	\$ -	\$ 387,671	\$ 387,671	100.0%
<b>Oregon Watershed Enhancement Board</b>					
General Fund	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	100.0%
Other Funds Limited	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	100.0%
Total	\$ -	\$ -	\$ 20,000,000	\$ 20,000,000	100.0%
<b>Department of Consumer and Business Services</b>					
Other Funds Limited	\$ -	\$ -	\$ 756,051	\$ 756,051	100.0%
Total	\$ -	\$ -	\$ 756,051	\$ 756,051	100.0%
<b>Department of Environmental Quality</b>					
General Fund	\$ -	\$ -	\$ 3,376,770	\$ 3,376,770	100.0%
Other Funds Limited	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Total	\$ -	\$ -	\$ 6,376,770	\$ 6,376,770	100.0%

**Budget Summary\* (continued)**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Oregon Department of Forestry</b>					
General Fund	\$ -	\$ -	\$ 516,248	\$ 516,248	100.0%
Other Funds Limited	\$ -	\$ -	\$ 90,000	\$ 90,000	100.0%
Total	\$ -	\$ -	\$ 606,248	\$ 606,248	100.0%
<b>Higher Education Coordinating Commission</b>					
General Fund	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Total	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
<b>Department of Administrative Services</b>					
Other Funds Limited	\$ -	\$ -	\$ 669,112	\$ 669,112	100.0%
Total	\$ -	\$ -	\$ 669,112	\$ 669,112	100.0%

**Position Summary****Oregon Department of Energy**

Authorized Positions	0	0	12	12
Full-time Equivalent (FTE) positions	0.00	0.00	9.55	9.55

**Department of Land Conservation and Development**

Authorized Positions	0	0	5	5
Full-time Equivalent (FTE) positions	0.00	0.00	4.01	4.01

**Oregon Department of Human Services**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

**Oregon Health Authority**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

### **Position Summary (continued)**

#### **Oregon Watershed Enhancement Board**

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.88	0.88

#### **Department of Consumer and Business Services**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.76	1.76

#### **Department of Environmental Quality**

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	1.88	1.88

#### **Oregon Department of Forestry**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.75	1.75

#### **Higher Education Coordinating Commission**

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

#### **Department of Administrative Services**

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.88	0.88

### **Summary of Revenue Changes**

House Bill 3409 provides funding to 10 different agencies to fulfill the statutory direction of the measure, the agencies include: the Oregon Department of Energy (ODOE), Department of Land Conservation and Development (DLCD), Oregon Department of Human Services (ODHS), Oregon Health Authority (OHA), Oregon Watershed Enhancement Board (OWEB), Department of Consumer and Business Services (DCBS), Department of Environmental Quality (DEQ), Oregon Department of Forestry (ODF), Higher Education Coordinating Commission (HECC), and the Department of Administrative Services (DAS). Across all agencies, the measure appropriates \$45,019,045 General Fund, increases Other Funds expenditure limitation by \$16,515,163, and increases Federal Funds expenditure limitation by \$125,081.

This measure also authorizes the Environmental Quality Commission to establish a fee by rule that will be paid by community climate investment entities - or nonprofit organizations entered into an agreement with DEQ to implement projects supported by community climate investment funds.

### **Summary of Senate Rules Committee Action**

The measure makes a series of statutory adjustments to Oregon laws related to climate. Those changes are broken out by topic area, with any associated agency fiscal impact above minimal discussed below.

#### **Designated state agency programs for energy efficiency in buildings**

This portion of the measure provides Legislative Assembly findings and declarations for goals for the state related to heat pumps, including that the agencies of the executive branch of state government lead by example by acquiring, installing, and using heat pump technologies.

The measure directs ODOE to report to the Governor and an interim committee of the Legislative Assembly related to the environment by September 15 of each odd-numbered year, starting in 2025, on the rate of adoption of heat pump technologies in Oregon and progress the state is making in achieving greenhouse gas emissions reduction goals. ODOE is to collaborate with various agencies to reduce barriers to home energy efficiency and resilience by providing technical assistance and training to build capacity in developers, builders, community-based organizations, homeowners, and tenants to conduct renovations and installations of energy efficient technologies.

The measure also establishes the Energy Efficient Technologies Information and Training Fund. Moneys in the fund may be invested and are continuously appropriated to ODOE for implementation of this measure, including administrative costs of up to 10 percent of the average quarterly balance of the fund.

#### **Oregon Department of Energy**

The measure includes a General Fund appropriation of \$2 million for deposit into the Energy Efficient Technologies Information and Training Fund, and a commensurate increase in Other Funds expenditure limitation for ODOE. The estimated cost for ODOE to implement the measure is \$525,467 General Fund in the 2023-25 biennium, and \$671,389 in the 2025-27 biennium. Funding for the Department supports two new permanent, full-time positions, including an Operations and Policy Analyst 2 (0.63 FTE) to assess heat pump data, existing programs, and policy options, and work on external communications; and a Program Analyst 3 (0.88 FTE) to administer the workforce training and education program. In the 2023-25 biennium, General Fund costs include \$324,688 for personal services and \$200,779 for services and supplies.



### **Energy Efficiency in Buildings**

This portion of the measure requires DCBS to consult with the Department's advisory boards and committees and work with ODOE to specify energy efficiency goals for new residential and commercial construction with an aim to achieve at least a 60 percent reduction in annual energy consumption by 2030, from standards specified in building and specialty codes that were in effect in 2006. DCBS is to report to an interim committee of the Legislative Assembly related to the environment by December 31 of every third year, starting in 2023, on progress and options to achieve goals. DCBS is to update the Reach Code through rule making to show progress toward the goals each time the Department updates the statewide building code and applicable specialty codes.

The Department is also required to report to an interim committee of the Legislative Assembly related to the environment by December 31, 2024, on findings and recommendations regarding options for reducing greenhouse gas emissions resulting from building materials.

### **Department of Consumer and Business Services**

The bill increases Other Funds expenditure limitation for DCBS by \$756,051 in the 2023-25 biennium, with anticipated Other Funds costs of \$835,691 in the 2025-27 biennium. In the 2023-25 biennium, this includes \$683,357 for personal services and \$72,694 for services and supplies. Other Funds revenues are derived from building code division fees; it is not clear if this measure would require an increase in fees or if the Department has sufficient reserves to pay for position costs in the short term.

The funding for DCBS supports two full-time permanent positions, an Operations and Policy Analyst 4 and a Professional Engineer 2 (both 0.88 FTE) to serve as subject matter experts on energy efficiency and the building code.

### **Energy performance standards for covered commercial buildings**

This portion of the measure directs ODOE, in consultation with DCBS, to adopt rules to specify an energy performance standard for covered commercial buildings by December 31, 2024. ODOE is to create a database of eligible building owners and covered commercial buildings that are subject to the requirements based on records the Department obtains from each county assessor and on other information available to the Department.

The measure outlines various other requirements and timelines, including:

- By December 31, 2024, ODOE is to establish requirements and standards for data provisioned by eligible building owners of tier 2 buildings, which includes multi-family residential buildings, hospitals, schools, dormitories, or university buildings over 35,000 square feet, or hotels, motels, and nonresidential use buildings between 20,000 and 35,000 square feet, which will enable ODOE to establish a benchmark for energy use in, and greenhouse gas emissions from, tier 2 buildings.
- By January 15, 2025, and by the same date every year after until 2035, ODOE is to report to the Governor and to Committees of the Legislative Assembly related to the environment concerning the implementation of the energy performance standard.

- By July 1, 2025:
  - Owners of tier 1 buildings, which includes hotels, motels, and nonresidential use buildings in which the gross floor area equals or exceeds 35,000 square feet- must be notified of energy performance standard requirements.
  - ODOE is to notify eligible building owners of tier 2 buildings of the requirements and standards the Department adopts for data reporting.
  - ODOE is to establish an advisory committee to identify and evaluate the financial and nonfinancial implications of establishing and implementing an energy performance standard for tier 2 buildings.
- By September 30, 2026, and by the same date every two years after, ODOE is to report to an interim Committee of the Legislative Assembly related to energy on the operations and results of the incentive program discussed below.
- Starting in 2028, eligible tier 1 building owners must comply with the energy performance standard, with compliance timing based on building square footage. Owners of eligible tier 1 buildings are to report to ODOE concerning compliance with the energy performance standard every five years.
- By July 1, 2028, and by July 1 every five years following, an eligible building owner of a tier 2 building must provide ODOE with data the department requires.
- By July 1, 2029:
  - ODOE is to update the energy performance standard.
  - ODOE must evaluate and use the data the Department receives from eligible building owners of tier 2 buildings to calculate average energy use in, and average greenhouse gas emissions from, each of the categories of tier 2 buildings that exist in this state.
- By October 1, 2030, ODOE is to report to the Governor and an interim Committee of the Legislative Assembly related to energy, with recommendations on a cost-effective energy performance standard for tier 2 buildings.

### *Additional tier 1 requirements*

ODOE is to provide a support program to eligible building owners of covered commercial buildings including information and periodic training, technical assistance, and other efforts to assist eligible building owners to comply with the energy performance standard, applicable energy use intensity targets, and reporting requirements. ODOE may impose civil penalties for noncompliance. Civil penalties are to be deposited into the State Department of Energy Account and used to administer ODOE's energy efficiency programs. ODOE is to establish a rules advisory committee and conduct rulemaking around this program.

### *Additional tier 2 requirements*

ODOE is to cooperate with the Department of Education (ODE) to establish a requirement to provide the data in a manner that minimizes costs to schools and avoids duplication with ODE's school facility assessments.

### *Incentives*

ODOE is to establish by rule a program to pay incentives to eligible building owners that implement energy performance standards for covered commercial buildings before implementation is mandatory. An owner of a tier 2 building may receive an incentive payment of 35 cents per square foot of the covered commercial building if reporting that is required by July 1, 2028 is completed early. Owners of a tier 1 building may receive an incentive payment of 85 cents per square foot of the covered commercial building, for meeting the energy performance standard, or ANSI/ASHRAE/IES Standard 100, early, or voluntarily. ODOE may authorize additional incentive payments to an eligible building owner that owns a tier 2 multifamily residential building and enters into a binding agreement not to displace tenants from the multifamily residential building if funds are available. ODOE may contract with an entity to administer incentive payments to eligible building owners for early compliance with the energy performance standard.

### Oregon Department of Energy

The bill provides ODOE \$3 million General Fund in the 2023-25 biennium for administrative costs. The measure also includes a \$2 million General Fund appropriation for ODOE to provide incentive payments.

The funding for ODOE supports six new permanent, full-time positions, at a total cost of \$1,050,220 for personal services and \$582,640 for services and supplies in the 2023-25 biennium. These positions include:

- One Compliance and Regulatory Supervisor 2 (0.88 FTE) to manage the program.
- Two Program Analyst 3 positions (one at 0.88 FTE and one at 0.63 FTE), with one working on tier 1 buildings and one on tier 2 buildings, including tracking buildings, reporting, and notifications.
- One Operations and Policy Analyst 3 (0.88 FTE) to design and implement the incentive programs.
- One Public Service Representative 4 (0.63 FTE) to provide trainings and work with building owners.

- One Information Systems Specialist 7 (0.88 FTE) to manage the building data and database.

Additional costs included in the measure are an estimated \$1 million in the 2023-25 biennium for development of a database, based on costs other states have incurred to develop a similar database, though costs could vary if a commercial solution is available. Ongoing maintenance costs of the database are indeterminate. The measure also includes one-time costs of \$250,000 for building energy data analysis to help establish targets, as well as \$50,000 per year for the first three years of the program for community engagement costs.

Additionally, it should be noted that while General Fund is the assumed source of funding for this program, the Department may be able to phase out General Fund in future biennia based on civil penalty revenue received under this measure.

#### **State agencies to conduct assessment of energy use**

This portion of the measure directs DAS, in cooperation with ODOE, to develop a methodology and work plan for state agencies to implement a comprehensive assessment of energy use and greenhouse gas emissions of state-owned buildings. The assessments must examine and quantify each building's greenhouse gas emissions, using existing data when possible. DAS is directed to create a searchable and modifiable database with the data collected from assessments, which is to be used by state agencies as baseline data for planning energy use reduction and greenhouse gas emissions reduction targets in capital projects.

DAS, in collaboration with ODOE and DEQ, is to oversee all capital projects with a contract price of over \$1 million in which a state agency constructs or performs a major renovation on a state building. DAS is to develop and implement guidelines for sustainable design for these projects and provide guidance and technical expertise to each state agency with respect to construction methods, materials, energy conservation measures, greenhouse gas emissions reduction methods, green building construction and renovation, and other techniques to aid in achieving the state's green building, energy efficiency and greenhouse gas emissions reduction goals. State agencies are to report to DAS regularly regarding progress on a capital project described.

The measure also directs the Department of Justice (DOJ) to modify model rules regarding energy savings performance contracts to be consistent with this measure; and requires agencies to retain 100 percent of the net savings after any project debt service, instead of 50 percent, with all savings deposited in a revolving fund administered by the agency instead of half going to the General Fund.

#### **Department of Administrative Services**

The bill provides DAS a total of \$669,612 Other Funds expenditure limitation in the 2023-25 biennium, with anticipated costs of \$251,789 Other Funds in the 2025-27 biennium. In the 2023-25 biennium, this includes \$189,034 for personal services and \$480,078 for services and supplies. Other Funds are derived from an assessment on state agencies, so some funds originate as General Fund.

DAS estimates the cost of conducting a full facility condition assessment of its portfolio is \$750,000, with the sustainability portions making up approximately \$225,000 of this amount. The state greenhouse gas assessments could be completed as part of overall building facility condition assessments performed by a contractor. These assessments are periodically conducted for the state-owned buildings. Currently, the state owns over 1,500 buildings, with buildings over 25,000 square feet making up 75 percent of the state building portfolio square footage. However, DAS notes that there is not currently sufficient funding to conduct full facility condition assessments in the Department's budget.

The bill provides DAS one-time Other Funds expenditure limitation of \$250,000 to develop sustainable design guidelines.

To perform work related to this measure, funding in the bill supports one Operations and Policy Analyst 4 (0.88 FTE) to manage an assessment contract, coordinate data entry, and provide design and construction assistance to agencies. DAS anticipates no costs related to creation of a database for assessment data, since similar work is already in progress.

#### Other agencies

Depending on the scope and timeline of the assessment and reporting process developed by DAS, state agencies which own their own buildings may require additional staff resources, or funding if a private contractor is used to complete assessments. This could particularly impact agencies with substantial building portfolios.

#### **Community green infrastructure grant program**

This portion of the measure establishes the Community Green Infrastructure Grant Program, which is to be administered by DLCD for the purpose of awarding grants to offset the cost of planning and developing community green infrastructure projects or green infrastructure economic development projects, developing and supporting native seed banks or native plant nurseries, and for implementing green infrastructure master plans.

The measure requires DLCD to enter into an intergovernmental agreement with ODF for assistance with the design and implementation of the program, acquiring and administering federal funding related to green infrastructure projects, or technical advice or feedback on the grant review process. In addition, the measure requires DLCD to enter into an intergovernmental agreement with the Oregon Department of Transportation for technical advice concerning state transportation facilities and rights of way as they relate to the design and implementation of the program, acquiring and administering federal funding related to green infrastructure projects, and technical advice or feedback on the grant review process.

The measure permits DLCD to appoint an Advisory Committee on Community Green Infrastructure Investments to provide consultation on the implementation of the grant program. No later than September 15 of each even-numbered year, the Advisory Committee is to submit a report on the implementation of the program to the appropriate interim Committee of the Legislative Assembly.

The measure establishes the Community Green Infrastructure Fund with moneys in the fund continuously appropriated to DLCD to award grants, with 30 percent for grants for planning and developing green infrastructure economic development projects, 40 percent for grants to entities or projects located in green infrastructure improvement zones, and 30 percent for grants for entities or projects in tribal, rural, remote, or coastal communities. None of the funds are allocated for administration of the grant program. The measure appropriates \$6.5 million General Fund for grants. The Legislative Fiscal Office notes that \$6.5 million Other Funds expenditure limitation will be added to SB 5506 (2023), as well as designating the General Fund appropriated to be deposited in the Community Green Infrastructure Fund, which will allow moneys to be expended in future biennia.

In addition, the measure requires ODF to acquire and maintain a statewide urban tree canopy assessment tool that provides geospatial mapping and make it available on a website maintained by the Department. Lastly, the measure requires ODF to develop and implement a program to provide technical and financial assistance to public bodies, tribal governments, watershed councils, and community-based organizations for planning, responding to, and recovering damage to habitats and urban tree canopies due to pests, diseases, or other natural or human-created conditions that lead to loss of tree canopy.

#### Department of Land Conservation and Development

In addition to the \$6.5 million General Fund appropriation to DLCD for grants, the measure appropriates \$768,741 General Fund to DLCD in the 2023-25 biennium. The grant funding provided by this measure is a one-time appropriation and if all grant funding is not disbursed in the 2023-25 biennium, DLCD will need to return and request ongoing position authority and expenditure limitation for the 2025-27 biennium.

The funding supports personal services costs of \$626,684 for four new limited duration full-time positions, including one Planner 4 (0.88 FTE) to design and manage the program; an Administrative Specialist 2 (0.75 FTE) to coordinate grants; a Procurement and Contracts Specialist 1 (0.75 FTE) to fulfill grant requirements; and an Accountant 1 (0.75 FTE) to track payments and expenditures. Services and supplies costs are \$142,057 General Fund, which includes position-related expenses as well as legal costs and resources to support the Advisory Committee.

#### Department of Forestry

The measure provides ODF \$516,248 General Fund for two permanent positions (1.75 FTE) and associated costs for the development and implementation of the technical and financial assistance program in the 2023-25 biennium. The 2023-25 costs include \$362,008 for personal services and \$64,240 for services and supplies, as well as \$90,000 in special payments will be transferred to the ODF Motor Pool for purchase of two vehicles. ODF will also need \$90,000 Other Funds expenditure limitation to expend this General Fund as Other Funds once transferred.

The bill establishes two Natural Resource Specialist 3 positions, which will increase capacity for community assistance activities and to provide program coordination, work with tribal governments, and provide outreach and technical assistance to the federally recognized tribes in Oregon, and will help define and identify the specific locations for increased green infrastructure. ODF notes that the agency will provide a vehicle to each position for in-state travel to meet the requirements of the measure. Although the measure requires the program include

financial assistance as well as technical assistance, that financial assistance is not defined by the measure, nor is the amount or source of that funding identified.

Funding for the initial purchase, setup, and refinement of the urban tree canopy assessment tool can be absorbed within existing efforts surrounding environmental equity mapping which is funded through a federal United States Forest Service grant at ODF. Federal funding is allocated on an annual basis and may not be available in perpetuity.

**College of Forestry, Oregon State University: low carbon fuels from woody biomass residues**

This portion of the measure directs the College of Forestry at Oregon State University (OSU) in collaboration with DEQ and ODF to conduct research to develop methodologies and data necessary to establish fuel pathways for low carbon fuels derived from woody biomass residues from forestry operations. The College of Forestry is to report to the interim Committees of the Legislative Assembly related to natural resources no later than July 31, 2025.

Regarding the state forests, the measure permits ODF to establish a forestry renewable woody biomass conversion program to market, register, transfer or sell forestry woody biomass conversion offtakes, in order to secure the greatest permanent value of the lands for the state.

Higher Education Coordinating Commission

The measure appropriates \$3 million General Fund to HECC for distribution to the College of Forestry at OSU. These funds would be used to conduct the research directed under this measure in the 2023-25 biennium, in order to report to the Legislature on topics including progress in establishing fuel pathways and carbon intensity values for low carbon fuels derived from woody biomass residues from forestry operations; and the impact of converting woody biomass residues to low carbon fuels on greenhouse gas and black carbon emissions, snowpack in the Cascade Mountains, water quality and drought, and wildfire.

OSU anticipates these funds would be used to support 15 positions representing a variety of areas of study, including six faculty (totaling 0.77 FTE), eight graduate students (totaling 4.00 FTE), and one post-doctoral student (0.50 FTE). Position costs are anticipated to total \$1.6 million. Positions discussed here are not presented in the tables included in this budget report as the Legislature does not authorize positions within universities.

Other expenses include lab equipment, lab supplies, materials, and travel costs, at approximately \$768,280; approximately \$84,000 for contracting with ODF and DEQ for project support; \$317,849 for graduate student tuition; and \$198,678 for indirect costs.

**Rebate program for medium and heavy duty zero-emission vehicles**

This portion of the measure creates a rebate program in DEQ for purchase or lease of vehicles that meet certain criteria, including a gross vehicle weight of over 8,500 pounds. DEQ may hire or contract with a third-party nonprofit to administer the program. The Environmental

Quality Commission is to determine rebate amounts annually by rule and may establish different rebate amounts for different classes of vehicles, and additional rebates for vehicles in areas disproportionately burdened by air pollution. The measure outlines eligibility requirements, including that the vehicle be kept for three years after purchase or leasing, or the person receiving the rebate must pay back the rebate on a prorated basis unless the repayment provision is waived for cause. Rebate recipients must maintain records of miles driven or hours of use and provide an annual report to DEQ showing more than 50 percent of vehicle use occurred in Oregon.

The measure establishes the Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund which is continuously appropriated to DEQ to carry out this program, with no more than 15 percent used for administration. At least 40 percent of funds deposited in the account per biennium are for rebates for vehicles in areas disproportionately burdened by diesel pollution. This portion of the measure is operative January 1, 2024.

#### Department of Environmental Quality

The measure appropriates \$3 million General Fund for deposit in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund. DEQ anticipates that grants would be disbursed starting in the 2025-27 biennium.

To implement this measure, DEQ would hire a permanent full-time Program Analyst 3 (0.75 FTE) position to do rulemaking, stakeholder outreach, contract management, program research, and review applications and reports hired during the 2023-25 biennium. The Department anticipates the need for an Accounting Technician to process rebates once disbursements start, and this resource may be requested during the 2025-27 budget development process. DEQ would also have estimated costs of \$120,000 to establish a rebate processing platform and website in the 2023-25 biennium, with ongoing maintenance costs of \$25,000 each biennium, based on the agency's experience setting up a similar platform for the Oregon Clean Vehicle Rebate Program. Because the moneys appropriated are deposited in the Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund, these funds will be expended at Other Funds. DEQ has been provided with Other Funds expenditure limitation commensurate with the amount of the deposit. Administrative expenditures are allowed in an amount up to 15 percent of the monies deposited and the cost of administration for DEQ includes \$167,516 for personal services, and \$148,875 for services and supplies in the 2023-25 biennium.

#### **Finding opportunities and reducing conflict in siting photovoltaic solar power generation facilities**

This portion of the measure establishes the 17 member Rules Advisory Committee for Siting Photovoltaic Solar Power Generation Facilities to advise DLCD on adoption of rules related to photovoltaic solar power generation facility siting. DLCD is to provide an initial report to an appropriate interim Committee of the Legislative Assembly by September 15, 2025, and a final report to certain entities by December 31, 2025. The measure requires DLCD to contract with a third party to support the rules advisory committee, including to facilitate and coordinate meetings, and furnish maps, data, and technical assistance. Members of the Rules Advisory Committee are entitled to compensation and expenses. These portions of the measure sunset January 2, 2026.

#### Department of Land Conservation and Development



The measure provides DLCD \$471,692 General Fund in the 2023-25 biennium, with the projected cost of \$70,966 General Fund in the 2025-27 biennium. In the 2023-25 biennium, this includes \$236,909 for personal services and \$234,783 for services and supplies. The Department anticipates hiring one full-time Planner 4 (0.88 FTE). This position would provide support for the Rules Advisory Committee. Services and supplies costs include \$100,000 for a facilitation contract, \$120,000 for Rules Advisory Committee costs such as travel and legal advice, and position-related services and supplies.

#### **Opportunities to reduce Oregon's consumption-based greenhouse gas emissions**

The measure changes the name of the Oregon Global Warming Commission to the Oregon Climate Action Commission and increases membership from 25 to 35. The duties of the Oregon Climate Action Commission are modified to remove examination of the greenhouse gas cap and trade system; and to include tracking and evaluation of progress towards net zero emissions goals and the net negative emissions goals; and carbon sequestration of Oregon's natural and working lands, and not just forests. The Commission is to prepare a detailed forecast of expected greenhouse gas emissions reductions. The Commission is to complete a periodic evaluation of the greenhouse gas emissions reduction goals, the net zero emissions goals, and the net negative emissions goals and provide any recommendations on updates to the goals to the Legislative Assembly no later than 18 months after the date on which the United Nations Intergovernmental Panel on Climate Change publishes a synthesis report or the United States Global Change Research Program publishes a national climate assessment.

DEQ, in consultation with the Oregon Climate Action Commission, is to evaluate opportunities to reduce Oregon's consumption-based greenhouse gas emissions. DEQ is to present its findings in a report to the interim Committees of the Legislative Assembly related to the environment, and the commission, no later than September 15, 2024. The report must update Oregon's consumption-based greenhouse gas emissions inventory; identify opportunities to reduce consumption-based greenhouse gas emissions through materials management or other state programs or policies; include recommendations for regularly updating the consumption-based greenhouse gas emissions inventory; and evaluate the effects of consumption-based greenhouse gas emissions reductions, taking into account economic, social and environmental factors. These portions of the measure become operative on January 1, 2024.

#### **Oregon Department of Energy**

To implement the requirements of the bill, ODOE is provided a total of \$775,835 General Fund in the 2023-25 biennium, which includes two new full-time positions (0.75 FTE each). In the 2023-25 biennium, estimated costs include \$338,176 in personal services and \$437,659 in services and supplies.

ODOE provides staff support to the Oregon Global Warming Commission. The measure mandates state agencies to regularly report to the Commission on efforts to make progress toward greenhouse gas emissions reduction goals and to prepare for the effects of global warming, though it does not specify the frequency or content of these reports. However, ODOE notes that existing staff assigned to support the Commission are insufficient to support the volume of work the Commission now has and anticipates this reporting requirement, in conjunction with the expanded Commission membership, would increase the need for staff support. The measure provides the Department with one

permanent, full-time Operations and Policy Analyst 4 to staff the Commission, provide policy analysis and reporting, and work with state and local entities engaging in climate activities. Additionally, funding for ODOE supports one limited duration full-time Research Analyst 3 to assess greenhouse gas emissions and track progress toward goals.

In addition to the costs of the positions, funding for ODOE supports a contract for emissions modeling to prepare a forecast of expected greenhouse gas emission reductions. This is anticipated to total \$250,000 General Fund each biennium.

The bill provides certain requirements as to when ODOE must evaluate the net zero emissions goals and the net negative emissions goals. The next reporting period is assumed to be four years from now.

### **State policy for natural climate solutions**

This portion of the measure establishes the Natural and Working Lands Fund which is continuously appropriated to OWEB to annually transfer to other funds established under this measure, as directed by the Oregon Global Warming Commission, in consultation with OWEB, Oregon Department of Fish and Wildlife (ODFW), ODF, and ODA.

The Agriculture Natural Climate Solutions Fund, Forestry Natural Climate Solutions Fund, Watershed Natural Climate Solutions Fund, and Fish and Wildlife Natural Climate Solutions Fund are also established in the measure. These funds are continuously appropriated to ODA, ODF, OWEB, and ODFW respectively; and no more than 10 percent of moneys in each fund may be used for administrative costs.

ODA, ODF, and OWEB are to use the funds to establish programs that provide incentives and financial assistance for technical support to help landowners, Indian tribes, land managers, and environmental justice communities to adopt practices that support natural climate solutions. Funds are to be prioritized for technical assistance to, and incentives for, programs or activities supported by environmental justice communities or Indian tribes. ODFW is to use funds to promote natural climate solutions and mitigate the future impacts of climate change through certain research.

The Oregon Global Warming Commission is to report to the Committees of the Legislative Assembly related to the environment by September 15 each year with a summary identifying the uses of the Natural and Working Lands Fund and additional funding needs. The Commission is also to report to the interim Committees of the Legislative Assembly related to the environment and the Governor by December 1 of each even numbered year on projects funded by the Natural and Working Lands Fund, state, federal, and private sources of funding for projects, and an assessment of projects, planned projects, and environmental justice community projects, which includes public comments. The Oregon Global Warming Commission may also appoint a natural and working lands advisory committee of at least 15 members. ODOE is to support the Commission's work under this measure or may contract for support services.

ODOE and the Oregon Global Warming Commission, in coordination with state natural resources agencies and relevant federal agencies, are directed to establish and maintain a net biological carbon sequestration and storage baseline and inventory for natural and working lands; and relevant activity-based metrics and community impact metrics. No later than January 1, 2025, these entities are also to establish nonbinding biological carbon sequestration and storage goals for Oregon's natural and working lands. ODOE is to update the natural and working lands net biological carbon sequestration and storage inventory by December 1 of each even-numbered year. ODOE is also directed to study workforce and training programs needed to support adoption of natural climate solutions on natural and working lands and report to the committees of the Legislative Assembly related to the environment by September 15, 2024.

#### Oregon Watershed Enhancement Board

The measure appropriates \$10 million General Fund for deposit into the Natural and Working Lands Fund and provides \$10 million in Other Funds expenditure limitation to expend moneys from the fund. OWEB will act both as the fiscal agent for the fund, and as a recipient of monies allocated from the fund by the Global Warming Commission. OWEB is provided with one limited duration, full-time Fiscal Analyst 3 (0.88 FTE) to support the body of work generated by the grant program from monies allocated to OWEB by the Global Warming Commission. The position cost and the cost of program administration is provided for through the appropriation to the Fund.

#### Oregon Department of Energy

The bill provides ODOE a total \$1,526,146 General Fund in the 2023-25 biennium, with anticipated costs of \$1,106,455 General Fund in the 2025-27 biennium.

The known costs for this measure are related to the establishment of the net biological carbon sequestration and storage baseline and inventory for natural and working lands; and development of relevant activity-based metrics and community impact metrics. ODOE would contract with a technical consultant to produce and update the inventory and model carbon sequestration and storage potential on natural and working lands. The bill provides ODOE with \$400,000 General Fund, with costs continuing each biennium, based on recommendations from the Oregon Global Warming Commission Natural and Working Lands Advisory Committee and related work conducted by OSU's Institute for Natural Resources. Additionally, the bill provides a one-time \$250,000 General Fund appropriation in the 2023-25 biennium for a carbon accounting consultant to inform and refine metrics.

Funding in the bill also supports two new permanent, full-time positions (each 0.88 FTE), including a Research Analyst 3, to collect data and help develop and maintain the inventory, and create related reports; and an Operations and Policy Analyst 4 to work with stakeholders and analyze policy options. Total costs of these positions are \$394,542 General Fund in the 2023-25 biennium, with an additional \$35,398 in services and supplies. The bill also supports \$196,206 General Fund in the 2023-25 biennium for indirect costs for ODOE.

ODOE is also directed to study workforce and training programs needed to support adoption of natural climate solutions on natural and working lands. The bill provides ODOE with \$250,000 General Fund for this work.

**Extends sunset for solar and storage system rebate program**

This portion of the measure changes the sunset date for the Oregon Solar and Storage Rebate Program in ODOE from January 2, 2024, to January 2, 2029. Under this measure, ODOE is also permitted to waive the requirement that construction begin within 12 months of award due to delays resulting from the COVID-19 pandemic for renewable energy production system grants.

This portion of the measure also extends the repeal date for sections 19 to 21, chapter 86, Oregon Laws 2022, from January 2, 2025, to January 2, 2026. These sections establish a program for residential heat pump rebates and grants in ODOE and establish the Residential Heat Pump Fund with funds used to provide these rebates and grants. Additionally, the measure extends the deadline, from September 15 to December 31, 2023, for a required report from ODOE on the heat pump grants and rebates; community cooling spaces; and a cooling needs study.

Additional expenditure limitation and position authority for these programs were provided in the 2023-25 recommended budget for ODOE.

**Harmful algal blooms**

This portion of the measure directs OHA, in coordination with DEQ, to the following:

- Determine and identify drinking water sources that are susceptible to harmful algal blooms (HABs) or that are downstream of or influenced by water bodies that are susceptible to HABs.
- Develop a system for the regular monitoring and testing of these drinking water sources.
- Prioritize monitoring of sources of drinking water and bodies of water accessed for recreational use.
- Develop a protocol for issuing hazard advisory alerts to the public in the occurrence of a HAB.

DEQ, in coordination with OHA, is directed to do the following:

- Develop and maintain a coordinated state agency HAB monitoring and response strategy.
- Develop a system for the regular monitoring and testing of water bodies determined to be susceptible to HABs or are downstream of or influenced by water bodies susceptible to HABs.
- Produce timely and high-quality data allowing OHA to determine the level of risk of harm or injury to public health by the occurrence of HABs.
- Maintain a publicly accessible clearinghouse or database of water quality samples collected to characterize freshwater HABs.
- Identify sources of pollutants contributing to the occurrences of HABs.

- Develop and implement strategies for reducing pollutants that contribute to the occurrences, frequency, and severity of HABs, and monitor and evaluate the effectiveness of these strategies.

As part of the state agency HAB monitoring and response strategy, DEQ is to make efforts to determine the causes of HABs and to identify any point sources or nonpoint sources that contribute to the susceptibility of specific bodies of water to HABs; and is to work to develop pollution reduction plans.

#### Department of Environmental Quality

For DEQ this measure is generally consistent with existing regulatory authorities and current work around HABs, but additional resources will be needed for HAB monitoring and analysis of specific bodies of water, and development of management strategies.

To do this work, DEQ will receive funding totaling \$376,770 General Fund in the 2023-25 biennium; this includes \$212,207 in personal services and \$164,563 in services and supplies. Funding is anticipated to be used for:

- One permanent, full-time Natural Resource Specialist 3 (0.63 FTE) who would perform analysis and strategy development work, collect, and analyze data, work with other agencies and stakeholders, and develop HAB management responses.
- One seasonal, full-time Natural Resource Specialist 1 (0.50 FTE) who would increase capacity to collect and process samples from source waters and recreational waterbodies.
- Additional funding for materials and supplies required to conduct additional qPCR sampling (molecular analyses of water samples to indicate the types and abundances of different cyanobacteria species in the water), estimated at \$120,000 based on an additional 250-300 water samples being processed annually. This would allow the Department to sample approximately 40 to 50 water bodies across the state to complement other forms of monitoring.

#### Oregon Health Authority

OHA anticipates hiring one permanent full-time Natural Resource Specialist 3 (0.75 FTE) to work on the monitoring and response strategy, public advisory alerts, and coordination of other activities under this measure. The bill provides \$188,664 General Fund in the 2023-25 biennium, including \$160,629 for personal services and \$28,035 for services and supplies.

#### **Resilience hubs and networks**

This portion of the measure defines “resilience hub” and “resilience network.” The measure requires DHS to provide grants, support, and technical assistance for Resilience Hubs and Networks in Oregon. Grants are to be awarded for planning and organizing expenses, expanding development and operations of Resilience Hubs and Networks to provide protection from extreme weather or other potential disasters, and for community resources and services to respond to disasters. DHS is to consult with OHA and ODOE on implementation of this measure. This portion of the measure becomes operative January 1, 2024.

#### Department of Human Services

The measure appropriates \$10 million General Fund to DHS for grants to Resilience Hubs and Networks in Oregon. For the 2023-25 biennium, the anticipated staffing need in DHS includes one full-time limited duration Operations and Policy Analyst 3 position (0.75 FTE) to manage the program and engage with stakeholders and one limited duration Office Specialist 2 position (0.75 FTE) to manage grants and program-related invoices. In addition to the \$10 million appropriated under this measure, the bill provides DHS \$276,841 total funds (\$166,102 General Fund and \$110,739 Federal Funds) for personal services and \$35,855 total funds (\$21,513 General Fund and \$14,342 Federal Funds) for position-related services and supplies.

#### Oregon Health Authority

To coordinate with internal stakeholders, integrate the grant design with OHA's climate and health equity plans, evaluate health equity implications of programs developed under requested grants, support evaluation of applicants and consult with DHS, one limited duration Program Analyst position (0.75 FTE) is anticipated to be needed in OHA. The bill provides funding for personal services costs of \$180,876 General Fund with \$18,131 in position-related services and supplies costs.

## DETAIL OF SENATE RULES COMMITTEE ACTION

### Multiple Agencies

Adam Crawford -- (971) 707-8106

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
COMMITTEE ADJUSTMENTS									
Oregon Department of Energy									
SCR 200-00 Energy Development Services									
Personal Services	\$ 2,107,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,107,626	12	9.55
Services and Supplies	\$ 1,702,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,682		
Special Payments - 6060 Intragency GF Transfer	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000		
Special Payments	\$ 4,000,000		\$ 2,000,000	\$ -	\$ -	\$ -	\$ 6,000,000		
Department of Land Conservation and Development									
SCR 001-00 - Planning Program									
Personal Services	\$ 863,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 863,593	5	4.01
Services and Supplies	\$ 376,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,840		
Special Payments	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500,000		
Oregon Department of Human Services									
SCR 010-40 - Central Services									
Personal Services	\$ 166,102	\$ -	\$ -	\$ -	\$ 110,739	\$ -	\$ 276,841	2	1.50
Services and Supplies	\$ 21,513	\$ -	\$ -	\$ -	\$ 14,342	\$ -	\$ 35,855		
Special Payments	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
Oregon Health Authority									
SCR 030-05 - Public Health									
Personal Services	\$ 341,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,505	2	1.50
Services and Supplies	\$ 46,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,166		
Oregon Watershed Enhancement Board									
SCR 020-00 - Grants									
Personal Services	\$ -	\$ -	\$ 203,516	\$ -	\$ -	\$ -	\$ 203,516	1	0.88
Special Payments - 6060 Intragency GF Transfer	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
Special Payments	\$ -		\$ 9,796,484	\$ -	\$ -	\$ -	\$ 9,796,484		
Department of Consumer and Business Services									
SCR 019-00 Building Codes Division									
Personal Services	\$ -	\$ -	\$ 683,357	\$ -	\$ -	\$ -	\$ 683,357	2	1.76
Services and Supplies	\$ -	\$ -	\$ 72,694	\$ -	\$ -	\$ -	\$ 72,694		
Department of Environmental Quality									
SCR 001-00 - Air Quality									
Personal Services	\$ -	\$ -	\$ 167,516	\$ -	\$ -	\$ -	\$ 167,516	1	0.75
Services and Supplies	\$ -	\$ -	\$ 148,875	\$ -	\$ -	\$ -	\$ 148,875		
Special Payments - 6060 Intragency GF Transfer	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000		
Special Payments	\$ -		\$ 2,683,609	\$ -	\$ -	\$ -	\$ 2,683,609		
SCR 34000-002 - Water Quality									
Personal Services	\$ 212,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,207	2	1.13
Services and Supplies	\$ 164,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,563		HB 3409 C

HB 3409 C

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Oregon Department of Forestry									
SCR 050-00 - Forest Resources									
Personal Services	\$ 362,008	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 452,008	2	1.75
Services and Supplies	\$ 64,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,240		
Special Payments	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000		
Higher Education Coordination Commission									
SCR 210-00 - Public University State Program									
Special Payments	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000		
Department of Administrative Services									
SCR 060-00 Enterprise Asset Management									
Personal Services	\$ -	\$ -	\$ 189,034	\$ -	\$ -	\$ -	\$ 189,034	1	0.88
Services and Supplies	\$ -	\$ -	\$ 480,078	\$ -	\$ -	\$ -	\$ 480,078		
TOTAL ADJUSTMENTS	\$ 45,019,045	\$ -	\$ 16,515,163	\$ -	\$ 125,081	\$ -	\$ 61,659,289	30	23.71
COMMITTEE RECOMMENDATION	\$ 45,019,045	\$ -	\$ 16,515,163	\$ -	\$ 125,081	\$ -	\$ 61,659,289	30	23.71



**HB 5019 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Gomberg, Rep. Dexter

**Joint Committee On Ways and Means**

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**Action Date:** 03/10/23

**Action:** Do pass with amendments. (Printed A-Eng.)

**House Vote**

**Yeas:** 9 - Breese-Iverson, Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 3 - Cate, Lewis, Reschke

**Senate Vote**

**Yeas:** 9 - Anderson, Campos, Dembrow, Gelser Blouin, Hansell, Knopp, President Wagner, Sollman, Steiner

**Nays:** 2 - Findley, Girod

**Exc:** 1 - Frederick

**Prepared By:** Ali Webb, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Housing and Community Services Department**

**2023-25**

**2021-23**

**Department of Emergency Management**

**2023-25**

**2021-23**

**Department of Human Services**

**2023-25**

## Budget Summary

### 2023-25 Budget Actions\*

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change	
				\$ Change	% Change
<b>Housing and Community Services Department</b>					
General Fund	\$ -	\$ -	\$ 129,244,331	\$ 129,244,331	100.0%
Other Funds Limited	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	100.0%
Total	\$ -	\$ -	\$ 134,244,331	\$ 134,244,331	100.0%
<b>Department of Emergency Management</b>					
General Fund	\$ -	\$ -	\$ 722,631	\$ 722,631	100.0%
Total	\$ -	\$ -	\$ 722,631	\$ 722,631	100.0%
<b>Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ 19,921,469	\$ 19,921,469	100.0%
Total	\$ -	\$ -	\$ 19,921,469	\$ 19,921,469	100.0%

### Position Summary

<b>Housing and Community Services Department</b>				
Authorized Positions	0	0	21	21
Full-time Equivalent (FTE) positions	0.00	0.00	5.88	5.88
<b>Department of Emergency Management</b>				
Authorized Positions	0	0	6	6
Full-time Equivalent (FTE) positions	0.00	0.00	3.00	3.00
<b>Department of Human Services</b>				
Authorized Positions	0	0	5	5
Full-time Equivalent (FTE) positions	0.00	0.00	5.00	5.00

<sup>(1)</sup> Includes adjustments through December 2022

\* Excludes Capital Construction expenditures

## **2021-23 Budget Actions\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
<b>Housing and Community Services Department</b>				
General Fund	\$ 854,675,215	\$ 853,664,124	\$ (1,011,091)	-0.1%
Total	\$ 854,675,215	\$ 853,664,124	\$ (1,011,091)	-0.1%
<b>Department of Emergency Management</b>				
General Fund	\$ 32,911,344	\$ 33,835,269	\$ 923,925	2.8%
Total	\$ 32,911,344	\$ 33,835,269	\$ 923,925	2.8%

## **Position Summary**

### **Housing and Community Services Department**

Authorized Positions	422	435	13
Full-time Equivalent (FTE) positions	366.03	368.36	2.33

### **Department of Emergency Management**

Authorized Positions	94	100	6
Full-time Equivalent (FTE) positions	47.01	48.51	1.50

<sup>(1)</sup> Includes adjustments through December 2022

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

HB 5019 appropriates \$158,856,981 General Fund to the Housing and Community Services Department (HCSD), \$1,646,556 General Fund to the Oregon Department of Emergency Management (ODEM), and \$19,921,469 General Fund to the Department of Human Services (DHS) on a one-time basis to provide resources for homelessness prevention services, addressing unsheltered homelessness in areas specified in Executive Order 23-02 and in other areas of the state, and for services and assistance to youth experiencing homelessness. Further, the measure repurposes 2021-23 resources in the amount of \$30,623,741 that were originally appropriated to HCSD in the 2021 and 2022 legislative sessions, but which will be unspent for their initially intended purpose.

## **Summary of Transportation and Economic Development Subcommittee Action**

### **Executive Order No. 23-02 - Homelessness Emergency**

The Governor's declared homelessness emergency extends for a period of 12 months from the initial declaration on January 10, 2023, and as such, spans two biennia. The measure provides for expenditures to address homelessness and support a variety of local service providers, in both the 2021-23 and 2023-25 biennia, as follows:

***Eviction Prevention:*** Homelessness prevention funding deployed through the Oregon Eviction Diversion and Prevention (ORE-DAP) program and the Eviction Prevention Rapid Response (EPRR) program totals \$7,386,826 in the 2021-23 biennium and \$26,213,174 in the 2023-25 biennium. Approved funding is estimated to prevent 8,750 households from experiencing homelessness, ensuring that they have access to eviction prevention interventions, such as emergency rental assistance and legal or mediation services. Resources will be deployed through existing master contracts between HCSD and local providers for the respective programs, with 80% of funding anticipated to be delivered through ORE-DAP and 20% through EPRR. Eviction prevention resources will be available to households or individuals statewide, regardless of whether they currently reside within the declared emergency area.

***Long-Term Rental Assistance Program Design:*** Funding in the amount of \$200,000 is approved in the 2021-23 biennium for HCSD to develop and design a statewide long-term rental assistance program for individuals and households who are rehoused with state investments approved in this measure. Program development is anticipated to be completed by the end of the current biennium to support program implementation on July 1, 2023. Long-term rental assistance payments (a guarantee of rental assistance payments for a designated period of time for low-income recipients in an effort to keep them stably housed) beyond the rehousing investments included in this measure would require approval by the Legislature as part of the agency's 2023-25 budget. If approved, such a program would result in additional current service level funding obligations in the future, depending on the term of recipient eligibility.

***Local Homelessness Emergency Plans:*** The Governor's Emergency Declaration covers continuum of care regions of the state that have experienced an increase in unsheltered homelessness of 50% or more from 2017-2022, as measured by the homelessness Point in Time count. The seven continuum of care regions meeting this criteria include the Metro regions (Portland, Gresham/Multnomah County; Beaverton/Washington County; and Clackamas County); Central Oregon; Eugene, Springfield/Lane County; Medford, Ashland/Jackson County; and Salem/Marion, Polk Counties. Resources will be used to support plans submitted by local Multi-Agency Coordinating (MAC) groups in each emergency area that outline capacity gaps, needs, and resources required to meet the goals of the Executive Order through:

- increased shelter capacity and connections to shelter;
- rapid rehousing initiatives, including a guarantee to landlords through the HCSD housing choice guarantee program, prepaid rent assistance, and block leasing;

- capacity support for culturally responsive organizations to ensure they have staffing, information technology, and other resources necessary for local delivery of services; and
- sanitation services for local communities that may include trash removal, removal of biohazards, and basic sanitation services, but do not include removal or relocation of encampments.

A total of \$20,900,000 will be available to fund local emergency homelessness plans in the 2021-23 biennium and \$64,300,000 in the 2023-25 biennium.

Coordinated plans with requested funding for eligible services will be submitted by local MAC groups to HCSD for review. Local MAC groups will be established by the ODEM and should include local city and county governments, public housing authorities, local homelessness agencies, rapid rehousing service providers, shelter developers and operators, landlord associations, and behavioral health providers. HCSD will enter into agreements with a primary entity for each emergency area that will outline resources available, eligible use of resources, required shelter and rehousing outcomes, deadlines to achieve outcomes, program guidelines, reporting requirements, and accountability measures. Funds will be distributed to emergency areas in response to community plans to achieve the overall goals of the EO. Distributions to each community may be informed by a minimum amount for each community and consideration of a needs-based criteria which may incorporate factors such as the percentage of the population within the continuum of care area that are unsheltered; the number of available shelter beds; the number of people within a region with incomes below the poverty threshold; the percentage of households that are considered severely rent burdened; and the amount of local resources that can be applied to providing emergency shelter and stable housing for affected households.

The goal of the plans is to collectively create 600 new shelter beds across emergency areas, as well as to rehouse 1,200 individuals using housing navigators and partnerships with landlords that can include prepaid rent for up to twelve months, landlord incentives or block leasing of a specified number of units for targeted populations with an emphasis on the unsheltered homeless, associated social supports and services provided to tenants placed in those units, and a guarantee fund that can be accessed by landlords in the event of damage to units. Participating landlords would be identified by the local MAC groups, as would providers of social supports and services that will contribute to successful housing stability for the individuals and households served. Contracts with the lead organization in each community, and service providers as necessary, will include outcome targets specifying the number of new emergency shelter beds created and the number of homeless households to be rehoused.

Total funding approved to support local emergency plans is based on the following estimated amounts for each of the activities identified above, though final amounts for each activity may vary depending on the needs and existing resources in communities:

Activity	2021-23	2023-25	Total
Shelter and navigation	\$5,838,264	\$17,961,736	\$23,800,000
Rehousing: rental assistance and landlord incentives	\$10,829,000	\$33,371,000	\$44,200,000
Rehousing: secure access through block leasing	\$1,764,000	\$5,436,000	\$7,200,000
Rehousing: landlord guarantee (housing choice guarantee program)	\$751,600	\$2,248,400	\$3,000,000
Capacity Support	\$1,226,526	\$3,773,474	\$5,000,000
Sanitation services	\$490,610	\$1,509,390	\$2,000,000
<b>Total</b>	<b>\$20,900,000</b>	<b>\$64,300,000</b>	<b>\$85,200,000</b>

The Subcommittee approved the following Budget Note:

**BUDGET NOTE:** The Housing and Community Services Department will report quarterly to the Joint Committee on Ways and Means and House and Senate policy committees relating to housing through June 30, 2025 with information on resources and outcomes related to investments in shelter and rehousing pursuant to HB 5019. Reports shall include the following:

- The amount of funding awarded to each continuum of care region.
- Targets and actual outcomes for each continuum of care region, including:
  - the number of new emergency shelter beds created;
  - the number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);
  - the number of households whose homelessness was prevented; and
  - information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery, and outcomes achieved.

For the 2023-25 biennium, General Fund in the amount of \$5,000,000 is also approved for services to members of Oregon’s nine federally recognized tribes who are experiencing homelessness, either within designated emergency areas or elsewhere in Oregon.

General Fund totaling \$1,125,824 was approved to support 13 permanent positions (2.33 FTE) in HCSD for the remainder of the 2021-23 biennium to execute contracts with MAC groups and providers of eviction prevention services and monitor outcomes. Positions include the following:

- An Emergency Response Director position (Principal Executive Manager F) to oversee response efforts at the agency level;
- A Director of Procurement for this effort (Principal Executive Manager F);

- Two Procurement and Contract Specialist 3 positions and one Procurement and Contract Specialist 2 position to manage emergency procurements;
- Two Emergency Recovery Project Manager positions to promote internal agency coordination and processes among staff dedicated to these efforts;
- A Public Affairs Specialist position;
- A Program Analyst 2 and a Research Analyst 2 to gather and monitor data, and direct local MAC groups on consistent reporting and data reliability measures, and outcome measurements;
- A Program Analyst 4 position and a Program Analyst 2 position to direct and assist with landlord outreach and recruitment, and design a framework for a long-term rental assistance program; and
- An Administrative Specialist 2 position.

The Subcommittee also approved \$1,145,303 General Fund to support the above positions for the first six months of 2023-25 biennium (3.25 FTE), as well as the following seven permanent positions (1.75 FTE) that will be dedicated to this effort:

- A Program Analyst 2 position;
- Two Program Analyst 3 positions;
- A Program Analyst 4 position;
- An Accountant 2 position;
- A Procurement and Contract Specialist 2 position; and
- An Information Services Specialist position to support data gathering.

Permanent positions will enable the agency to recruit candidates in the current biennium and retain them for the first six months of the 2023-25 biennium. Any additional funding needed to support the positions beyond the homelessness emergency for ongoing reporting and compliance activities will need to be considered as part of the agency's 2023-25 budget. However, should funding not be continued for these activities beyond 2023-25, the positions would require elimination.

For the Oregon Department of Emergency Management (ODEM), \$923,925 General Fund is provided on a one-time basis for the 2021-23 biennium to establish six new limited duration positions (1.50 FTE) and to fund a portion of nine existing positions (0.99 FTE) that will shift some of their workload to support the overall coordination of efforts to address homelessness in emergency declared areas as part of the activation of the State of Oregon Emergency Operations Plan.

The existing positions, from the Mitigation and Recovery Division within ODEM, will coordinate to serve multiple functions that will eventually be taken over by the six new positions once they're onboarded. These functions include acting as Regional Coordinators and subject matter

experts on implementing emergency plan coordination, working with local jurisdictions in emergency areas to determine unmet needs, provide technical assistance for the MAC groups, review MAC group plans and resource requests, and facilitate ordering of resources and asset tracking.

In 2023-25, a one-time appropriation of \$722,631 General Fund is provided to fund the continuation of the six limited duration positions (3.00 FTE) for twelve months as the work of these positions is anticipated to extend beyond the termination of the emergency declaration in January 2024.

General Fund in the Housing and Community Services Department's 2021-23 approved budget that is not expected to be expended by the end of the biennium is also reduced by \$30,623,741 and repurposed for the state's homeless emergency. A total of \$30,000,000 was appropriated in HB 5006, 2021) to compensate landlords for 100% of missed rental payments for applications submitted for rent owed between April 1, 2020 and June 30, 2021. This program, known as the Landlord Compensation Fund, was repealed on January 2, 2023 (HB 4401, 2020 third special session and SB 278, 2021). Of the original appropriation, \$16,623,741 remains unspent and is redirected to fund the initiatives in this measure. An additional \$11,500,000 originally budgeted as rental assistance for permanent supportive housing units is not needed in the current biennium because development delays have resulted in units not being ready for occupancy according to original schedules. Providers of shelter services and foreclosure avoidance services are also not anticipated to utilize all funding originally appropriated for these services, which results in \$1,000,000 and \$1,500,000 available for reallocation, respectively.

#### **Balance of State (Rural) Continuum of Care**

General Fund in the amount of \$26,135,000 is appropriated to the Housing and Community Services Department in the 2023-25 biennium to address homelessness in the OR-505 Oregon Balance of State (Rural) Continuum of Care not covered by Executive Order 23-02. This region includes 26 counties throughout the state that are not part of any other Continuum of Care. HCSD will allocate these funds through its master grant agreement with Community Action Agencies (CAAs) that have demonstrated readiness to partner with other culturally responsive organizations and culturally specific organizations, as defined in ORS 456.005 (1) and ORS 456.005 (2), within the Oregon Rural Continuum of Care. The master grant agreement with CAAs will inform a needs-based distribution formula to allocate these resources, considering local capacity to deliver resources, the number and rate of unsheltered homelessness experienced by those in a CAA region, income levels and rent burden of households in a given area. HCSD may also provide funds to Coordinated Homelessness Response Offices, piloted through HB 4123, local governments, or to culturally specific or responsive organizations if CAA capacity is constrained.

As in Executive Order 23-02 emergency areas, shelter, rehousing, capacity support, and sanitation services are eligible for funding in the areas covered by the Oregon Rural Continuum of Care. Funding is anticipated to be sufficient to support the following:

- 100 new shelter beds and 12 months of associated operating expenses, five street outreach workers, and administrative costs for sheltering providers, at an estimated cost of \$4,200,000. Should these shelter beds be made available for the duration of the 2023-25 biennium, an additional estimated \$6,300,000 would need to be identified.



- Rehousing a total of 450 individuals by providing access to longer-term rental assistance and landlord incentives, at an estimated cost of \$16,560,000.
- Securitization of 225 units of housing with private landlords through block leasing estimated at \$2,750,000, with up to \$1,125,000 of that amount available for a landlord guarantee for damage to units.
- Capacity funding for the culturally responsive and specific organizations with which CAAs or HCSD contract, at an assumed cost of \$1,875,000.
- Sanitation services that include trash and biohazard removal, but are not intended to be used for encampment removal (up to \$750,000).

HCSD proposes to contract for professional services to facilitate coordination and attainment of these service goals in the Oregon Rural Continuum of Care. The measure provides \$1,250,000 for this purpose.

### **Youth Homelessness**

General Fund in the amount of \$5,000,000 is appropriated in the 2023-25 biennium to the Housing and Community Services Department for deposit into the Emergency Housing Account, to increase services and assistance that Community Action Agencies provide to school-aged children or their families who are experiencing homelessness or are at risk of experiencing homelessness. Corresponding Other Funds expenditure limitation is included to enable the expenditure of these funds from the Emergency Housing Account. Agency administration funding consisting of \$200,854 General Fund will support a limited duration Program Analyst 2 position (0.88 FTE) to facilitate new partnerships to serve this population, create program rules, and award funds to Community Action Agencies and/or other local partners and service providers.

General Fund in the amount of \$12,500,000 is appropriated on a one-time basis to the Department of Human Services (DHS) in the 2023-25 biennium for grants that will promote access to shelter facilities, outreach, culturally specific services and mental health or substance abuse services for youth experiencing homelessness. An appropriation of \$6,250,000 to DHS for the 2023-25 biennium is included on a one-time basis for grants to organizations operating host home projects; the funds are intended to expand the operation of such projects, increasing the number of youths that have access to this type of transitional shelter. An additional \$1,171,469 General Fund and five limited duration positions (5.00 FTE) is provided to DHS for administration of programs and services for youth experiencing homelessness in the 2023-25 biennium.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department, Department of Emergency Management and Department of Human Services  
Ali Webb – 503-400-4747

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b><u>2023-25 BUDGET ACTIONS</u></b>									
<b>Housing and Community Services Department</b>									
<b>SCR 010-00 - Housing Stabilization Programs</b>									
Personal Services	\$ 684,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,921	10	3.13
Services and Supplies	\$ 1,317,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,317,352		
Special Payments	\$ 126,648,174	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 131,648,174		
<b>SCR 070-00 - Central Services</b>									
Personal Services	\$ 538,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,599	11	2.75
Services and Supplies	\$ 55,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,285		
<b>Department of Emergency Management</b>									
<b>SCR 400-00 - Mitigation and Recovery</b>									
Personal Services	\$ 626,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,943	6	3.00
Services and Supplies	\$ 95,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,688		
<b>Department of Human Services</b>									
<b>SCR 060-01 - Self-Sufficiency Programs</b>									
Personal Services	\$ 1,061,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,061,743	5	5.00
Services and Supplies	\$ 109,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,726		
Special Payments	\$ 18,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,750,000		
TOTAL BUDGET ACTIONS	\$ 149,888,431	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 154,888,431	32	13.88
SUBCOMMITTEE RECOMMENDATION *	\$ 149,888,431	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 154,888,431	32	13.88
<b><u>2021-23 BUDGET ACTIONS</u></b>									
<b>Housing and Community Services Department</b>									
<b>SCR 010-00 - Housing Stabilization Programs</b>									
Personal Services	\$ 192,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,738	5	0.85
Services and Supplies	\$ 322,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,900		
Special Payments	\$ (2,136,915)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,136,915)		
<b>SCR 070-00 - Central Services</b>									
Personal Services	\$ 342,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,616	8	1.48
Services and Supplies	\$ 267,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,570		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Department of Emergency Management</b>									
<b>SCR 400-00 - Mitigation and Recovery</b>									
Personal Services	\$ 732,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 732,543	6	1.50
Services and Supplies	\$ 191,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,382		
TOTAL BUDGET ACTIONS	\$ (87,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,166)	19	3.83
SUBCOMMITTEE RECOMMENDATION *	\$ (87,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,166)	19	3.83

\*Excludes Capital Construction Expenditures

**HB 5026 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Valderrama

**Joint Committee On Ways and Means**

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**Action Date:** 06/09/23

**Action:** Do pass with amendments. (Printed A-Eng.)

**House Vote**

**Yeas:** 8 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 4 - Breese-Iverson, Cate, Lewis, Reschke

**Senate Vote**

**Yeas:** 9 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Sollman, Steiner

**Nays:** 1 - Knopp

**Exc:** 1 - Girod

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivet, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

## **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 4,819,848,172	\$ 5,421,278,293	\$ 5,624,118,823	\$ 804,270,651	16.7%
General Fund Debt Service	\$ 23,452,205	\$ 13,718,450	\$ 13,718,450	\$ (9,733,755)	(41.5%)
Other Funds Limited	\$ 960,448,187	\$ 657,050,606	\$ 1,031,808,441	\$ 71,360,254	7.4%
Other Funds Debt Service Limited	\$ 2,056,766	\$ -	\$ -	\$ (2,056,766)	(100.0%)
Federal Funds Limited	\$ 7,692,771,219	\$ 7,680,566,236	\$ 8,115,736,365	\$ 422,965,146	5.5%
Federal Funds Nonlimited	\$ 4,881,868,127	\$ 3,681,868,127	\$ 3,681,868,127	\$ (1,200,000,000)	(24.6%)
Total	\$ 18,380,444,676	\$ 17,454,481,712	\$ 18,467,250,206	\$ 86,805,530	0.5%

## **Position Summary**

Authorized Positions	10,456	10,336	10,999	543
Full-time Equivalent (FTE) positions	10,275.10	10,280.58	10,751.37	476.27

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Department of Human Services (DHS) is funded with a mix of General Fund, Other Funds, and Federal Funds revenues. General Fund is required to receive Federal Funds matching revenue for some programs, such as revenue from the Federal Medical Assistance Percentage (FMAP) for Medicaid services, or to fulfill maintenance of effort requirements for some programs, such as the Temporary Assistance to Needy Families (TANF) program. DHS receives a large amount of Nonlimited Federal Funds revenue for the Supplementary Nutrition Assistance Payments (SNAP) program, which provides food assistance to eligible households. Other Funds revenue sources include long-term care facility provider taxes, childcare development grants that benefit the Employment Related Daycare program (ERDC), and overpayment recoveries, among others.

The federal government is an important partner in funding DHS programs. About two-thirds of the Department's budget, including SNAP, is federally funded. As a result, the state's ability to provide program services is greatly influenced by Federal Funds availability and by the rules guiding the use of those funds. In addition, the rate of federal revenue matching for many programs, such as the FMAP rate, changes annually and is completely out of the control of state policy. This greatly impacts the amount of General Fund needed to maintain programs. For 2023-25, the regular FMAP adjustment decreased Federal Funds revenue, creating a shortfall that drives up the need for General Fund. The average biennial base federal matching rate will decrease from 60.34 percent in 2021-23, to 59.24 percent in the 2023-25 biennium. However, for 2023-

25, there are two other primary changes to the FMAP adjustment, including the expiration of the enhanced public health emergency FMAP rate and the expiration of the enhanced Home and Community Based Services FMAP rate approved for part of the 2021-23 biennium through the American Rescue Plan Act (ARPA). The combined impact from these changes results in a need for approximately \$377 million General Fund in 2023-25. This assumes the wind down of the enhanced public health emergency FMAP rate in the first six months of 2023-25, as approved through the 2023 federal omnibus bill.

In addition, many grants for mandatory programs (Child Welfare, Adults and People with Disabilities (APD), and Individuals with Intellectual and/or Developmental Disabilities (I/DD)) are capped and do not earn inflation, so the General Fund is expected to make up the difference in order to maintain service levels. Within APD, Provider Tax collections are projected to increase, and the Subcommittee recommends utilizing one-time carryover Provider Tax funds to help offset General Fund costs. APD has budgeted \$179.3 million from this revenue source next biennium, an increase of \$44.4 million compared to the 2021-23 biennium.

Finally, Federal nutrition funding support related to the pandemic is projected to decrease next biennium resulting in a decrease of \$1.2 billion for SNAP program revenues.

### **Summary of Human Services Subcommittee Action**

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

The DHS budget can be categorized into five distinct programs areas: Child Welfare, Self Sufficiency Programs (SSP), Vocational Rehabilitation (VR), Aging and People with Disabilities (APD), and Intellectual and Developmental Disabilities (I/DD). These program areas are supported by services and functions budgeted in Central Services, Shared Services, and State Assessments and Enterprise-wide Costs (SAEC), which pays for the administrative costs of the agency.

In addition, a new division is recommended by the Subcommittee for the 2023-25 biennium, the Oregon Eligibility Partnership (OEP). With the implementation of the new Oregon Eligibility (ONE) System, eligibility work is no longer siloed within DHS programs. The OEP team performs eligibility processing for many Oregon Health Authority (OHA), Department of Early Learning and Care and DHS programs including the Oregon Health Plan, SNAP, TANF, APD programs, ERDC and other programs. This OEP division is recommended to consolidate the budget for administration of the ONE system, along with program eligibility workers and supporting staff.

The Subcommittee recommended a 2023-25 DHS budget of \$18.5 billion total funds (\$5.6 billion General Fund) and 10,999 positions (10,751.37 FTE). The General Fund recommended budget is an increase of 16.4 percent compared to the legislatively approved budget, as of January 2023. The total funds recommended budget is an increase of 0.5 percent from the 2021-23 Legislatively Approved Budget (LAB). Significant General Fund investments were made to backfill lost Federal Funds, due to the expiration of the public health emergency enhanced FMAP and Home and Community Based Services (HCBS) enhanced FMAP. Specifically, General Fund investments were made in the APD program to continue one-time provider rates to bolster wages for workers who provide care services, nursing facilities rates, I/DD providers rate increases to boost direct service professional wages, investments Child Welfare rates and safety staffing, and staffing investments for DHS and OHA program eligibility redeterminations, and the ONE system. The Subcommittee's recommended budget approved the Department's outstanding Permanent Finance Plans, which were presented during the Spring 2023 reshoot to align the budget with the correct position, classification, and step. These changes are typically approved administratively throughout the biennium but were approved as part of the Subcommittee's recommended budget, due to administrative delays towards the end of the biennium. These adjustments were financed within the department's existing available resources.

### **Self Sufficiency Programs**

SSP is designed to provide low-income Oregonians with services to create stability and prepare participants for employment, so they are equipped to work their way out of poverty. Programs included in this division include TANF, ERDC, and SNAP, among others.

The Subcommittee recommended a budget of \$298,966,873 General Fund (\$4,728,926,458 total funds) for SSP and 987 positions (986.13 FTE). The General Fund budget is \$271,012,619, or 47.6 percent, below the 2021-23 LAB. The decrease in General Fund and total funds is primarily due to the transfer of 1,801 positions and related costs from SSP to the new OEP Division. This adjustment nets to zero agencywide. Excluding this transfer, adjustments were made for increased TANF caseload and costs per case, local food purchasing infrastructure, and to cover the cost of a federal penalty from 2007.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$6,211,589, Other Funds expenditure limitation by \$15,646, and Federal Funds expenditure limitation by \$19,620,553. The package adjusts for TANF caseload and cost per case changes based on the December 2022 caseload forecast. It also makes permanent seven full-time limited duration positions and provides Federal Funds expenditure limitation needed in part to allow the Department to spend child abuse prevention grant funds.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$185,449,252 and reduces 1,799 positions (1,797.09 FTE) due to the following adjustments:

- **Caseload/Cost Per Case.** This adjustment increases General Fund by \$17,704,709 and decreases Other Funds expenditure limitation by \$16,644 to adjust for caseload changes in the Spring 2023 caseload forecast, as well as higher than budgeted costs per case in the TANF program.
- **Vacancy Savings.** This adjustment reduces the General Fund budget for SSP salaries and wages by \$4,098,362 on a one-time basis. The reduction was made based on Personal Services expenditure trends in recent years.
- **Transfer to OEP.** This adjustment reduces General Fund by \$218,334,144, Other Funds expenditure limitation by \$266,345 and Federal Funds expenditure limitation by \$229,018,610. It also reduces SSP staff by 1,801 positions (1,799.09 FTE) to reflect the transfer of funding and positions to OEP. This is a net zero adjustment agencywide.
- **Transfer to Self-Sufficiency/Independent Residence Facilities.** This provides \$1,381,525 General Fund to reflect the transfer of funding and one position for Independent Residence Facilities to SSP's Youth Experiencing Homelessness Program. This transfer improves alignment between the program funding and population served. Recipients of these services are not involved in Child Welfare. This transfer includes \$87,008 General Fund to support an existing Administrative Assistant 2 position (0.50 FTE).
- **House Bill 4117 (2022) Position.** This adjustment provides \$317,973 General Fund and establishes one, permanent Program Analyst 3 (1.00 FTE) due to a clerical error that occurred in House Bill 4117 (2022). The position was authorized with the passage of House Bill 4117 in the 2022 Legislative Session.
- **Department of Early Learning and Care (DELC) Pass Through.** Provides Other Funds expenditure limitation of \$338,035,033 to allow the agency to pay ERDC providers on behalf DELC.
- **TANF Penalty.** Provides \$7,679,047 General Fund on a one-time basis to pay a penalty from federal fiscal year 2002 related to work participation rules. A corresponding decrease to Federal Funds expenditure limitation is also made with this adjustment.
- **Local Food Purchasing Infrastructure.** A one-time \$10,000,000 General Fund increase is made to fill the gap in food supplies resulting from reduced post-pandemic food donations.

**Package 802, Long-Term Vacant Positions.** This package reduces General Fund by \$553,663, Other Funds expenditure limitation by \$175, and Federal Funds expenditure limitation by \$323,115, and eliminates five vacant positions (5.00 FTE) that have remained vacant for more than 12 months.

## **Child Welfare**

The mission of DHS Child Welfare is to ensure every child and family is empowered to live a safe, stable, and healthy life. The Child Welfare program is organized into the following programs Safety, Wellbeing and Permanency. In previous biennia, the Child Welfare budget was split into four budget structures; however, in the 2021-23 biennium, all child welfare programs, including program design and delivery costs, were budgeted in one statutory appropriation for each fund type. This structure is continued in the 2023-25 biennium.

The Subcommittee recommended a budget of \$963,286,351 General Fund (\$1,580,476,353 total funds) and 3,594 positions (3,407.98 FTE) for Child Welfare. Investments were made in a variety of areas including foster care reimbursement rates, child safety positions, legal supports, and Behavior Rehabilitation Services rates. The budget was also reduced significantly due to vacancy savings and Services and Supplies reductions. The General Fund budget increased 4.7 percent and total funds increased 3.2 percent compared to the 2021-23 LAB.

The Subcommittee recommended budget includes the following packages:

Package 082, September 2022 Emergency Board. This package adds \$254,063 General Fund to support one newly established permanent full-time Operations and Policy Analyst 3 positions (1.00 FTE) and related Services and Supplies costs, as well as \$854,721 General Fund for program payments related to an expansion of the Family Treatment Court Program.

Package 095, DHS/OHA Reshoot. This package provides \$2,044,091 General Fund and \$6,508,165 Other Funds expenditure limitation and decreases Federal Funds expenditure limitation by \$507,688 for various December 2022 rebalance/reshoot adjustments. This includes a reduction of \$1,321,161 General Fund for the transfer of positions to SAEC and Central Services, as well as an increase of \$3,365,252 General Fund for the Child and Family Service Review Penalty.

Package 118, Child Protective Services Staff. This package appropriates \$6,907,091 General Fund (\$9,209,453 total funds) and 202 full-time permanent positions (50.50 FTE) to increase the number of Child Protective Services caseworkers, as well as support staff. The additional caseworkers are intended to provide enough staff to allow caseworkers to effectively engage with families to assess immediate and impending safety risks.

Package 123, Foster Care Reimbursement Rates. This package provides \$16,824,055 General Fund (\$27,097,338 total funds) to increase monthly foster care payments an average of \$241 per month for resource families.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$42,495,089 (net decrease of \$42,201,253 total funds) and reduces one position and increases FTE by 1.00 due to the following adjustments:



- Behavior Rehabilitation Rate Adjustment. Provides \$2,870,669 General Fund (\$3,328,215 total funds) to continue one-time adjustments approved in the 2021-23 biennium. Specifically, this maintains the five percent vacant bed factor plus a COVID differential of \$13.70 per day of bed use.
- Department of Justice Child Advocacy Program. This adjustment appropriates \$3,967,708 General Fund and increases Federal Funds expenditure limitation by \$2,645,139 to pay the Oregon Department of Justice for legal services through its new Child Advocacy Program.
- Caseload/Cost Per Case. This adjustment reduces General Fund by \$3,646,390, decreases Other Funds expenditure limitation by \$264,181 and decreases Federal Funds expenditure limitation by \$2,382,283 to adjust for caseload changes in the Spring 2023 caseload forecast. The budget is also adjusted for higher than budgeted costs per case in the TANF program. General Fund caseload savings of \$10,827,599 are partially offset by a projected cost per case increase of \$7,181,209 General Fund.
- FMAP Adjustment. This adjustment reduces General Fund by \$1,722,620 and increases Federal Funds expenditure limitation by \$1,722,620 due to the change in FMAP. This shift from General Fund to Federal Funds reflects General Fund costs of \$210,407 from a change in the regular FMAP, offset by one-time General Fund savings of \$1,933,027 from pandemic related enhanced FMAP.
- Vacancy Savings. The package makes a one-time reduction of \$23,680,942 General Fund to Child Welfare salaries and wages based on Personal Services expenditures in recent years.
- Services and Supplies Reduction. This adjustment includes a one-time General Fund reduction to Services and Supplies in the amount of \$15,436,737, Other Funds expenditure limitation is reduced \$237,330 and Federal Funds expenditure limitation is reduced \$3,192,964. The reductions are based on Services and Supplies expenditure trends in recent years.
- Community Engagement Transfer to Central Services. This adjustment reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. SSP, Child Welfare and APD are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- Transfer to Self-Sufficiency/Independent Residence Facilities. Reduces the General Fund by \$1,381,525 to reflect the transfer of funding and one position and program funding for the Independent Residence Facilities to SSP's Youth Experiencing Homelessness Program. This transfer improves alignment between the program funding and population served. Recipients of these services are not involved in Child Welfare. This transfer includes an \$87,008 General Fund transfer to SSP to support an existing Administrative Assistant 2 position (0.50 FTE).

- Cleanup for Reclassifications. This adjustment results in an additional 1.50 FTE through Permanent Financing position reclassification actions.
- Child and Family Service Review Penalty Reversal. An ongoing reduction of \$3,365,252 General Fund is made to align the budget with expected penalties from the federal Children's Bureau. At the time the budget was developed, it was assumed the state would be required to pay a penalty for not meeting certain federal child welfare benchmarks; however, the federal Children's Bureau subsequently notified Oregon the penalty would not be assessed due to a change in national standards.
- Various Limitation Adjustments Other/Federal. This technical adjustment increases Federal Funds expenditure limitation by \$1,175,289 to expend funds for Child Abuse and Neglect Prevention Grants, from supplemental ARPA funding and \$370,000 Other Funds expenditure limitation ARPA State Fiscal Recovery funds for Child Welfare training.

Package 802, Long-Term Vacant Positions. This package reduces the General Fund by \$808,082 and Federal Funds by \$318,186 and eliminates six vacant positions (6.00 FTE) that have remained vacant for more than 12 months.

### **Vocational Rehabilitation**

VR's mission is to assist Oregonians with disabilities to achieve, maintain, and advance in employment and independence. This includes helping youth with disabilities transition to jobs as they become adults, providing individualized counseling and supports to job seekers with disabilities to overcome barriers to employment, helping employers realize the benefit of employing people with disabilities, and partnering with other state and local organizations that coordinate employment and workforce programs.

The Subcommittee recommended a budget of \$39,915,930 General Fund (\$148,120,033 total funds) for VR, which includes support for 275 positions (274.04 FTE). Although the total funds budget is slightly below the legislatively approved budget, the General Fund budget is increased by 10.0 percent compared to the legislatively approved budget in 2021-23.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package reduces General Fund by \$46,186 and Federal Fund expenditure limitation by \$45,231 due to a technical adjustment that transfers costs from the program to Central Services and SAEC. The package nets to zero on an agencywide basis.

Package 148, Rehabilitation Services Audit Report. This package establishes five, permanent positions (5.00 FTE) to provide training and technical assistance to school districts related to the Youth Transition Program. DHS had contracted for this service; however, in 2022, DHS was

notified that the work cannot be delegated to a contracted provider. The funds previously used to support provider contracts will instead be used to fund the new positions.

Package 801, LFO Analyst Adjustments. This package makes a one-time General Fund reduction of \$735,400 to account for additional vacancy savings based on Personal Services expenditure trends in recent years. Additionally, this package creates a Program Analyst 2 position (1.00 FTE) using existing savings within the Personal Services budget.

### **Aging and People with Disabilities**

The APD program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support, and services promoting independence, choice, and dignity. APD's budget consists of three areas: Program Services, Program Design, and Program Development. Program Services focus on supporting fundamental Activities of Daily Living such as bathing, dressing, mobility, cognition, eating, and personal hygiene. These services are provided in nursing facilities or community-based settings, such as residential care, assisted living, memory care, foster homes, or in the person's own home. Program Design consists of staff and services to support the administration of APD programs. Program Delivery consists of staff providing direct services to Oregonians, including but not limited to case management, disability determination services, provider payments, Adult Protective Services investigations, and other services. APD administers Oregon's Medicaid long-term care program primarily under the Community First Choice Option under Section 1915(k) of the Social Security Act. Federal Older American Act services, also administered by APD, include help with abuse prevention, caregiver supports, medication management, nutrition services, legal issues, and other services.

The Subcommittee recommended a budget of \$1,699,377,390 General Fund (\$5,171,169,768 total funds) for APD, which includes support for 1,504 positions (1,496.05 FTE). Under the Subcommittee recommended budget, General Fund is increased 15.8 percent compared to the 2021-23 LAB. The increase is largely due to increased costs in nursing facilities and backfilling ongoing investments for provider rates with General Fund, due to the expiration of additional Federal Funds in 2021-23. The expiration of enhanced FMAP, also results in an increased need for General Fund in APD. The recommended budget transfers the funding for 325 positions from APD to OEP for those staff dedicated to eligibility determination work.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$661,252 and Federal Fund expenditure limitation by \$1,594,178 for technical adjustments, including the transfer of position-related funding for Central Human Resources costs from APD to Central Services, the transfer of position-related SAEC costs from APD to SAEC, the transfer of an Operations and Policy Analyst 3 position (1.00 FTE) from APD to Central, and an increase to APD program budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

Package 105, Healthier Oregon Program. This package provides \$17,495,346 General Fund for the projected Healthier Oregon Program (HOP) caseload, which includes funding for the population enrolled during 2022 (individuals ages 19-26 and 55+) and expansion of services to the remainder of age groups starting July 1, 2023. HOP provides health care, as well as long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

Package 801, LFO Analyst Adjustments. This package reduces General Fund by \$58,556,227, increases total funds by \$59,006,602, transfers 325 permanent positions (324.50 FTE) to OEP, and creates 10 permanent full-time positions (10.00 FTE):

- Community Based Care (CBC) Provider Rate Increase. This adjustment provides \$30,714,439 General Fund and \$37,483,256 Federal Funds expenditure limitation to support an adjustment to CBC provider rates. Specifically, this will (1) continue one-time rate increases provided in 2021-23, including a 10 percent wage add-on and a five percent COVID enhancement; and (2) provide a new five percent rate increase effective July 1, 2024, for assisted living facilities, residential care facilities, memory care-endorsed facilities, and in-home agencies. In addition to the funds added by this package, the Department is directed to use \$37,412,856 General Fund and \$89,033,022 Federal Funds expenditure limitation already in the current service level budget for APD to cover the balance of costs for these provider rate increases.
- Caseload Adjustment. This adjustment accounts for changes in projected APD caseload based on the Spring 2023 caseload forecast. General Fund is reduced by \$23,561,700 and Federal Funds expenditure limitation is decreased by \$33,164,642 to adjust for caseload changes. This includes a reduction of \$6,084,962 General Fund for lower HOP caseload.
- Nursing Facility Rate Update. This adjustment provides \$40,912,834 General Fund and increases Federal Funds expenditure limitation by \$63,786,889 for the cost of nursing facility care.
- FMAP Adjustment. This adjustment decreases General Fund by \$17,031,443 and increases Federal Funds expenditure limitation by the same amount for FMAP adjustments in the APD program. This shift from the General Fund to Federal Funds is the net result of General Fund costs from a change in the regular FMAP (\$2,466,596) and General Fund savings from pandemic related enhanced FMAP (-\$19,498,039).
- Vacancy Savings. A one-time General Fund reduction of \$7,500,697, Other Funds expenditure limitation of \$338,968 and Federal Funds expenditure limitation of \$2,849,760 is made to recognize savings in salaries and wages based on historical spending.
- Services and Supplies Reductions. A one-time General Fund reduction of \$1,075,883 is made to the APD Services and Supplies budget.

- Transfer to OEP. This adjustment reduces General Fund by \$63,119,004, total funds by \$125,825,810, and reduces APD staff by 325 positions (324.50 FTE) to reflect the transfer of funding and positions to the newly created OEP program. This adjustment nets to zero agencywide.
- Oregon Project Independence/Family Caregiver Assistance Program. This adjustment provides \$2,376,068 General Fund and reduces Federal Funds expenditure limitation by \$6,738,494. This is the net impact of 1) a \$4,501,449 General Fund reduction to the CSL budget associated with delayed implementation of the 1115 waiver, with a corresponding \$15,885,110 decrease in Federal funds expenditure limitation; and 2) an increase of \$6,877,517 General Fund and \$9,146,616 Federal Funds expenditure limitation to cover Area Agency on Aging (AAA) costs to administer the new waiver program.
- ARPA HCBS Carryforward. This adjustment provides \$31,407,143 General Fund and increases Federal Funds expenditure limitation by \$46,603,644 to allow APD to continue to execute the HCBS spending plan approved by the U.S. Department of Health and Human Services. ARPA provided a temporary 10% enhanced FMAP rate for state spending on HCBS for the period April 1, 2021, through March 31, 2022. States are required to spend an equivalent amount of state monies as earned through the enhanced FMAP over the 12-month period from April 1, 2021, through March 31, 2022. Those state funds must be spent by March 31, 2025, to enhance, expand or strengthen Medicaid home and community-based services.
- General Assistance Cost. This adjustment provides \$81,107 General Fund and increases Other Funds expenditure limitation by \$84,128 to fund inflationary costs for General Assistance, which was last adjusted in 2016. The General Assistance Program serves individuals with severe disabilities, the benefits include utility assistance, cash assistance, housing assistance, and free assistance with Social Security application and appeal process. The current monthly caseload is 130 individuals.
- Provider Tax Carryforward/Adjustment. This is a net-zero fund shift. General Fund is reduced by \$33,965,615 and Other Funds expenditure limitation is increased by the same amount to reflect the use of available facility provider tax revenues. Of this amount, \$27 million is a one-time adjustment for carryforward funds and \$6,965,615 is an ongoing adjustment that reflects an updated Provider Tax revenue estimate made during the Spring 2023 reshoot.
- Workload Model Adjustments. This adjustment provides \$1,306,524 General Fund, increases Federal Funds expenditure limitation by \$1,306,524 and provides eight positions (8.00 FTE) for workload model adjustments associated with Spring 2023 caseload forecast update. This includes \$457,937 General Fund and \$457,937 Federal Funds expenditure limitation for DHS positions, and \$848,587 General Fund and \$848,587 Federal Funds expenditure limitation for AAA contracted staff.

- Community Engagement Transfer to Central Services. This adjustment reduces the General Fund by \$100,000 to reflect the transfer of this amount to Central Services for community engagement activities. This is a net-zero adjustment agencywide. SS, Child Welfare and APD are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- Position Shifts with APD Design/Delivery. This is a net zero adjustment that reduces two positions in Program Delivery and increases four positions in Program Design. The actions are financed through Permanent Financing actions, for a net increase of two positions (2.00 FTE). Additionally, 11 positions are reclassified as approved by the Department of Administrative Services Chief Human Resources Office.
- Access for Deaf and Hard of Hearing Individuals. This adjustment provides \$1,000,000 General Fund on a one-time basis to increase access to services for individuals who are deaf or hard of hearing through grants to community-based organizations.
- Other Adjustments. These changes include a reduction of \$12,000,000 General Fund on an ongoing basis to capture excess General Fund budgeted for Waivered Case Management. This adjustment aligns the service with the appropriate FMAP received by the state. General Fund is reduced by \$8,000,000 and Other Funds expenditure limitation is increased by \$8,000,000 to reflect the availability of Federal Emergency Management Agency (FEMA) monies to reimburse APD for reimbursable COVID-related costs. Finally, an increase of \$15,100,000 Other Funds expenditure limitation on a one-time basis is made to spend carryforward ARPA State Fiscal Recovery monies for long-term care workforce development and emergency preparedness.

The Subcommittee also recommended the following budget notes requiring DHS to report to the Human Services Subcommittee of the Joint Committee on Ways and Means on direct care wages in long-term care settings and the status of the HCBS spending plan.

**Budget Note: Long Term Care Wages**

In the 2021-23 biennium, the Legislature approved a temporary 10% enhanced Medicaid rate for assisted living facilities, residential care facilities, memory care-endorsed facilities, and in-home care agencies to support raising wages for direct care staff in these long-term care settings. The Medicaid rate adjustment approved for the 2023-2025 biennium is intended to protect and maintain those wage increases for direct care staff in home and community-based settings. The Department of Human Services is directed to conduct a survey of providers to determine the wages paid to direct care staff to inform future legislative consideration of provider rate adjustments and report to the Human Services Subcommittee of the Joint Committee on Ways and Means by February 15, 2025.

**Budget Note: Home and Community Based Services Investments**

The Department of Human Services shall provide a report to the Human Services Subcommittee of the Joint Committee on Ways and Means by January 1, 2024, on the status of the home and community-based services spending plan. The report shall include actual and projected expenditures for activities in the investment plan, and discuss outcomes associated with spending plan investments.

Package 802, Long-Term Vacant Positions. This package reduces the General Fund by \$696,922, Other Funds expenditure limitation by \$2,299 and Federal Funds expenditure limitation by \$845,457 and eliminates nine vacant positions (9.00 FTE) that have remained vacant for more than 12 months.

**Intellectual and Developmental Disabilities**

The I/DD Services program provides support across the lifespan to Oregonians. The Office of Developmental Disabilities Services (ODDS), counties, brokerages, providers, families, self-advocates, and the developmental disabilities community come together to provide services, supports and advocacy to empower Oregonians with intellectual and developmental disabilities to live full lives in their communities. All clients are served in the community and most of these services are administered under Medicaid waivers. General Fund comprises about one-third of the I/DD budget, with most of the General Fund used to match federal Title XIX Medicaid dollars.

The Subcommittee recommended a total funds budget of \$4,989,320,739 (\$1,811,688,005 General Fund) for I/DD, which includes support for 948 positions (947.17 FTE). General Fund increases 43.0 percent compared to the 2021-23 LAB. The increase is due to backfilling ongoing investments for provider rates with General Fund, due to the expiration of additional Federal Funds in 2021-23. The expiration of enhanced FMAP, also results in an increased need for General Fund in I/DD. The 2023-25 budget also funds the new rate model at 100 percent of the projected need for a full 24 months, which resulted in additional General Fund spending. The I/DD caseload also continues to increase post-COVID as more individuals utilize services. Cost per case increases due to consumer preferences and the new rate model also continue to increase General Fund need. The total funds budget is increased 17.4 percent compared to the 2021-23 LAB.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. Increases General Fund by \$765,857 and Federal Fund expenditure limitation by \$1,665,849 for technical adjustments, including the transfer of position-related funding for Central Human Resources costs from I/DD to Central Services, the transfer of position-related SAEC costs from I/DD to SAEC, and an increase to the I/DD program budget for the employer share of the new statewide paid family leave insurance program for Home Care Workers.

Package 105, Healthier Oregon Program. This package provides \$12,865,521 General Fund for the projected HOP caseload, which includes funding for the population enrolled during 2022 (individuals ages 19-26 and 55+) and expansion of services to the remainder of age groups

starting July 1, 2023. HOP provides health care, as well as long-term services and supports for the aging population, and supports to people with physical or developmental disabilities, irrespective of their immigration status.

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$116,051,670, increases total funds by \$347,861,190 and adds three permanent positions (3.00 FTE) for the following adjustments:

- **I/DD Provider Rate Increase.** This adjustment provides \$11,961,102 General Fund and \$31,433,142 Federal Funds expenditure limitation to continue a five percent rate increase that is set to expire at the end of 2021-23. This continuation of the COVID-related rate increase of 5% will incorporate the funding made available in the 2023-25 budget into the new rate model, and will therefore apply that funding to all service types with a direct support professional (DSP) wage assumption. This includes providers of attendant care and supportive living, who were not beneficiaries of the temporary COVID-related increase. This approach prioritizes parity across the system and ensures the same DSP wage assumption across all rate models, for fairness and consistency. In addition to the funds added by this package, the Department is directed to use \$15,564,273 General Fund and \$20,402,134 Federal Funds expenditure limitation already in the current service level budget for I/DD to cover the balance of costs for this rate increase.
- **ARPA HCBS Carryforward.** This adjustment provides \$63,177,737 General Fund and increases Federal Funds expenditure limitation by \$41,334,723 to allow I/DD to continue to execute the HCBS spending plan approved by the U.S. Department of Health and Human Services. ARPA provided temporary enhanced federal funds for state Medicaid spending on home and community-based services. ARPA provided a temporary 10 percent enhanced FMAP for state spending on HCBS for the period April 1, 2021, through March 31, 2022. States are required to spend an equivalent amount of state monies as earned through the enhanced FMAP over the 12-month period from April 1, 2021, through March 31, 2022. Those state funds must be spent by March 31, 2025, to enhance, expand or strengthen HCBS.
- **Caseload/Cost Per Case.** This adjustment provides \$70,318,310 General Fund and increases Federal Funds expenditure limitation by \$114,264,088 to adjust for caseload changes in the Spring 2023 forecast, as well as higher than budgeted costs per case in the I/DD program. Of the total adjustment, caseload costs account for \$53,617,839 General Fund and cost per case increases account for \$16,700,471 General Fund. This adjustment includes caseload adjustments for the Healthier Oregon Program and Community Developmental Disability Programs and Brokerages.
- **FMAP Adjustment.** This adjustment decreases General Fund by \$16,858,315 and Other Funds expenditure limitation by \$116,931 and increases Federal Funds expenditure limitation by \$16,975,246 for FMAP adjustments changes. The net General Fund decrease is due to \$6,184,267 impact from a change in the regular FMAP offset by one-time, General Fund savings of \$23,042,582 from pandemic related enhanced FMAP.



- **Vacancy Savings.** This adjustment reduces General Fund by \$4,652,174, Other Funds expenditure limitation by \$112,753 and Federal Funds expenditure limitation by \$1,008,660 for increased vacancy savings based on historical spending.
- **Services and Supplies Reductions.** A one-time General Fund reduction is made for Services and Supplies in the amount of \$1,500,000 based on historical spending.
- **Current Service Level Budget Correction.** This adjustment increases General Fund by \$7,732,693 and Federal Funds expenditure limitation by \$14,888,170 to correct an error in calculating the phase-in for the Personal Support Worker wage increase during current service level budget development.
- **Position Reclassification.** This adjustment increases General Fund by \$12,406, Federal Funds expenditure limitation by \$12,406 and establishes a net increase of three permanent full-time positions (3.00 FTE). The adjustment accounts for the difference in classification and associated salary and other personnel expenses of various position reclasses, based on the class and compensation review outcome. The permanent positions established include two Administrative Specialist 1 and one Procurement and Contract Specialist 2.
- **I/DD Council Fund Shift.** Other Funds expenditure limitation is decreased by \$564,843 and Federal Funds expenditure limitation is increased by a corresponding amount. The Council is funded entirely by federal grants.
- **Participation Update.** This adjustment decreases General Fund by \$14,140,089 and increases Federal Funds expenditure limitation by the same amount to reflect a higher Medicaid participation rate than assumed during budget development. This means more claims are expected to be eligible for federal match than anticipated.

### **Oregon Eligibility Partnership**

With the implementation of the new ONE System, eligibility work is no longer siloed within DHS programs. The OEP team performs eligibility processing for many OHA and DHS programs including OHP, SNAP, TANF, APD programs, and ERDC programs, among others. This Division is new for the 2023-25 biennium and is recommended to consolidate the budget for administration of the ONE system, along with program eligibility workers and supporting staff. This reorganization is due to ongoing consolidation efforts regarding system maintenance, workforce planning and training, communications with staff and providers, and to ensure greater transparency and fiscal control of eligibility work throughout the Department.

The Subcommittee recommended the following budget note related to the addressing the redeterminations backlog:

#### **Budget Note: Eligibility Redeterminations Backlog**

The Department of Human Services shall report to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2024 regular legislative session on the status of eligibility redeterminations. The report shall include, but not be limited to, the number of redeterminations completed; the number of redeterminations yet to be completed for compliance with federal guidelines; information on caseload outcomes, including the number of Oregonians enrolled in and disenrolled from the Oregon Health Plan and enrolled in other programs; and the number of budgeted and non-budgeted positions in the OEP program by classification type. The legislative expectation is that DHS will gradually reduce the non-budgeted positions in this program as the redeterminations workload subsides

The Subcommittee recommended budget is \$368,741,172 General Fund, \$798,923,262 total funds, and 2,642 positions (2,597.88 FTE). Although the Subcommittee recommended a number of investments in OEP, a number of reductions were also made, resulting in a General Fund decrease of 0.6 percent compared to the 2023-25 Current Service Level budget. This is primarily due to a one-time vacancy savings reduction and a one-time reduction to Services and Supplies.

Package 105, Healthier Oregon Program. This package provides \$7,871,628 General Fund and increases Federal Funds expenditure limitation by \$4,042,868 to support additional eligibility work associated with HOP. This package was reduced in the Spring 2023 reshoot to reflect slower growth than originally anticipated. The package also establishes 48 permanent positions (36.50 FTE) within OEP to perform HOP-related eligibility work.

Package 142, Combined Eligibility Worker. This package increases General Fund by \$30,000,000, increases Federal Funds expenditure limitation by \$21,728,451 and establishes 300 permanent full-time positions (300.00 FTE) to perform eligibility work within the OEP program. OEP recently was tasked with performing eligibility redetermination for OHP recipients and other programs due to the end of the public health emergency declaration. The Department had to create non-budgeted positions to begin this work. The intent of the funding in this package is to assist the Department in clearing some of its nonbudgeted eligibility-related positions and prevent a backlog of redeterminations.

Package 143, ONE Ongoing Maintenance. This package increases General Fund by \$16,200,175, increases Other Funds expenditure limitation by \$840,000, increases Federal Funds expenditure limitation by \$22,148,479, and establishes 34 permanent full-time positions (26.00 FTE) for ONE system operations and maintenance staffing and contractor costs.

Package 201, Medicaid Waiver Placeholder. This package increases General Fund by \$4,479,037, increases Federal Funds expenditure limitation by \$6,810,361, and establishes 55 permanent full-time positions (34.65 FTE) to provide training, customer service support and compliance duties associated with OHP's new 1115 waiver for the 2022-2057 demonstration period. It is joint package with OHA.

Package 203, Mainframe Migration. This package adds \$375,242 General Fund (\$938,101 total funds) and six positions (4.14 FTE) for costs and workload related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions to more modern, cloud-based

solutions to reduce the risk of major disruptions in services. In total, the recommended budget includes \$2,958,688 General Fund (\$5,083,030 total funds) and 10 positions (7.14 FTE) for mainframe migration. The remaining funding and positions are in Shared Services and SAEC.

Package 301, ERDC Expansion. This package increases Other Funds expenditure limitation by \$3,000,000 to allow the Department to spend funds transferred from DELC for ERDC-related administrative costs and other work related to interagency agreements.

Package 801, LFO Analyst Adjustments. This package increases General Fund by \$309,815,090, increases total funds by \$680,864,162 and adds 2,199 positions (2,196.59 FTE) for the following adjustments:

- **Funding and Position Transfers from Other Programs.** This adjustment reflects the transfer of the ONE system and OEP program budget and position authority to its own budget division. OEP supports eligibility determinations for multiple state programs including OHP, SNAP, TANF and ERDC, among others. Eligibility workers are not program specific and handle eligibility for all programs. The transfer of the ONE system and OEP to a new budget division nets to zero on an agencywide basis. The adjustment transfers \$334,719,130 General Fund, \$3,779,368 Other Funds expenditure limitation, and \$370,726,796 Federal Funds expenditure limitation and 2,211 positions (2,208.59 FTE) from other programs within DHS to create the new budget structure.
- **FMAP Adjustment.** This adjustment provides \$20,428 General Fund and reduces Federal Funds expenditure limitation by the same amount for FMAP adjustments in OEP. This shift from Federal Funds to the General Fund reflects General Fund costs of \$34,842 from a change in the regular FMAP partially offset by one-time General Fund savings of \$14,414 from pandemic related enhanced FMAP.
- **Vacancy Savings.** This adjustment reduces the General Fund salaries and wages budget on a one-time basis by \$13,685,048 based on vacancy savings trends in recent years.
- **Services and Supplies Reductions.** A one-time, \$10,236,650 General Fund reduction is made for OEP Services and Supplies based on recent expenditure trends.
- **Records Management Positions Transfer.** This adjustment transfers \$1,002,770 General Fund and \$726,131 Federal Funds expenditure limitation along with 12 positions (12.00 FTE) from OEP to Shared Services to handle redeterminations-related workload in Information and Records Management Services. This adjustment nets to zero agencywide.

### **Central Services**

DHS Central Services consists of the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer, and the Office of the Chief Administrative Officer. Central Services also includes the Office of Equity and Multicultural Services, the Office of Human Resources, the Central DHS Budget, Planning and Analysis Office, the Public Affairs office, which includes

Legislative Relations and Communications, the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services, the Office of Resiliency and Emergency Management, and the Office of Immigrant and Refugee Advancement. These offices provide essential business supports to programs in achieving the mission, vision, and outcomes of the Department's programs.

The Subcommittee's recommended budget for Central Services is \$61,062,495 General Fund (\$123,940,667 total funds) and 296 positions (294.37 FTE).

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package reduces General Fund by \$200,865, reduces Other Funds expenditure limitation by \$14,114, increases Federal Funds expenditure limitation by \$77,745 and reflects a net transfer-in of one permanent full-time position (1.00 FTE). This package includes the 2023-25 biennial costs associated with recommended actions that were included in the Department's December 2022 rebalance/reshoot request. The substantive budget actions include increasing the Federal Funds expenditure limitation by \$400,000 to expend grant funds from the Repatriation Grant and increasing General Fund by \$250,000 to reflect ongoing costs for the Employee Resource Group expansion. The total impact to General Fund and Federal Funds in the Central Services division is lessened by technical adjustments, such as transferring positions from Central Services to other agency divisions and moving administrative costs between divisions. These technical adjustments net to zero on an agencywide basis.

Package 801, LFO Analyst Adjustments. This package decreases General Fund by \$52,342,878, decreases total funds by \$161,377,788 and reduces permanent positions by 84 (84.00 FTE) due to the following adjustments:

- **Vacancy Savings.** This adjustment reduces the General Fund salaries and wages budget on a one-time basis by \$2,356,496 to recognize additional vacancy savings based on expenditure trends in recent years.
- **Services and Supplies Reductions.** A one-time General Fund reduction of \$1,157,370, Other Funds expenditure limitation decrease of \$84,547 and Federal Funds expenditure limitation decrease of \$1,527,273 is made to the Services and Supplies budget.
- **Reduce FEMA Spending Limitation.** Other Funds expenditure limitation is reduced by \$25,000,000 to align the budget with the expiration of FEMA related revenues in 2021-23 biennium.
- **Transfer to OEP.** This adjustment reduces General Fund by \$53,265,982, Other Funds expenditure limitation by \$3,513,023, and Federal Funds expenditure limitation by \$79,001,380, and reduces staff by 85 positions (85.00 FTE) to reflect the transfer of funding and positions to the newly created OEP program. This adjustment nets to zero agencywide.

- Establish Fiscal Analyst 2 Position. This adjustment increases General Fund by \$136,970, Other Funds Expenditure limitation by \$91,313 and Federal Funds expenditure limitation by \$228,283 for one permanent Fiscal Analyst 2 position (1.00 FTE).
- Community Engagement Transfer to Central Services. This adjustment increases General Fund by \$300,000 to reflect the transfer of this amount to Central Services for community engagement activities. This is a net-zero adjustment agencywide. SS, Child Welfare and APD are each redirecting \$100,000 to Central Services for an initiative to engage community members and incentivize local participation in policy development and service delivery improvement.
- Water Delivery. One-time General Fund of \$4,000,000 is provided for water delivery to residents with limited access to safe drinking water because of groundwater contamination or other water issues.

### **Shared Services**

DHS Shared Services supports both DHS and OHA by providing business services to ensure accountability, data driven decisions, and stewardship of resources. Shared Services are completely Other Funded and provide services to both DHS and OHA. Funding for Shared Services is included in the Shared Services Funding portion of the Statewide and Enterprise-wide Costs (SAEC) budget. The Subcommittee recommended budget for Shared Services is \$184,616,037 Other Funds and 753 positions (747.75 FTE).

The Subcommittee recommended budget includes the following packages:

Package 203, Mainframe Migration. This package increases Other Funds expenditure limitation by \$747,465 and adds four positions (3.00 FTE) for costs and workload related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions to more modern, cloud-based solutions to reduce the risk of major disruptions in services.

Package 801, LFO Analyst Adjustments. This package decreases Other Funds expenditure limitation by \$5,242,314 and adds 24 permanent positions (24.00 FTE) for the following adjustments:

- Vacancy Savings. This adjustment reduces Other Funds expenditure limitation for salaries and wages on a one-time basis by \$9,220,083 to recognize additional vacancy savings based on expenditure trends in recent years.
- Services and Supplies Reductions. A one-time Other Funds expenditure limitation decrease of \$376,257 is made to the Services and Supplies budget.

- Records Management Positions Transfer. This adjustment increases Other Funds expenditure limitation by \$4,181,355 and budgets 23 positions (23.00 FTE) to handle redeterminations-related workload in Information and Records Management Services. Twelve positions were transferred from OEP. The remaining General Fund, Other Funds, and Federal Funds expenditure limitation is budgeted within SAEC to account for the Other Funds expenditure limitation budgeted in Shared Services.
- Position Transfer from OHA Public Health to Shared. The adjustment increases Other Funds expenditure limitation by \$172,671 and adds one position (1.00 FTE) for background check unit capacity support to conduct background checks on psilocybin services license applicants and renewals.

### **State Assessments and Enterprise-Wide Costs**

The SAEC budget includes statewide and other enterprise assessments costs such as State Government Service Charges, the enterprise technology services, rent, computer replacement costs and the cost of DHS/OHA shared services. The SAEC budget includes debt service expenses due to bonding activity.

The Subcommittee recommended a budget for SAEC of \$394,799,057 General Fund (\$741,756,889 total funds), there are no positions funded in SAEC.

The Subcommittee recommended budget includes the following packages:

Package 095, DHS/OHA Reshoot. This package increases General Fund by \$2,450,211, Other Funds expenditure limitation by \$14,114 and Federal Funds expenditure limitation by \$2,024,398 to reflect technical adjustments between DHS divisions for statewide administrative costs. The technical adjustments net to zero on an agencywide basis.

Package 203, Mainframe Migration. This package increases General Fund by \$2,583,446, Other Funds expenditure limitation by \$133,009, and Federal Funds expenditure limitation by \$1,428,474 for related to mainframe migration. This will allow DHS/OHA to migrate all current mainframe functions to more modern, cloud-based solutions to reduce the risk of major disruptions in services.

Package 801: LFO Analyst Adjustments. This package decreases General Fund by \$9,984,991 and decreases total funds by \$11,031,441 due to the following adjustments:

- Records Management Positions Transfer. This adjustment increases General Fund by \$1,792,919, Other Funds expenditure limitation by \$36,102 and Federal Funds expenditure limitation by \$1,885,390 for workload in Information and Records Management Services.

- This adjustment reduces General Fund by \$11,777,910, Other Funds expenditure limitation by \$71,556 and Federal Funds expenditure limitation by \$2,896,386 to reflect the following administrative reductions: Increasing vacancy savings in the Shared Services Division; reduction to the Services and Supplies budget by \$5.0 million General Fund due to projected savings in price list expenses (facilities, computer replacement, etc.); reduction to the Special Payments budget due to projected underspending of \$0.1 million General Fund (\$0.3 million total funds) and a \$3.0 million reduction due to increasing vacancy savings in OHA's Shared Services division. These reductions are one-time.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Human Services  
Mike Streepey - 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 4,843,300,377	\$ -	\$ 962,504,953	\$ -	\$ 7,692,771,219	\$ 4,881,868,127	\$ 18,380,444,676	10,456	10,275.10
2023-25 Current Service Level (CSL)*	\$ 5,434,996,743	\$ -	\$ 657,050,606	\$ -	\$ 7,680,566,236	\$ 3,681,868,127	\$ 17,454,481,712	10,336	10,280.58
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010-40 - Central Services</b>									
Package 95: DHS/OHA Reshoot	\$ (200,865)	\$ -	\$ (14,114)	\$ -	\$ 77,745	\$ -	\$ (137,234)	1	1.00
Package 801: LFO Analyst Adjustments									
Reduce FEMA OF Limitation	\$ -	\$ -	\$ (25,000,000)	\$ -	\$ -	\$ -	\$ (25,000,000)		
Vacancy Savings	\$ (2,356,496)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,356,496)		
Services and Supplies Reductions	\$ (1,157,370)	\$ -	\$ (84,547)	\$ -	\$ (1,527,273)	\$ -	\$ (2,769,190)		
Transfer to Oregon Eligibility Partnership	\$ (53,265,982)	\$ -	\$ (3,513,023)	\$ -	\$ (79,001,380)	\$ -	\$ (135,780,385)	(85)	(85.00)
Establish Fisacl Analyst 2 Position	\$ 136,970	\$ -	\$ -	\$ -	\$ 91,313	\$ -	\$ 228,283	1	1.00
Community Engagement (RPD Flex Funds)	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000		
Umatilla Water Delivery	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
<b>SCR 010-45 - Shared Services</b>									
Package 203: Mainframe Migration	\$ -	\$ -	\$ 747,465	\$ -	\$ -	\$ -	\$ 747,465	4	3.00
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ -	\$ -	\$ (9,220,083)	\$ -	\$ -	\$ -	\$ (9,220,083)		
Services and Supplies Reductions	\$ -	\$ -	\$ (376,257)	\$ -	\$ -	\$ -	\$ (376,257)		
Records Management Positions Transfer	\$ -	\$ -	\$ 2,355,895	\$ -	\$ -	\$ -	\$ 2,355,895	11	11.00
Position from OHA Public Health to BCU	\$ -	\$ -	\$ 172,671	\$ -	\$ -	\$ -	\$ 172,671	1	1.00
OEP to Records Management	\$ -	\$ -	\$ 1,825,460	\$ -	\$ -	\$ -	\$ 1,825,460	12	12.00
<b>SCR 010-50 - State Assessments and Enterprise-wide Costs</b>									
Package 95: DHS/OHA Reshoot	\$ 2,450,211	\$ -	\$ 14,114	\$ -	\$ 2,024,398	\$ -	\$ 4,488,723		
Package 203: Mainframe Migration	\$ 2,583,446	\$ -	\$ 133,009	\$ -	\$ 1,428,474	\$ -	\$ 4,144,929		
Package 801: LFO Analyst Adjustments									
Technical Adjustments/transfers	\$ (11,777,910)	\$ -	\$ (71,556)	\$ -	\$ (2,896,386)	\$ -	\$ (14,745,852)		
Records Management Positions	\$ 678,644	\$ -	\$ 36,102	\$ -	\$ 1,078,512	\$ -	\$ 1,793,258		
Move to Records Management from OEP	\$ 1,114,275	\$ -	\$ -	\$ -	\$ 806,878	\$ -	\$ 1,921,153		
<b>SCR 060-01 - Self Sufficiency Programs</b>									
Package 95: DHS/OHA Reshoot	\$ 6,211,589	\$ -	\$ 15,646	\$ -	\$ 19,620,553	\$ -	\$ 25,847,788		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ 17,704,709	\$ -	\$ (16,644)	\$ -	\$ -	\$ -	\$ 17,688,065		
Vacancy Savings	\$ (4,098,362)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,098,362)		
Transfer to Oregon Eligibility Partnership	\$ (218,334,144)	\$ -	\$ (266,345)	\$ -	\$ (229,018,610)	\$ -	\$ (447,619,099)	(1,801)	(1,799.09)
Transfer Community Engagement Funds	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)		
Transfer in Independent Residence Facilities	\$ 1,381,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381,525	1	1.00
HB 4117 (2022) Position adjustment due to clerical error	\$ 317,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,973	1	1.00



DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Dept of Early Learning and Care Pass Through	\$ -	\$ -	\$ 338,035,033		\$ -	\$ -	\$ 338,035,033		
Temporary Assist to Needy Families Penalty	\$ 7,679,047	\$ -	\$ -		\$ (7,679,047)	\$ -	\$ -		
Local Food Purchasing Infrastructure	\$ 10,000,000	\$ -	\$ -		\$ -	\$ -	\$ 10,000,000		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (553,663)	\$ -	\$ (175)		\$ (323,115)	\$ -	\$ (876,953)	(5)	(5.00)
<b>SCR 060-07 - VR - Basic Rehabilitative Services</b>									
Package 95: DHS/OHA Reshoot	\$ (46,186)	\$ -	\$ -		\$ (45,231)	\$ -	\$ (91,417)		
Package 148: Rehabilitation Services Audit Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5	5.00
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ (735,400)	\$ -	\$ -		\$ -	\$ -	\$ (735,400)		
Position Reclass	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	1	1.00
<b>SCR 060-08 - Aging and People with Disabilities</b>									
Package 95: DHS/OHA Reshoot	\$ 661,252	\$ -	\$ -		\$ 1,594,178	\$ -	\$ 2,255,430	(1)	(1.00)
Package 105: Healthier Oregon Program	\$ 17,495,346	\$ -	\$ -		\$ -	\$ -	\$ 17,495,346		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload	\$ (23,561,700)	\$ -	\$ -		\$ (33,164,642)	\$ -	\$ (56,726,342)		
Spring 2023 Reshoot: Nursing Facility Rate Update	\$ 40,912,834	\$ -	\$ -		\$ 63,786,889	\$ -	\$ 104,699,723		
Spring 2023 Reshoot: FMAP Adjustment	\$ (17,031,443)	\$ -	\$ -		\$ 17,031,443	\$ -	\$ -		
Vacancy savings	\$ (7,500,697)	\$ -	\$ (338,968)		\$ (2,849,760)	\$ -	\$ (10,689,425)		
Services and supplies reduction	\$ (1,075,883)	\$ -	\$ -		\$ -	\$ -	\$ (1,075,883)		
Transfer to Oregon Eligibility Partnership	\$ (63,119,004)	\$ -	\$ -		\$ (62,706,806)	\$ -	\$ (125,825,810)	(325)	(324.50)
Transfer to CS/Community Engagement	\$ (100,000)	\$ -	\$ -		\$ -	\$ -	\$ (100,000)		
Waivered Case Management Savings	\$ (12,000,000)	\$ -	\$ -		\$ -	\$ -	\$ (12,000,000)		
FEMA Funds Carryforward 19-21	\$ (8,000,000)	\$ -	\$ 8,000,000		\$ -	\$ -	\$ -		
ARPA Carryforward 21-23	\$ -	\$ -	\$ 15,100,000		\$ -	\$ -	\$ 15,100,000		
ARPA/Home and Community Based Services Spend	\$ 31,407,143	\$ -	\$ -		\$ 46,603,644	\$ -	\$ 78,010,787		
Provider Tax Carryforward/Adjustment	\$ (33,965,615)	\$ -	\$ 33,965,615		\$ -	\$ -	\$ -		
Oregon Project Independence Delay	\$ 2,376,068	\$ -	\$ -		\$ (6,738,494)	\$ -	\$ (4,362,426)		
Workload Model Adjustments for state staff and AAA's	\$ 1,306,524	\$ -	\$ -		\$ 1,306,524	\$ -	\$ 2,613,048	8	8.00
Position Shifts with APD Design/Delivery	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	2	2.00
General Assistance Cost	\$ 81,107	\$ -	\$ 84,128		\$ -	\$ -	\$ 165,235		
Community Based Care Rate Increase	\$ 30,714,439	\$ -	\$ -		\$ 37,483,256	\$ -	\$ 68,197,695		
Access for Deaf and Hard of Hearing	\$ 1,000,000	\$ -	\$ -		\$ -	\$ -	\$ 1,000,000		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (696,922)	\$ -	\$ (2,299)		\$ (845,457)	\$ -	\$ (1,544,678)	(9)	(9.00)

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 060-09 - Intellectual and Developmental Disabilities									
Package 95: DHS/OHA Reshoot	\$ 765,857	\$ -	\$ -		\$ 1,665,849	\$ -	\$ 2,431,706		
Package 105: Healthier Oregon Program	\$ 12,865,521	\$ -	\$ -		\$ -	\$ -	\$ 12,865,521		
Package 801: LFO Analyst Adjustments							\$ -		
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ 70,318,310	\$ -	\$ -		\$ 114,264,088	\$ -	\$ 184,582,398		
Spring 2023 Reshoot: FMAP Adjustment	\$ (16,858,315)	\$ -	\$ (116,931)		\$ 16,975,246	\$ -	\$ -		
Vacancy Savings	\$ (4,652,174)	\$ -	\$ (112,753)		\$ (1,008,660)	\$ -	\$ (5,773,587)		
Services and Supplies Reduction	\$ (1,500,000)	\$ -	\$ -		\$ -	\$ -	\$ (1,500,000)		
CSL Correction for Personal Support Worker Costs	\$ 7,732,693	\$ -	\$ -		\$ 14,888,170	\$ -	\$ 22,620,863		
I/DD Council Fund Shift	\$ -	\$ -	\$ (564,843)		\$ 564,843	\$ -	\$ -		
Federal Participation Update	\$ (14,140,089)	\$ -	\$ -		\$ 14,140,089	\$ -	\$ -		
ARPA/Home and Community Based Services Spend Plan	\$ 63,177,737	\$ -	\$ -		\$ 41,334,723	\$ -	\$ 104,512,460		
Position Reclass	\$ 12,406	\$ -	\$ -		\$ 12,406	\$ -	\$ 24,812	3	3.00
I/DD Provider 5% Rate Increase	\$ 11,961,102	\$ -	\$ -		\$ 31,433,142	\$ -	\$ 43,394,244		
SCR 060-10 - Child Welfare Programs									
Package 082: September 2022 Emergency Board	\$ 1,108,784	\$ -	\$ -		\$ -	\$ -	\$ 1,108,784	1	1.00
Package 95: DHS/OHA Reshoot	\$ 2,044,091	\$ -	\$ 6,508,165		\$ (507,688)	\$ -	\$ 8,044,568		
Package 118: Child Safety Positions	\$ 6,907,091	\$ -	\$ -		\$ 2,302,362	\$ -	\$ 9,209,453	202	50.50
Package 123: Foster Care Reimbursement Rates	\$ 16,824,055	\$ -	\$ -		\$ 10,273,283	\$ -	\$ 27,097,338		
Package 801: LFO Analyst Adjustments									
Spring 2023 Reshoot: Caseload/Cost Per Case	\$ (3,646,390)	\$ -	\$ (264,181)		\$ (2,382,283)	\$ -	\$ (6,292,854)		
Spring 2023 Reshoot: FMAP Adjustment	\$ (1,722,620)	\$ -	\$ -		\$ 1,722,620	\$ -	\$ -		
Vacancy Savings	\$ (23,680,942)	\$ -	\$ -		\$ -	\$ -	\$ (23,680,942)		
Services and Supplies Reductions	\$ (15,436,737)	\$ -	\$ (237,330)		\$ (3,192,964)	\$ -	\$ (18,867,031)		
Transfer to CS/Community Engagement	\$ (100,000)	\$ -	\$ -		\$ -	\$ -	\$ (100,000)		
Transfer to SSP/Independent Residence Facilities	\$ (1,381,525)	\$ -	\$ -		\$ -	\$ -	\$ (1,381,525)	(1)	(0.50)
Child and Family Services Review Penalty	\$ (3,365,252)	\$ -	\$ -		\$ -	\$ -	\$ (3,365,252)		
Various Limitation Adjustments Other/Federal	\$ -	\$ -	\$ 370,000		\$ 1,175,289	\$ -	\$ 1,545,289		
Cleanup for reclasses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	0	1.50
DOJ Child Advocacy Program/Legal Support for CW	\$ 3,967,708	\$ -	\$ -		\$ 2,645,139	\$ -	\$ 6,612,847		
Behavior Rehabilitation Service Rate Increase	\$ 2,870,669	\$ -	\$ -		\$ 457,546	\$ -	\$ 3,328,215		
Package 802: Long-Term Vacant Positions									
Eliminate Long-Term Vacant Positions	\$ (808,082)	\$ -	\$ -		\$ (318,186)	\$ -	\$ (1,126,268)	(6)	(6.00)
SCR 060-12 - Oregon Eligibility Partnership									
Package 105: Healthier Oregon Program	\$ 7,871,628	\$ -	\$ -		\$ 4,042,868	\$ -	\$ 11,914,496	48	36.50
Package 142: Eligibility/Redeterminations Staff	\$ 30,000,000	\$ -	\$ -		\$ 21,728,451	\$ -	\$ 51,728,451	300	300.00
Package 143: ONE Ongoing Maintenance	\$ 16,200,175	\$ -	\$ 840,000		\$ 22,148,479	\$ -	\$ 39,188,654	34	26.00
Package 201: Medicaid Waiver Placeholder	\$ 4,479,037	\$ -	\$ -		\$ 6,810,361	\$ -	\$ 11,289,398	55	34.65
Package 203: Mainframe Migration	\$ 375,242	\$ -	\$ -		\$ 562,859	\$ -	\$ 938,101	6	4.14
Package 301: ERDC Expansion	\$ -	\$ -	\$ 3,000,000		\$ -	\$ -	\$ 3,000,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments									
Vacancy Savings	\$ (13,685,048)	\$ -	\$ -		\$ -	\$ -	\$ (13,685,048)		
Services and Supplies Reductions	\$ (10,236,650)	\$ -	\$ (24,787)		\$ (2,685,746)	\$ -	\$ (12,947,183)		
Spring 2023 Reshoot: FMAP Adjustment	\$ 20,428	\$ -	\$ -		\$ (20,428)	\$ -	\$ -		
Funding and Position Transfers from Other Programs.	\$ 334,719,130	\$ -	\$ 3,779,368		\$ 370,726,796	\$ -	\$ 709,225,294	2,211	2,208.59
Records Management Positions Transfer	\$ (1,002,770)	\$ -	\$ -		\$ (726,131)	\$ -	\$ (1,728,901)	(12)	(12.00)
TOTAL ADJUSTMENTS	\$ 202,840,530	\$ -	\$ 374,757,835	\$ -	\$ 435,170,129	\$ -	\$ 1,012,768,494	663	470.79
SUBCOMMITTEE RECOMMENDATION *	\$ 5,637,837,273	\$ -	\$ 1,031,808,441	\$ -	\$ 8,115,736,365	\$ 3,681,868,127	\$ 18,467,250,206	10,999	10,751.37
% Change from 2021-23 Leg Approved Budget	16.4%	0.0%	7.2%	0.0%	5.5%	-24.6%	0.5%	5.2%	4.6%
% Change from 2023-25 Current Service Level	3.7%	0.0%	57.0%	0.0%	5.7%	0.0%	5.8%	6.4%	4.6%

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2023 - 2025 Key Performance Measures

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**Agency:** Department of Human Services

**Mission Statement:**

To help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. OLDER ADULTS NEEDING LONG TERM CARE SERVICES (APD) - The percentage of older adults (65+) needing publicly-funded long term care services		Approved	2.71%	3.06%	3.06%
2. LONG TERM CARE RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES (APD) - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities		Approved	88.70%	90%	90%
3. TIMELY APD ABUSE INVESTIGATIONS - The percentage of abuse reports assigned for field contact that meet policy timelines		Approved	90%	95%	95%
4. ABSENCE OF REPEAT MALTREATMENT OF ABUSED/NEGLECTED CHILDREN (CW) - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization		Approved	93%	97%	97%
5. TIMELY REUNIFICATION OF FOSTER CHILDREN (CW) - The percentage of foster children exiting to reunification within 12 months of foster care entry		Approved	72.50%	76%	76%
6. TIMELY ADOPTION ONCE CHILDREN ARE LEGALLY FREE (CW) - The percentage of legally free children adopted in less than 12 months		Approved	68.50%	60%	60%
7. REDUCTION OF RACE/ETHNICITY DISPARITIES IN LENGTH OF STAY (CW) - Outcome disparity in length of stay (reported in months) for children in substitute care by race/ethnicity	a) Non-Hispanic African American	Approved	32.17	18	18
	b) Non-Hispanic Asian/Pacific Islander		29.54	18	18
	c) Non-Hispanic White		27.89	18	18
	d) Non-Hispanic Native American/Alaskan Native		31.24	18	18
	e) Hispanic (any race)		28.04	18	18
8. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percentage of children served in Child Welfare on an average daily basis (in home and foster care) who were served while residing in their parent's home		Approved	22.50%	33%	33%
9. TIMELY ELIGIBILITY DETERMINATION FOR ODDS SERVICES - The percentage of individuals who apply for ODDS services who are determined eligible within 90 days from application		Approved	55%	75%	75%
12. ABUSE/NEGLECT OF ADULTS WITH DEVELOPMENTAL DISABILITIES (ODDS) - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs		Approved	1.34%	0%	0%
13. HOUSEHOLDS AT, OR ABOVE, LIVING WAGE FOUR QUARTERS AFTER LEAVING SSP PROGRAM - The median percentage of households leaving Self Sufficiency who are at, or above, a living wage four quarters out		Approved	44.80%	71%	71%
14. SSP PARTICIPANTS REPORTING HOUSING STABILITY - The percentage of Self Sufficiency participants who report their housing needs are fully met		Approved	41.60%	25%	25%

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Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
15. SSP PARTICIPANTS REPORTING FOOD SECURITY - The percentage of Self Sufficiency participants who report they did not worry about having enough food, or actually run out of food, in the past 12 months		Approved	33.50%	15%	15%
16. SSP PARTICIPANTS REPORTING GREATER SELF-EFFICACY - The percentage of Self Sufficiency participants who report they feel more confident in their ability to improve their current circumstances because of SSP and other services they were connected to		Approved	74.20%	70%	75%
17. OVRS CONSUMERS WHO ARE SUCCESSFULLY EMPLOYED AT PROGRAM EXIT - The percentage of Office of Vocational Rehabilitation Services (OVRS) consumers with a goal of employment who are employed at program exit		Approved	52.10%	65%	65%
18. OVRS CONSUMERS EMPLOYED IN SECOND QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRS clients closed from plan who are employed during second quarter following program exit		Approved	52.90%	52%	55%
19. OVRS CONSUMERS EMPLOYED IN FOURTH QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRS clients closed from plan who are employed during fourth quarter following program exit		Approved	51.10%	52%	52%
20. OVRS MEDIAN QUARTERLY WAGE AT SECOND QUARTER FOLLOWING PROGRAM EXIT - Median quarterly wage at second quarter following OVRS program exit		Approved	\$3,552.00	\$3,300.00	\$3,500.00
21. DHS CUSTOMER SATISFACTION - The percentage of customers rating their satisfaction with DHS above average, or excellent	Timeliness	Approved	62%	81%	81%
	Accuracy		67.90%	91%	91%
	Overall		89.50%	90%	90%
	Helpfulness		83%	86%	86%
	Expertise		66.30%	90%	90%
	Availability of Information		90%	92%	92%
22. REDUCTION IN DISPROPORTIONALITY OF CHILDREN AT ENTRY INTO SUBSTITUTE CARE (CW) - Measure of the average disproportionality index across race/ethnicity for children at entry into substitute care	a) American Indian/Alaskan Native	Approved	3.30	1	1
	b) Black/African American		1.90	1	1
	c) Asian/Pacific Islander		0.30	1	1
	d) Hispanic		0.80	1	1
	e) White		1	1	1
10. INTELLECTUAL/DEVELOPMENTAL DISABILITY DISPROPORTIONALITY (ODDS) - Percentage of IDD service recipients by race and ethnicity compared to the Oregon population race and ethnicity		Approved		1%	1%
11. SUPPORTED ODDS EMPLOYMENT SERVICES TO MAINTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in competitive integrated employment or individual supported employment		Approved		1,760	1,840
10. ADULTS ENROLLED IN ODDS PROGRAM RECEIVING IN-HOME SERVICES - The percentage of adults enrolled in the Intellectual/Developmental Disabilities program who are receiving services in their own home, including family home		Legislatively Deleted	66%	75%	

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
11. SUPPORTED EMPLOYMENT SERVICES TO OBTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in sheltered workshop target population receiving supported and/or related employment services from ODDS and VR who obtain competitive integrated employment		Legislatively Deleted	1,138	1,115	

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed 2023-25 Key Performance Measures and targets. This includes approval of two new KPMs. Specifically, KPM 10 is being changed from "Adults Enrolled in ODDS Program Receiving In-home Services" to "Intellectual/Developmental Disability Disproportionality"; and, KPM 11 is being changed from "Supported Employment Services to Obtain Competitive Integrated Employment" to "Supported ODDS Employment Services to Maintain Competitive Integrated Employment."

**SubCommittee Action:**

The Human Services Subcommittee approved the Legislative Fiscal Office recommendation.

**SB 91 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Gelser Blouin

**Joint Committee On Ways and Means**

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**Action Date:** 06/20/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 11 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Girod, Hansell, Knopp, Sollman, Steiner

**House Vote**

**Yeas:** 10 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Smith G, Valderrama

**Nays:** 1 - Sanchez

**Exc:** 1 - Reschke

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivet, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

## **Budget Summary**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Department of Human Services</b>					
General Fund	\$ -	\$ -	\$ 3,415,121	\$ 3,415,121	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 4,380,000	\$ 4,380,000	100.0%
Total	\$ -	\$ -	\$ 7,795,121	\$ 7,795,121	100.0%

## **Position Summary**

### **Department of Human Services**

Authorized Positions	0	0	5	5
Full-time Equivalent (FTE) positions	0.00	0.00	2.50	2.50

## **Summary of Revenue Changes**

Senate Bill 91 appropriates \$3,415,121 General Fund to the Department of Human Services (DHS) to seek a waiver from the Centers for Medicare and Medicaid Services (CMS) to obtain Federal Medicaid matching funds for a program to pay parents of minor children with disabilities, assessed with very high-level behavioral and medical needs, to provide attendant care services to their children. Federal Funds revenue is increased by \$4,380,000 for the costs of the paid parental program and related staffing.

## **Summary of Capital Construction Subcommittee Action**

Senate Bill 91 requires DHS to seek a CMS waiver to obtain federal Medicaid matching funds for program to pay parents of minor children with high-needs disabilities to provide attendant care services for their children. The measure restricts the Department from administering a program that pays a parent to provide attendant care to a minor child with General Fund not matched by federal Medicaid dollars. The measure specifies requirements of parent eligibility to participate in the paid program and requirements of an agency employing parents. The Department may adopt rules necessary to manage the cost, size, and growth rate of the program, including the development of criteria to limit the number of children eligible to participate in the program. At the approved funding level, it is assumed a couple hundred families may participate in the program. To fund the program costs of the paid parental program, \$3,126,135 General Fund is appropriated to Intellectual and Developmental Disabilities (I/DD) and Federal Funds expenditure limitation is increased by \$4,095,350. Additionally, it is anticipated that additional Federal Fund expenditure limitation will be needed for the program, which may be requested in a future budget action.

To implement the measure, \$288,986 General Fund is appropriated to DHS along with an increase of \$284,650 Federal Funds expenditure limitation to establish five positions (2.50 FTE) within Intellectual and Developmental Disabilities (I/DD). It is anticipated funding for the latter



three positions listed below and the position authority will need to be moved from I/DD to Shared Services through a future budget action as that is where the work will be performed.

The positions in 2023-25 include:

- One permanent full-time Operations and Policy Analyst 3 position (0.75 FTE) to develop the waiver application and manage the waiver process, support rulemaking, and serve as the subject matter expert providing ongoing internal and external support;
- One limited duration full-time Training and Development Specialist 2 position (0.75 FTE) to develop and administer training;
- One permanent part-time Administrative Specialist 2 (0.25 FTE) position to conduct background checks;
- One permanent part-time Operations and Policy Analyst 3 position (0.25 FTE) to establish the new accounting structure of the program and work with internal stakeholders on potential system configurations; and
- One permanent part-time Accountant 2 position (0.50 FTE) to make, monitor and reconcile payments, perform retroactive corrections, and research potential taxability issues for parent providers.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SUBCOMMITTEE ADJUSTMENTS										
SCR 060-09 - Intellectual and Developmental Disabilities										
Personal Services	\$ 219,217	\$ -	\$ -	\$ -	\$ -	\$ 219,217	\$ -	\$ 438,434	5	2.50
Services and Supplies	\$ 69,769	\$ -	\$ -	\$ -	\$ -	\$ 65,433	\$ -	\$ 135,202		
Special Payments	\$ 3,126,135	\$ -	\$ -	\$ -	\$ -	\$ 4,095,350	\$ -	\$ 7,221,485		
TOTAL ADJUSTMENTS	\$ 3,415,121	\$ -	\$ -	\$ -	\$ -	\$ 4,380,000	\$ -	\$ 7,795,121	5	2.50
SUBCOMMITTEE RECOMMENDATION	\$ 3,415,121	\$ -	\$ -	\$ -	\$ -	\$ 4,380,000	\$ -	\$ 7,795,121	5	2.50

**SB 104 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Gelser Blouin

**Joint Committee On Ways and Means**

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**Action Date:** 06/09/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**House Vote**

**Yeas:** 10 - Breese-Iverson, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 2 - Cate, Reschke

**Prepared By:** Alicia Michelson, Department of Administrative Services

**Reviewed By:** Gregory Jolivet, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

### **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 3,616,453	\$ 3,616,453	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 3,616,453	\$ 3,616,453	100.0%
Total	\$ -	\$ -	\$ 7,232,906	\$ 7,232,906	100.0%

### **Position Summary**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

### **Summary of Revenue Changes**

Senate Bill 104 appropriates \$3,616,453 General Fund and increases Federal Funds expenditure limitation by \$3,616,453 for the Department of Human Services (DHS) to contract with organizations providing agency with choice services to individuals with intellectual and development disabilities who receive services in their home.

### **Summary of Human Services Subcommittee Action**

Senate Bill 104 modifies the definition of “agency with choice services” to include organizations that provide in-home services to support an individual in self-directing the individual’s services, such as training and coaching, to ensure the receiving individual is at the center of those decision-making processes for what services they need. This measure requires DHS to contract with at least one organization that provides agency with choice services as a community-based service option by July 1, 2024.

To perform the necessary work required by the measure, DHS is provided \$182,467 General Fund along with a \$182,467 increase to Federal Funds expenditure limitation for two permanent, full-time positions and related Services and Supplies costs. Staff positions include: one Operations and Policy Analyst 3 position (0.75 FTE) that will assist with an amendment to the K Plan and validating CMS reporting, and one Fiscal Analyst 2 position (0.75 FTE) that will create reports and conduct data analysis to validate compliance of the measure. The total position related costs in the 2023-25 biennium is \$364,934 total funds, and is anticipated to increase to \$482,358 total funds in the 2025-27 biennium.

In addition, DHS is provided \$3,433,986 General Fund and an increase of \$3,433,986 Federal Funds expenditure limitation to begin contracting with organizations that can provide agency with choice services. There are currently 7,998 individuals that rely on Personal Support Workers that would be eligible for this service under this measure, with DHS assuming 50 percent of these eligible individuals will receive this service starting July 1, 2024.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
Alicia Michelson (971) 209-9217

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<u>SUBCOMMITTEE ADJUSTMENTS</u>										
<b>SCR 060-09 - Intellectual and Developmental Disabilities</b>										
Personal Services	\$ 164,412	\$ -	\$ -	\$ -	\$ -	\$ 164,412	\$ -	\$ 328,824	2	1.50
Services and Supplies	\$ 18,055	\$ -	\$ -	\$ -	\$ -	\$ 18,055	\$ -	\$ 36,110		
Special Payments	\$ 3,433,986	\$ -	\$ -	\$ -	\$ -	\$ 3,433,986	\$ -	\$ 6,867,972		
TOTAL ADJUSTMENTS	\$ 3,616,453	\$ -	\$ -	\$ -	\$ -	\$ 3,616,453	\$ -	\$ 7,232,906	2	1.50
SUBCOMMITTEE RECOMMENDATION	\$ 3,616,453	\$ -	\$ -	\$ -	\$ -	\$ 3,616,453	\$ -	\$ 7,232,906	2	1.50

**SB 420 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Patterson

**Joint Committee On Ways and Means**

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**Action Date:** 06/09/23

**Action:** Do pass with amendments. (Printed A-Eng.)

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**House Vote**

**Yeas:** 12 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Reschke, Sanchez, Smith G, Valderrama

**Prepared By:** Patrick Heath, Department of Administrative Services

**Reviewed By:** Gregory Jolivette, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

### **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 1,430,534	\$ 1,430,534	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 525,664	\$ 525,664	100.0%
Total	\$ -	\$ -	\$ 1,956,198	\$ 1,956,198	100.0%

### **Position Summary**

Authorized Positions	0	0	9	9
Full-time Equivalent (FTE) positions	0.00	0.00	7.14	7.14

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

### **Summary of Revenue Changes**

Senate Bill 420 is funded with \$1,430,534 General Fund and \$525,644 Federal Funds for the Department of Human Services (DHS). The Federal Funds revenues to support the bill come from Medicaid matching funds.

### **Summary of Human Services Subcommittee Action**

Senate Bill 420 requires DHS to provide service coordination, resource navigation, advocacy, and options counseling to individuals with brain injuries. It requires DHS to convene a Brain Injury Advisory Committee and to report to the Joint Committee on Ways and Means and the Health and Human Services Committees of the Legislative Assembly on details of the program. It is estimated that there are 45,000 Oregonians living with a traumatic brain injury, with approximately 17,000 sustaining such an injury every year.

The Subcommittee recommended \$1,430,534 General Fund, \$525,644 Federal Funds expenditure limitation, and nine permanent full-time positions (7.14 FTE) for the purposes of the bill. This includes one Manager 1 position (1.00 FTE), one Administrative Specialist 1 position (1.00 FTE) and one Operations and Policy Analyst 3 position (1.00 FTE) to support the advisory council established by the bill. Additionally, six Human Services Case Manager positions (4.14 FTE) are included to serve people in Oregon with traumatic brain injuries. The funding also includes position-related Services and Supplies. Each case manager is anticipated to serve between 100 and 150 individuals per month and services are anticipated to begin on July 1, 2024.

The funding also includes \$142,560 General Fund and \$352,009 Federal Funds expenditure limitation for updates to the Medicaid Management Information System, Oregon ACCESS, and mainframe IT systems needed to support the expanded workload. The Oregon Health Authority Office



of Information Services may require additional budget authority to complete this work and may return to request expenditure limitation in a future rebalance action to account for the impact of these costs on their budget.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
Patrick Heath - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
SCR 060-08 Aging and People with Disabilities									
Personal Services	\$ 1,152,084	\$ -	\$ -	\$ -	\$ 164,589	\$ -	\$ 1,316,673	9	7.14
Services and Supplies	\$ 278,450	\$ -	\$ -	\$ -	\$ 361,075	\$ -	\$ 639,525		
TOTAL ADJUSTMENTS	\$ 1,430,534	\$ -	\$ -	\$ -	\$ 525,664	\$ -	\$ 1,956,198	9	7.14
SUBCOMMITTEE RECOMMENDATION *	\$ 1,430,534	\$ -	\$ -	\$ -	\$ 525,664	\$ -	\$ 1,956,198	9	7.14

\*Excludes Capital Construction Expenditures

**SB 556 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Gelser Blouin

**Joint Committee On Ways and Means**

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**Action Date:** 06/07/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**House Vote**

**Yeas:** 10 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Valderrama

**Exc:** 2 - Reschke, Smith G

**Prepared By:** Lisa Fox, Department of Administrative Services

**Reviewed By:** MaryMichelle Sosne, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

### **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 464,369	\$ 464,369	100.0%
Other Funds Limited	\$ -	\$ -	\$ (388,519)	\$ (388,519)	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 117,722	\$ 117,722	100.0%
	\$ -	\$ -	\$ 193,572	\$ 193,572	100%

### **Position Summary**

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

### **Summary of Revenue Changes**

Senate Bill 556 appropriates \$464,369 General Fund to the Department of Human Services (DHS) to supplement lost revenue in the Child Welfare program and Intellectual and Developmental Disabilities program for continued payments to foster parents or relative caregivers related to a child in care's maintenance expenses. The DHS Child Welfare program will also receive an additional \$117,722 in federal funds under the Title IV-E of the Social Security Act for foster care expenses.

Revenue collected by DHS on behalf of a child in care will no longer be expended by the Department. The revenue will be deposited in an account for the child established with the Treasury.

### **Summary of Human Services Subcommittee Action**

Senate Bill 556 prohibits DHS from using money the Department receives on behalf of a child ward to make payments to a foster parent or relative caregiver for the cost of providing the child with food, clothing, housing, daily supervision, personal incidentals, and transportation. The only exceptions to this rule are funds received by the Department for child support or as specifically required by state or federal law. Following passage of this measure, any funds DHS receives on behalf of a child ward must be deposited into an account for the child established with the Treasury. The measure also proscribes when DHS or the child's representative may disburse or distribute funds. Historically, DHS had been able to utilize some of the funding received on behalf of the child ward to offset the expenses realized by foster parents or relative caregivers for the child in care's maintenance expenses.

The Subcommittee recommended an Other Funds expenditure limitation decrease of \$388,519 for the Department's Child Welfare program. Under the provisions of this measure, the funding received on behalf of the child will be deposited in a Treasury account for the child and no longer expended by the Department to foster parents or relative caretakers.

To ensure the Department can continue assisting foster parents and relative caregivers with a child's maintenance expenses, the Subcommittee recommended a budget increase for two DHS programs:

- \$270,797 General Fund and \$117,722 Federal Funds expenditure limitation for the Child Welfare program.
- \$193,572 General Fund for the Intellectual and Developmental Disabilities program.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
Lisa Fox 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<u>SUBCOMMITTEE ADJUSTMENTS</u>										
<b>SCR 060-10 - Child Welfare Programs</b>										
Special Payments	\$ 270,797	\$ -	\$ (388,519)	\$ -	\$ 117,722	\$ -	\$ -			
<b>SCR 060-09 - Intellectual and Developmental Disabilities</b>										
Special Payments	\$ 193,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,572			
TOTAL ADJUSTMENTS	\$ 464,369	\$ -	\$ (388,519)	\$ -	\$ 117,722	\$ -	\$ 193,572	0	0.00	
SUBCOMMITTEE RECOMMENDATION *	\$ 464,369	\$ -	\$ (388,519)	\$ -	\$ 117,722	\$ -	\$ 193,572	0	0.00	

\*Excludes Capital Construction Expenditures

**SB 609 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Campos

**Joint Committee On Ways and Means**

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**Action Date:** 06/02/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Exc:** 1 - Girod

**House Vote**

**Yeas:** 12 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Reschke, Sanchez, Smith G, Valderrama

**Prepared By:** Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivette, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

### **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 105,600	\$ 105,600	100.0%
Federal Funds Limited	\$ -	\$ -	\$ 158,400	\$ 158,400	100.0%
Total	\$ -	\$ -	\$ 264,000	\$ 264,000	100.0%

### **Position Summary**

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00	0.00

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

### **Summary of Revenue Changes**

Senate Bill 609 appropriates \$105,600 General Fund to the Department of Human Services (DHS) and increases Federal Funds expenditure limitation by \$158,400 to contract for changes to the ONE eligibility system and applicant portal so graduate assistant work hours may be considered for Supplemental Nutrition Assistance Program (SNAP) eligibility.

### **Summary of Education Subcommittee Action**

Currently, students attending a college, university, or trade school more than half time and working as a graduate assistant are not eligible for SNAP. Senate Bill 609 requires DHS to consider hours worked as a graduate assistant as hours worked in employment for the purpose of meeting requirements for SNAP eligibility. The bill defines graduate assistant, for purposes of SNAP eligibility, as an individual who is paid to work in teaching, administration, or research while completing academic requirements for an advanced degree at a higher education institution.

In order to implement the changes required by the bill, DHS will need to make changes to the ONE eligibility system. For eligibility purposes, the system will need to collect and store information on whether an individual is a graduate assistant. This will also require changes in the applicant portal. DHS will need additional funding to cover contractor costs for the IT system changes. Based on an estimate of contract hours to perform the changes, the Subcommittee recommended a one-time General Fund appropriation of \$105,600 for the Oregon Eligibility Partnership Services and Supplies budget and an increase of \$158,400 Federal Funds expenditure limitation.



## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services  
Mike Streepey -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<b>SCR 060-12 - Oregon Eligibility Partnership</b>									
Services and Supplies	\$ 105,600	\$ -	\$ -	\$ -	\$ 158,400	\$ -	\$ 264,000		
TOTAL ADJUSTMENTS	\$ 105,600	\$ -	\$ -	\$ -	\$ 158,400	\$ -	\$ 264,000	0	0.00
SUBCOMMITTEE RECOMMENDATION	\$ 105,600	\$ -	\$ -	\$ -	\$ 158,400	\$ -	\$ 264,000		

**SB 790 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Gelser Blouin

**Joint Committee On Ways and Means**

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**Action Date:** 06/07/23

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 9 - Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Knopp, Sollman, Steiner

**Nays:** 1 - Anderson

**Exc:** 1 - Girod

**House Vote**

**Yeas:** 8 - Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Valderrama

**Nays:** 2 - Breese-Iverson, Cate

**Exc:** 2 - Reschke, Smith G

**Prepared By:** Michelle Lisper, Department of Administrative Services

**Reviewed By:** MaryMichelle Sosne, Legislative Fiscal Office

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**Department of Human Services**

**2023-25**

### **Budget Summary**

	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 205,644	\$ 205,644	100.0%
Other Funds Limited	\$ -	\$ -	\$ 341,894	\$ 341,894	100.0%
Total	\$ -	\$ -	\$ 547,538	\$ 547,538	100.0%

### **Position Summary**

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.50	1.50

### **Summary of Revenue Changes**

Senate Bill 790 provides \$205,644 General Fund and \$341,894 Other Funds expenditure limitation to the Department of Human Services (DHS) to support the anticipated increase in workload associated with allegations of child abuse in a public education program.

### **Summary of Health and Human Services Subcommittee Action**

Senate Bill 790 modifies definition of 'abuse' is modified to include the restraint, seclusion, and/or infliction of corporal punishment of a child in violation of existing public education restraint, seclusion, and student conduct statutes. The bill specifies what criteria DHS will utilize to determine the responsibility of a public education program in a case of substantiated child abuse.

The measure prohibits DHS from substantiating an allegation of child abuse against an employee of a public education program if the employee has not been trained and the restraint was used in response to an imminent risk of serious bodily injury, and/or the employee did not act with reckless regard of student safety and the restraint did not pose a significant risk to impeding a student's breathing. However, the public education program may still be held responsible for the employee's actions. The measure requires DHS to submit a quarterly report on child abuse investigations in public education programs to the interim legislative committees related to child welfare. The first quarterly report is due January 1, 2024. The measure applies to incidents occurring on or after July 1, 2023.

Senate Bill 790 provides \$547,538 total funds, which includes \$205,644 General Fund, \$341,894 Other Funds expenditure limitation, and two permanent full-time Investigator 3 positions (1.50 FTE) to process the anticipated increase in investigations.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services

Mike Streepy -- 971-283-1198

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<u>SUBCOMMITTEE ADJUSTMENTS</u>										
<b>SCR 010-45 - DHS Shared Services</b>										
Personal Services	\$ -	\$ -	\$ 318,527	\$ -	\$ -	\$ -	318,527	2	1.50	
Services and Supplies	\$ -	\$ -	\$ 20,752	\$ -	\$ -	\$ -	20,752			
<b>SCR 010-50 - State Assessment and Enterprise-wide Costs</b>										
Services and Supplies	\$ 9,371	\$ -	\$ 104	\$ -	\$ -	\$ -	9,475			
Special Payments	\$ 196,273	\$ -	\$ 2,511	\$ -	\$ -	\$ -	198,784			
TOTAL ADJUSTMENTS	\$ 205,644	\$ -	\$ 341,894	\$ -	\$ -	\$ -	547,538	2	1.50	
SUBCOMMITTEE RECOMMENDATION	\$ 205,644	\$ -	\$ 341,894	\$ -	\$ -	\$ -	547,538	2	1.50	

**SB 5506 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Sanchez

**Joint Committee On Ways and Means**

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**Action Date:** 04/14/23

**Action:** Do Pass the A-Eng bill.

**House Vote**

**Yeas:** 8 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 3 - Breese-Iverson, Cate, Lewis

**Exc:** 1 - Reschke

**Senate Vote**

**Yeas:** 8 - Anderson, Campos, Dembrow, Frederick, Gelser Blouin, Knopp, Sollman, Steiner

**Nays:** 3 - Findley, Girod, Hansell

**Prepared By:** Tom MacDonald, Legislative Fiscal Office

**Reviewed By:** Amanda Beitel, Legislative Fiscal Office

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**Emergency Board**

**2023-25**

**Various Agencies**

**2023-25**

**Department of Human Services**

**2021-23**

## 2023-25 Adjustments

### Budget Summary

### 2023-25 Committee Recommendation

#### Emergency Board

General Fund - General Purpose	50,000,000
General Fund - Special Purpose Appropriations	
State Agencies for state employee compensation	330,000,000
State Agencies for recruitment and retention	120,000,000
State Agencies for non-state employee compensation	75,000,000
Oregon CHIPS Fund	50,000,000
OHA and DHS Caseloads	50,000,000
Long Term Rental Assistance	39,000,000
Natural Disasters	35,000,000
Special Education Stipend	8,900,000
Employment Related Day Care Program Caseload	8,000,000
Firearm background checks	7,593,100
Public Defense Services Contingency	6,170,768
Unrepresented Defendant/Persons Crisis	5,000,000
Transfer PDSC to the Executive Branch	5,000,000
District Attorneys Victim Assistance	1,000,000
Nonunanimous Jury Convictions	1,000,000

#### ADMINISTRATION PROGRAM AREA

##### Department of Administrative Services

General Fund	86,103,100
General Fund Debt Service	(205,700)
Lottery Funds Debt Service	1,765,778
Other Funds	69,196,563
Other Funds Debt Service	(1,467,140)
Federal Funds	156,795,418

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**Budget Summary**

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**2023-25 Committee  
Recommendation****Department of Revenue**

General Fund	(6,440)
General Fund Debt Service	1,876,979
Other Funds	13,948,009

**Employment Relations Board**

General Fund	(47,287)
Other Funds	(31,546)

**Office of the Governor**

General Fund	287,101
Lottery Funds	(30,723)
Other Funds	(18,931)

**Oregon Advocacy Commissions Office**

General Fund	(88)
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**Oregon Government Ethics Commission**

Other Funds	(34,122)
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**Oregon Liquor and Cannabis Commission**

Other Funds	17,684,389
Other Funds Debt Service	(1,832,150)

**Public Employees Retirement System**

Lottery Funds	7,310,000
Other Funds	(1,423,881)

**Public Records Advocate**

Other Funds	8,958
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**Secretary of State**

General Fund	327,083
Other Funds	480,620
Federal Funds	(7,212)

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**Budget Summary**

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**2023-25 Committee  
Recommendation****State Library**

General Fund	(2,470)
Other Funds	(3,707)

**State Treasurer**

Other Funds	(209,206)
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**CONSUMER AND BUSINESS SERVICES PROGRAM AREA****Bureau of Labor and Industries**

General Fund	246,108
Other Funds	553,330
Federal Funds	8,023

**Department of Consumer and Business Services**

General Fund	6,300,000
Other Funds	(1,913,255)
Federal Funds	(191)

**State Board of Accountancy**

Other Funds	(70,954)
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**State Board of Chiropractic Examiners**

Other Funds	(34,247)
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**Construction Contractors Board**

Other Funds	(119,495)
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**Oregon Board of Dentistry**

Other Funds	(26,936)
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**Health Related Licensing Boards**

Other Funds	(67,906)
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**Oregon Medical Board**

Other Funds	(64,529)
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**Budget Summary**

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**2023-25 Committee  
Recommendation****Oregon State Board of Nursing**

Other Funds (108,458)

**Board of Licensed Social Workers**

Other Funds (24,782)

**Mental Health Regulatory Agency**

Other Funds (71,666)

**Board of Pharmacy**

Other Funds (74,238)

**Public Utility Commission**

Other Funds (413,334)

**Real Estate Agency**

Other Funds (106,793)

**State Board of Tax Practitioners**

Other Funds (20,850)

**ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA****Oregon Business Development Department**

General Fund 6,598,025

General Fund Debt Service 10,880,614

Lottery Funds 13,680,852

Lottery Funds Debt Service 4,012,383

Other Funds 309,042,338

Other Funds Debt Service 1,100,715

Other Funds Nonlimited 30,000,000

Federal Funds (2,706)

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**Budget Summary**

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**2023-25 Committee  
Recommendation****Employment Department**

Other Funds	(1,775,561)
Federal Funds	(188,267)

**Housing and Community Services Department**

General Fund	31,699,267
General Fund Debt Service	(15,398,550)
Lottery Funds Debt Service	2,126,263
Other Funds	54,317,963
Federal Funds	(94,360)

**Department of Veterans' Affairs**

General Fund	(1,964)
Lottery Funds	220,000
Other Funds	(410,335)

**EDUCATION PROGRAM AREA****Department of Early Learning and Care**

General Fund	22,148,826
Other Funds	(46,644)
Federal Funds	1,487,116

**Department of Education**

General Fund	43,603,977
General Fund Debt Service	(10,861,500)
Lottery Funds	(42,412,064)
Lottery Funds Debt Service	(254,270)
Other Funds	288,020,388
Other Funds Debt Service	7,968,610
Federal Funds	1,444,281

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**Budget Summary**

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**2023-25 Committee  
Recommendation****Higher Education Coordinating Commission**

General Fund	12,713,813
General Fund Debt Service	2,993,387
Lottery Funds	(348,584)
Other Funds	24,458,032
Other Funds Debt Service	3,860,789
Federal Funds	(77,996)

**Teacher Standards and Practices Commission**

Other Funds	135,100
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**HUMAN SERVICES PROGRAM AREA****Commission for the Blind**

General Fund	947,932
Other Funds	(1,466)
Federal Funds	40,370

**Oregon Health Authority**

General Fund	(135,970,016)
General Fund Debt Service	1,813,084
Lottery Funds	(118)
Lottery Funds Debt Service	2,209,833
Other Funds	362,797,225
Other Funds Debt Service	27,000
Federal Funds	343,928,807

**Department of Human Services**

General Fund	26,483,946
General Fund Debt Service	(2,855,780)
Other Funds	(152,759)
Other Funds Debt Service	264,000
Federal Funds	(1,677,718)

**Long Term Care Ombudsman**

General Fund	(44,033)
Other Funds	299,569

**Psychiatric Security Review Board**

General Fund	(144,327)
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**Budget Summary**

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**2023-25 Committee  
Recommendation****JUDICIAL BRANCH****Commission on Judicial Fitness and Disability**

General Fund 469

**Judicial Department**

General Fund 17,100,239

General Fund Debt Service 11,735,830

Other Funds 127,969,443

Other Funds Debt Service 260,000

**Public Defense Services Commission**

General Fund 1,485,644

Other Funds 1,000,000

**LEGISLATIVE BRANCH****Legislative Administration Committee**

General Fund (138,597)

General Fund Debt Service 18,792,107

Other Funds 1,920,000

**Legislative Assembly**

General Fund (35,197)

**Legislative Counsel**

General Fund (11,341)

**Legislative Fiscal Office**

General Fund (1,644)

**Commission on Indian Services**

General Fund (27,755)

**Legislative Policy and Research Office**

General Fund (31,806)

**Legislative Revenue Office**

General Fund (123)

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**Budget Summary**

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**2023-25 Committee  
Recommendation****NATURAL RESOURCES PROGRAM AREA****State Department of Agriculture**

General Fund	986,516
Lottery Funds	(25,662)
Other Funds	(243,361)
Federal Funds	(23,916)

**Columbia River Gorge Commission**

General Fund	(2,316)
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**State Department of Energy**

General Fund	30,951,606
Other Funds	30,326,322
Federal Funds	5,060,596

**Department of Environmental Quality**

General Fund	(189,842)
General Fund Debt Service	1,771,995
Lottery Funds	(15,876)
Other Funds	4,125,153
Federal Funds	(37,786)

**State Department of Fish and Wildlife**

General Fund	1,368,858
General Fund Debt Service	(143,729)
Lottery Funds	(107)
Other Funds	14,155,074
Other Funds Debt Service	397,000
Federal Funds	(2,429)

**Department of Forestry**

General Fund	(1,879,270)
General Fund Debt Service	1,021,701
Other Funds	14,902,279
Other Funds Debt Service	114,170
Other Funds Capital Improvements	4,820,771
Federal Funds	(33,649)

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**Budget Summary**

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**2023-25 Committee  
Recommendation****Department of Geology and Mineral Industries**

General Fund	228,693
Other Funds	28,423

**Department of Land Conservation and Development**

General Fund	2,916,303
Other Funds	6,495,117
Federal Funds	(27,346)

**Land Use Board of Appeals**

General Fund	3,166
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**State Marine Board**

Other Funds	(51,334)
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**Department of Parks and Recreation**

General Fund Debt Service	(479,980)
Lottery Funds	(200,698)
Lottery Funds Debt Service	(176,730)
Other Funds	9,954,700

**Department of State Lands**

Other Funds	17,729,011
Federal Funds	500,000

**Water Resources Department**

General Fund	10,900,703
Lottery Funds Debt Service	783,717
Other Funds	65,651,911

**Watershed Enhancement Board**

Lottery Funds	(37,082)
Other Funds	4,052,728
Federal Funds	(2,010)

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**Budget Summary**

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**2023-25 Committee  
Recommendation****PUBLIC SAFETY PROGRAM AREA****Department of Corrections**

General Fund	(1,272,438)
General Fund Debt Service	2,679,982
Other Funds	5,693,016
Other Funds Debt Service	1,184,175

**Department of the State Fire Marshal**

General Fund	12,000,000
Other Funds	258,721
Federal Funds	(106)

**Oregon Criminal Justice Commission**

General Fund	15,695,461
Other Funds	14,973,052
Federal Funds	(7,593)

**District Attorneys**

General Fund	116,385
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**Oregon Department of Emergency Management**

General Fund	1,405,311
General Fund Debt Service	(299,560)
Other Funds	279,381
Other Funds Debt Service	190,000
Federal Funds	(153)

**Department of Justice**

General Fund	28,211,050
Other Funds	36,951,328
Other Funds Debt Service	2,508,271
Federal Funds	(523,185)

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**Budget Summary****2023-25 Committee  
Recommendation**

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**Oregon Military Department**

General Fund	(46,721)
General Fund Debt Service	102,520
Other Funds	104,703
Other Funds Debt Service	721,000
Federal Funds	(139,220)

**Oregon Board of Parole and Post Prison Supervision**

General Fund	198,613
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**Department of State Police**

General Fund	1,174,812
General Fund Debt Service	4,520,744
Lottery Funds	(2,176,250)
Other Funds	567,861
Federal Funds	6,553

**Department of Public Safety Standards and Training**

Other Funds	(303,075)
Federal Funds	(1,347)

**Oregon Youth Authority**

General Fund	14,509,403
General Fund Debt Service	1,187,948
Other Funds	8,642,040
Other Funds Debt Service	56,000
Federal Funds	8,263,945

**TRANSPORTATION PROGRAM AREA****Department of Aviation**

Other Funds	(9,938)
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**Department of Transportation**

General Fund	14,500,000
Lottery Funds Debt Service	(76,660)
Other Funds	294,128,334
Federal Funds	(90,474)



<b>Budget Summary</b>	<b>2023-25 Committee Recommendation</b>
<b>2023-25 Budget Summary</b>	
General Fund Total	1,043,022,603
General Fund Debt Service Total	29,132,092
Lottery Funds Total	(24,036,312)
Lottery Funds Debt Service Total	10,390,314
Other Funds Total	1,793,017,772
Other Funds Capital Improvements	4,820,771
Other Funds Debt Service Total	15,352,440
Other Funds Nonlimited	30,000,000
Federal Funds Total	514,597,445

#### **2021-23 Adjustments**

<b>Budget Summary</b>	<b>2021-23 Committee Recommendation</b>
<b><u>Department of Human Services</u></b>	
General Fund	(2,500,000)

<b>Position Summary</b>	<b>2023-25 Committee Recommendation</b>
<b>ADMINISTRATION PROGRAM AREA</b>	
<b><u>Department of Administrative Services</u></b>	
Authorized Positions	4
Full-time Equivalent (FTE) positions	3.75
<b><u>Department of Revenue</u></b>	
Authorized Positions	8
Full-time Equivalent (FTE) positions	5.66
<b><u>Oregon Liquor and Cannabis Commission</u></b>	
Authorized Positions	2
Full-time Equivalent (FTE) positions	1.76
<b><u>Secretary of State</u></b>	
Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00
<b>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</b>	
<b><u>Bureau of Labor and Industries</u></b>	
Authorized Positions	5
Full-time Equivalent (FTE) positions	4.64
<b>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</b>	
<b><u>Oregon Business Development Department</u></b>	
Authorized Positions	3
Full-time Equivalent (FTE) positions	2.13
<b><u>Housing and Community Services Department</u></b>	
Authorized Positions	1
Full-time Equivalent (FTE) positions	0.88

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**Position Summary**

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**2023-25 Committee  
Recommendation****EDUCATION PROGRAM AREA****Department of Early Learning and Care**

Authorized Positions	9
Full-time Equivalent (FTE) positions	8.59

**Department of Education**

Authorized Positions	20
Full-time Equivalent (FTE) positions	19.60

**HUMAN SERVICES PROGRAM AREA****Oregon Health Authority**

Authorized Positions	27
Full-time Equivalent (FTE) positions	18.42

**Department of Human Services**

Authorized Positions	5
Full-time Equivalent (FTE) positions	1.90

**NATURAL RESOURCES PROGRAM AREA****State Department of Energy**

Authorized Positions	4
Full-time Equivalent (FTE) positions	8.62

**Department of Fish and Wildlife**

Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00

**Department of Geology and Mineral Industries**

Authorized Positions	2
Full-time Equivalent (FTE) positions	1.50

<b>Position Summary</b>	<b>2023-25 Committee Recommendation</b>
<b><u>Department of Land Conservation and Development</u></b>	
Authorized Positions	1
Full-time Equivalent (FTE) positions	1.00
 <b>PUBLIC SAFETY PROGRAM AREA</b>	
<b><u>Department of the State Fire Marshal</u></b>	
Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00
 <b><u>Department of Justice</u></b>	
Authorized Positions	44
Full-time Equivalent (FTE) positions	41.26
 <b>TRANSPORTATION PROGRAM AREA</b>	
<b><u>Department of Aviation</u></b>	
Authorized Positions	-
Full-time Equivalent (FTE) positions	(0.26)

### **Summary of Revenue Changes**

The General Fund appropriations and Lottery Funds adjustments included in SB 5506 are within the level of resources projected in the May 2023 state economic and revenue forecast published by the Department of Administrative Services, Office of Economic Development. Other Funds expenditure limitations are adjusted to support capital projects funded with bond proceeds; satisfy debt service obligations; make payments from statutory accounts capitalized with General Fund or other revenue sources; expend American Rescue Plan Act (ARPA) State Fiscal Recovery Funds carried over from the 2021-23 biennium; rebalance the level of revenues dedicated for the Oregon Health Plan; and make other expenditures for agencies that rely on Other Funds revenue, within forecasted amounts. The measure increases Federal Funds expenditure limitations to account for federal Medicaid match; transfer ARPA Capital Projects Funds from the Department of Administrative Services to the Oregon Business Development Department; and recognize legislatively approved federal grants.

### **Summary of Capital Construction Subcommittee Action**

SB 5506 is an omnibus budget bill that appropriates General Fund to the Emergency Board for general and targeted purposes and makes other adjustments to agency budgets and position authority in the 2023-25 biennium. The measure also includes one adjustment to the 2021-23 budget for the Department of Human Services.

For the 2023-25 biennium, the measure increases General Fund appropriations by \$1,072.2 million, decreases Lottery Funds expenditure limitation by \$13.6 million, increases Other Funds expenditure limitation by \$1,813.2 million, increases Federal Funds expenditure limitation by \$514.6 million, and establishes 144 positions (128.45 FTE). Major adjustments in the measure include:

- \$791.7 million General Fund appropriated to the Emergency Board for general purposes (\$50 million) and special purposes (\$741.7 million)
- \$108.7 million General Fund and \$15.1 million Lottery Funds for capital projects
- \$99.7 million General Fund, not including appropriations to the Emergency Board, for investments that address climate initiatives (\$33.9 million), wildfire (\$22 million), housing (\$21 million), behavioral health (\$17.9 million), and drought-related issues (\$4.9 million)
- \$84.1 million General Fund and \$13.1 million Lottery Funds for debt service related to the issuance of new bonds
- \$20.9 million General Fund in temporary extended support provided through the Department of Human Services for individuals pursuing a case by U.S. Citizenship and Immigration Services
- \$20 million General Fund for public health modernization, which is in addition to an increase of \$30 million General Fund included in the budget bill for the Oregon Health Authority
- \$15 million General Fund in the Department of Early Learning and Care for a cost per case increase for the Employment Related Day Care program
- \$1,147.3 million Other Funds to expend proceeds from the issuance of bonds

The Subcommittee also approved nine budget notes in the Department of Administrative Services, Higher Education Coordinating Commission, Department of Veterans' Affairs, Department of Human Services (two), Department of Fish and Wildlife, Criminal Justice Commission, Department of Justice, and Public Defense Services Commission. The amendment recommended by the Subcommittee includes the legal citations necessary to effectuate the omnibus budget adjustments, which are described in the narrative below.

### **Emergency Board**

The Emergency Board allocates General Fund from the Emergency Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated expenditures when the Legislature is not in session. The Subcommittee recommends a \$50 million General Fund appropriation to the Emergency Board for general purposes.

SB 5506 also establishes 15 special purposes appropriations to the Emergency Board totaling \$741.7 million. Agencies must submit requests to the Emergency Board for the funds to be allocated for the authorized purposes. The General Fund special purposes appropriations include:

- \$330 million for state employee compensation plan changes
- \$120 million for state employee recruitment and retention
- \$75 million for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees
- \$50 million for allocation to the Oregon Business Development Department for the Oregon CHIPS Fund
- \$50 million for changes in Department of Human Services and Oregon Health Authority caseload levels
- \$39 million for long-term rental assistance
- \$35 million for natural disaster prevention, preparedness, response, and recovery
- \$8.9 million for allocation to the Department of Education for providing stipends to licensed educators and classified school employees working in special education during the 2024-25 school year
- \$8 million for allocation to the Department of Early Learning and Care for expanding access to the Employment Related Day Care program
- \$7.6 million for allocation to the Department of State Police for issues related to firearm background checks
- \$6.2 million for expenses related to public defense
- \$5 million for transferring the Public Defense Services Commission to the executive branch
- \$5 million for the unrepresented defendant/persons crisis
- \$1 million for allocation to the Department of Justice for expenses of district attorneys for victim assistance, investigation, temporary staffing, and other one-time, non-routine prosecution expenses related to nonunanimous jury convictions
- \$1 million for nonunanimous jury convictions

### **Adjustments to 2023-25 Agency Budgets**

#### **STATEWIDE ADJUSTMENTS**

Statewide adjustments impact agency budgets based on changes to the cost of debt service on existing outstanding bonds, Department of Administrative Services rates and service charges, Attorney General rates, and costs for supporting the Government Ethics Commission and Public Records Advocate. Overall, statewide adjustments result in decreases of \$46.3 million General Fund, \$5.3 million Lottery Funds, \$31.7 million Other Funds, and \$8.9 million Federal Funds. Section 318 of the measure identifies these changes for each agency and the amounts are included in the summary table at the beginning of this report.

## ADMINISTRATION

### Department of Administrative Services - American Rescue Plan Act

As part of HB Bill 5006 (2021), \$240 million in federal American Rescue Plan Act (ARPA) funds were approved for the Department of Administrative Services (DAS) to distribute in each Senate and House district in the amounts of \$4 million per Senate district and \$2 million per House district, for member-identified projects. After session, a subset of the projects required adjustments to the project or descriptions. The Subcommittee approved the following revisions to the 2021 session member ARPA projects:

District	Member	OLD Recipient	OLD Project Description	OLD Amount
		NEW Recipient	NEW Project Description	NEW Amount
S-26	Bonham	Port of Hood River	E. Anchor Way/N. 1st St. Industrial Streets and Transit Center	500,000
		Port of Hood River	<b>Traffic Improvements to support light industrial property on the Hood River waterfront</b>	500,000
H-44	Nelson	Neighborhood Housse	Co-Located Early Childhood Classroom Space at N. Marland Affordable Housing Development	500,000
		Neighborhood Housse	<b>SW Barbur Free Food Market and Senior Center</b>	500,000
H-46	Pham	ROSE Community Development Corporation	East Portland Community Placemaking Projects	75,000
		<b>ROSE Community Development Corporation &amp; Portland Bureau of Transportation</b>	East Portland Community Placemaking Projects	75,000
H-49	Hudson	Oregon Food Bank	Troutdale Terrace Food Assistance	6,000
		Oregon Food Bank	Troutdale Terrace Food Assistance	<b>0</b>
H-49	Hudson	East County Food Pantry	East County Food Pantry	10,000
		East County Food Pantry	East County Food Pantry	<b>16,000</b>
H-53	Levy	REACH & Redmond Early Learning Center	REACH & Redmond Early Learning Center	200,000
		<b>NeighborImpact</b>	<b>Expand Childcare and Preschool in Deschutes County</b>	200,000

### **Department of Administrative Services**

The Subcommittee approved modifying the scope of the \$5 million General Fund grant to the Grande Ronde Hospital Foundation authorized in HB 5202 (2022) from the purchase of hospital equipment to capacity building health initiatives that will further develop and expand care in the community and region. In addition, the Subcommittee approved modifying the eligible uses of the \$7.9 million General Fund grant for the United We Heal Training Trust's Rebuild Child Care Plan approved in HB 5202 (2022) to include child care provider capital grants of up to \$14,000 for in-home providers and up to \$70,000 for child care centers; equipment grants of up to \$3,000 per provider; an accounting shared services pilot program; training, coaching, and mentorship for new providers; sub-awards for developing new black, indigenous, people of color (BIPOC)-focused child care centers; and administrative and operating costs.

As part of the behavioral health package, the Subcommittee approved \$2.9 million General Fund, on a one-time basis, for DAS to reimburse local governments, community mental health programs established under ORS 430.620, and providers for payment of awards, settlements and expenses that are: 1) incurred in civil actions arising out of the provision of services pursuant to ORS 161.365 and 161.370; 2) become payable on or after the effective date of this 2023 Act; and 3) exceed insurance coverage available to the local government, community mental health program, or provider.

An additional part of the behavioral health package is a one-time General Fund appropriation of \$100,000 to DAS to collaborate with county governments and community mental health programs established under ORS 430.620 to study barriers that prevent local governments, community mental health programs and providers from obtaining insurance coverage for liability arising out of the provision of services pursuant to ORS 161.365 and 161.370.

### **BUDGET NOTE**

By February 1, 2024, the Department of Administrative Services shall submit a report to the Joint Committee on Ways and Means and an appropriate committee or interim committee of the Legislative Assembly with recommended solutions and a timeline for how to insure against liability arising out of the provision of services pursuant to ORS 161.365 and 161.370 for the purposes of community restoration or to restore fitness to proceed, or other behavioral health services required under a court order. The recommended solutions may include establishing an insurance pool for counties, community mental health programs and providers.

The budget includes a General Fund appropriation of \$832,000 to DAS for the payment of legal services incurred as a result of SB 1584 (2022) and billed by the Department of Justice utilizing the 2023-25 Attorney General rate. An appropriation of \$4 million General Fund is for payment of court-awarded compensation, reimbursement of reasonable attorney fees, and other costs associated with wrongful conviction claims. SB 1584 (2022) created a procedure for filing a petition for compensation for wrongful conviction and establishes criteria to file a claim against the State of Oregon to receive compensation at a statutorily set rate for every year spent in prison for wrongful conviction.

The Subcommittee approved a one-time General Fund appropriation of \$2.4 million for deposit into the Universal Representation Fund, and a corresponding one-time increase of \$2.4 million Other Funds expenditure limitation for disbursement from the Fund to Oregon Worker Relief, for legal services through the Universal Representation Program. The Subcommittee approved a separate one-time General Fund appropriation of \$4.3 million for deposit into the Universal Representation Fund, and a corresponding one-time increase of \$4.3 million Other Funds for disbursement from the Fund to Oregon Worker Relief, for services through the Universal Representation Program.



The measure includes an increase of \$167,008 General Fund to support a permanent full-time Operations and Policy Analyst 2 position (0.75 FTE) in the DAS Chief Financial Office for grant administration due to the cumulative impact of legislation appropriating funds to the Department to distribute as grants to other entities. The Subcommittee also approved a one-time General Fund appropriation of \$300,000 to DAS Enterprise Asset Management to contract for an independent audit of land purchases by the Oregon Liquor and Cannabis Commission from fiscal years 2019 through 2023.

Also included is a \$537,447 increase in Other Funds expenditure limitation and authorization for three Payroll Analyst positions (3.00 FTE) for DAS Enterprise Goods and Services to provide Shared Financial Services with staffing resources to address increasing workload from new client agencies.

To provide temporary financial assistance to agricultural workers who lose work or wages because of extreme heat or smoke, a one-time \$1 million General Fund appropriation is included for the Oregon Worker Relief Climate Change Fund. Oregon Worker Relief is required to report quarterly to DAS on the expenditure of funds.

In addition, a \$250,000 General Fund appropriation is approved on a one-time basis for Home Share Oregon to provide grants to individuals participating in the home-sharing program to expand access to affordable housing.

The measure includes a one-time \$1 million General Fund appropriation for DAS to distribute to the Willamette Career Academy to fund regional career and technical education programs provided by the Academy. The Subcommittee also approved an increase in Federal Funds expenditure limitation of \$156.8 million for the purpose of transferring available American Rescue Plan Act (ARPA) Capital Projects Funds to the Oregon Business Development Department for broadband infrastructure programs.

An increase of \$508,034 Other Funds is included for debt service costs associated with the repayment of General Obligation bond proceeds approved in HB 5005 (2023) that will be issued before the end of the biennium to support DAS projects; an additional increase of \$50,000 Other Funds is included for the cost of issuance of the bonds. The Subcommittee also approved \$1.4 million in additional Lottery Funds debt service for repayment of lottery bonds that will be issued before the end of the biennium.

SB 5506 also includes various one-time increases to DAS's budget for capital projects and other specific purposes. The information below summarizes each funding increase:

Water and drought package - the Subcommittee approved the following one-time General Fund appropriations to DAS as part of a statewide series of investments related to water and drought:

- \$1.2 million for the Mid-Columbia Water Commission to implement the Morrow and Umatilla Drought Relief Aquifer Recharge and Aquifer Storage and Recovery Project.
- \$2 million for the Oregon Farmers Market Association to support local food system resilience through increased producer and community access, and mitigation of impacts such as closures due to drought.
- \$500,000 for the Oregon Farmers Market Association to increase grants to non-profit farmers markets to cover costs associated with acceptance of Supplemental Nutrition Assistance Program benefits.
- \$2.65 million for the Oregon Community Food System Network for grants for small-scale farms and ranches.

- \$1.6 million for the Oregon Association of Water Utilities (OAWU) to build the Water System Training Center.
- \$1.5 million for the Oregon Community Food System Network to develop food hubs and regional food system infrastructure.
- \$1.5 million for the High Desert Partnership for infrastructures to deliver and spread water in Harney County.

Rural package - the Subcommittee approved the following one-time General Fund appropriations to DAS as part of statewide investments in rural infrastructure:

- \$2.25 million for Baker County for infrastructure improvement projects (water, sewer, road, broadband).
- \$1.9 million for the City of Philomath for the Philomath Frolic Rodeo (Skirvin Park) stands replacement and lighting upgrade.
- \$2 million for Polk County for the Polk County Mental Health Treatment/Crisis Center.
- \$1.5 million for the City of La Pine for the La Pine Incubator/Spec Building Project.
- \$1.5 million for the City of Depoe Bay for the Depoe Bay docks and pilings restoration project.

Capital projects - the Subcommittee approved additional one-time General Fund appropriations for the following capital projects:

- \$1.85 million for the City of Salem for the renovations of ARCHES and Wallace Early Learning Center sheltering service.
- \$2.2 million for La Clinica for La Clinica Acute Care Clinic Expansion.
- \$1 million for the Vietnam War Memorial Fund for the Vietnam War Memorial on the Oregon State Capitol Grounds.
- \$2 million for the Oregon Center for Creative Learning for expansion of the Center.
- \$2 million for City of Springfield for the reconstruction of Mill Street.
- \$2 million for Klamath County for construction of the Klamath Crimson Rose facility
- \$1.5 million for the Gresham-Barlow School District for School Based Health Center.
- \$1 million for the Children's Cancer Therapy Development Institute for research expansion and equipment.
- \$1.15 million for the Native American Youth and Family Center (NAYA) for campus improvements and building remodel.
- \$143,000 for the Row River Fire Response for emergency communication equipment.
- \$850,000 for the Boring, Oregon Foundation to purchase property for the community center to the Boring area of Clackamas County.
- \$800,000 for the Wildflower Preschool & Child Care LLC for a new child care facility in Myrtle Creek, serving South Douglas County.
- \$450,000 for the East Salem Community Center for the El Campo Community Soccer Field.
- \$375,000 for the City of Milwaukie for the Johnson Creek Solar Project.
- \$225,000 for the City of Sheridan for homeless community shelters.
- \$100,000 for the Boys & Girls Club of Western Treasure Valley for revitalizing and enhancing the safety of the clubhouse.
- \$1.2 million for the Kellogg Rural Fire District for the construction of the Main Fire Station.
- \$800,000 for the North Douglas County Fire & EMS to purchase property and to build student and volunteer housing for fire station.
- \$175,000 for the East Salem Community Center for HVAC replacement.
- \$50,000 for The Dalles Civic Auditorium for sound and lighting for theatre.
- \$250,000 for Every Child Linn Benton (ECLB) to support ECLB programs to mobilize community to uplift children and families impacted by foster care.
- \$1.25 million for the Community Action Program of East Central Oregon (CAPECO) to build a food bank center.

- \$1.15 million for FOOD for Lane County to purchase land for Food Farm.
- \$1 million for the Marion Polk Food Share for mobile pantries.
- \$3 million for the Oregon Food Bank for warehouse expansion and renovation at multiple locations.
- \$800,000 for ACCESS, Inc. of Medford for food bank warehouse expansion.
- \$500,000 for Community Connection of Northeast Oregon for food bank equipment.
- \$570,000 for Clatsop Community Action for food bank warehouse renovations and equipment upgrade.
- \$520,000 for the Columbia Pacific Food Bank for equipment upgrade.
- \$980,000 for Feed'em Freedom Foundation for campus expansion.
- \$630,000 for Feeding Umpqua for warehouse renovation and truck purchase.
- \$580,000 for Klamath Lake County Food Bank for warehouse renovation and paving.
- \$780,000 for Linn-Benton Food Share for delivery vehicles and equipment upgrade.
- \$790,000 for NeighborImpact for food bank equipment and operations funding.
- \$600,000 for the Oregon Coast Community Action for a second warehouse to serve Curry County.
- \$580,000 for the Yamhill Community Action Partnership for warehouse renovations and delivery vehicle.
- \$530,000 for Food Share Lincoln County to purchase land and building of new warehouse for pantry.
- \$690,000 for the Ella Curran Community Food Bank for community food bank expansion.
- \$5,000 for the South Douglas Food Bank for HVAC Upgrade.
- \$2 million for the City of Happy Valley for the Happy Valley Library Expansion.
- \$5 million for Oregon Metro Transit-Oriented Development Program for the 82nd Avenue Property Acquisition Fund to secure land to build affordable housing and commercial spaces in preparation for future development.
- \$137,000 for distribution to King City for the King City Park path repair and resurfacing project.

Lottery revenue bond projects - the Subcommittee approved an Other Funds expenditure limitation increase of \$64.8 million to facilitate the pass-through of lottery fund proceeds, including the cost of issuance, for the following purposes:

- \$7.4 million for the Willamette Falls Locks Authority for the Willamette Falls Locks and Canal Restoration.
- \$3 million for the City of Redmond for the Redmond Public Safety Center.
- \$2.8 million for the Serendipity Center, Inc. Therapeutic School for Portland campus expansion.
- \$5.1 million for the Lane County for the Behavioral Health Stabilization Center.
- \$5 million for the Homes For Good Housing Agency for the Naval Reserve Affordable Housing and Early Learning Center project in Eugene, Oregon.
- \$4.1 million for the City of Oregon City for the Main Street Connective Corridor Project Phase II: 10th Street to 15th Street.
- \$4.1 million for Jefferson County for the Central Oregon Community College Early Childhood Education and Health Careers Center.
- \$4.1 million for the Latino Network for the La Plaza Esperanza - Service Hub for Portland and Gresham residents.
- \$4.1 million for the Family Justice Center of Washington County for the Family Peace Center of Washington County.
- \$5.1 million for the Washington County for the Center for Addictions Triage and Treatment (CATT).
- \$5.1 million for the Port of Portland for seismic strengthening of the soil under Marine Terminal 2 to accommodate construction of the Building Innovation Hub.

- \$5.1 million for Benton County for the Benton County Emergency Operations Center.
- \$5.1 million for the City of Redmond for infrastructure improvements to support construction of the Northpoint affordable housing project in Redmond.
- \$5.1 million for the Eugene Civic Alliance for the Civic Park project.

The measure includes a one-time \$3.75 million General Fund appropriation for DAS to make grants to the Portland Opportunities Industrialization Center (POIC) for the following two purposes:

- \$750,000 General Fund to increase the capacity of the Healing Hurt People program to reduce community violence.
- \$3 million General Fund for POIC to make grants to other nonprofit organizations for community violence prevention and intervention efforts. POIC may not provide these services itself but instead must conduct an open process for other nonprofits to apply for grants. The funding is also approved with the understanding POIC will report annually to DAS on the use of the grant funds and the impact of the service provided.

The Subcommittee also approved one-time General Fund appropriations to DAS to distribute according to the following purposes:

- \$250,000 for Cherriots (Salem Area Mass Transit District) to collaborate with the Department of Transportation, Department of Environmental Quality, and community members, economists, and business leaders in Salem to study the feasibility of developing a rail streetcar system in the City of Salem.
- \$2 million for Pueblo Unido PDX to facilitate the creation of language proficiency evaluations for interpreters of Indigenous languages spoken in present-day Mexico and Central and South America.
- \$500,000 for Oregon Worker Relief for payments to individuals who provide interpretation services of languages that are the national languages of small countries from which local populations have emigrated, languages spoken by small ethnic minority groups or languages spoken by Indigenous groups.

### **Public Employees Retirement System**

The Subcommittee approved a Lottery Funds expenditure limitation increase of \$7.3 million for the allocation of net sports betting revenue dedicated to the Employer Incentive Fund (EIF) to reconcile to the May 2023 Department of Administrative Services - Office of Economic Analysis revenue forecast. With this adjustment, the Public Employees Retirement System's Lottery Funds total is \$28.5 million, which is sufficient for another EIF application period during the 2023-25 biennium.

### **Department of Revenue**

The Subcommittee approved a one-time increase of \$14 million Other Funds for the Department of Revenue (DOR) to spend Article XI-Q bond proceeds for Phase 2 of the Electronic Valuation Information System (ELVIS) project. The ELVIS project replaces a 20-plus year-old system for the Property Tax Division's assessment and valuation programs. Phase 1, completed in 2021-23, addressed DOR's central assessment work for communications, transportation, and utility company properties. Phase 2 is directed at the appraisal of large industrial properties with over \$1 million of machinery and equipment which DOR is required to appraise. Related to the ELVIS project, the Subcommittee also approved increases of \$265,000 Other Funds for the cost of issuance for the Article XI-Q bonds, approximately \$2.4 million General Fund for 2023-25 debt service on those bonds, and \$100,000 General Fund for system training.

An increase of \$1.2 million General Fund, \$81,129 Other Funds, and eight permanent positions (5.66 FTE) are also included for implementing HB 3235 (2023), which establishes a new refundable \$1,000 tax credit for personal income tax returns for filers with a dependent under the age of six years old. The positions approved are one Operations and Policy Analyst 2 for outreach and education, four Public Service Representative 3 positions to respond to taxpayer questions and inquiries, one Revenue Supervisor 2 to maintain supervisor to staff ratios, and two Administrative Specialists to validate credit compliance on tax returns. Funding is also available for changes to the agency's information systems to implement the tax credit.

### **Secretary of State**

The Subcommittee approved a \$538,735 Other Funds expenditure limitation increase and the establishment of two permanent full-time positions (2.00 FTE) to support the operations of the Corporation Division. An Operations and Policy Analyst 4 position is established to ensure the Division's forms are available online. Currently, over 20 forms are frequently used by customers that are not available online. An Operations and Policy Analyst 3 position is established to use data from critical functions, such as business registrations and Uniform Commercial Code filings, to make recommendations designed to enhance the Division's activity forecasting, use of resources, and better manage risk.

Increases totaling \$73,319 General Fund and \$174,962 Other Funds expenditure limitation are included to accommodate changes to the compensation plans for management positions. While most of the Executive Branch had adopted these comprehensive changes to the classifications of management positions earlier in the biennium, the Secretary of State did not adopt these changes until late 2022 and therefore the cost of these compensation plan changes was not included in the agency's requested budget. The changes affect nine positions in the Administrative Services, Elections, and Archives Divisions.

The budget also includes an increase of \$325,474 General Fund to continue a full-time limited duration Program Analyst 3 position (1.00 FTE) responsible for staffing the Translation Advisory Council created in HB 3021 (2021). The position will continue and expand upon this work in the 2023-25 biennium.

## **CONSUMER AND BUSINESS SERVICES**

### **Bureau of Labor and Industries**

The measure includes several changes to the Bureau of Labor and Industries budget for position increases and technical adjustments. An increase of \$553,535 Other Funds supports the hiring of a permanent full-time Administrative Specialist 2 (0.88 FTE) and two permanent full-time Compliance Specialist 3 positions (1.76 FTE) to expand wage claim investigation capacity in the Wage and Hour Division.

An ongoing General Fund appropriation of \$215,670 was approved to make permanent the Eastern Oregon apprenticeship support position (1.00 FTE) in the Apprenticeship and Training Division. The measure also includes \$37,407 General Fund for services and supplies in the Commissioner's Office and reestablishes an Administrative Specialist 1 position (1.00 FTE) for the Department of Transportation's Heavy Highway Project. Additionally, the Subcommittee approved the transfer of approximately \$5.1 million Other Funds from the Wage Security Fund to the agency's primary budget structure for Other Funds expenditure limitation to account for where the funds will be expended.

### **Department of Consumer and Business Services**

A one-time General Fund appropriation of \$6.3 million was approved to reauthorize unspent funding for the Department of Consumer and Business Services Fire Hardening Grant Program formed as part of the Wildfire Recovery Initiative adopted in the 2021 session. The Fire Hardening Grant Program incentivizes residential and commercial fire hardening for rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires. The reauthorized grant funds will be made available to 2021 wildfire survivors in addition to the 2020 survivors. Of the \$6.3 million, \$300,000 is available to counties for program administration.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Department of Veterans' Affairs**

The Subcommittee approved one-time Lottery Funds expenditure limitation of \$220,000, available from the Veterans' Services Fund, for the Department of Veterans' Affairs to study and make recommendations for policy proposals on the tax treatment of military pensions.

#### **BUDGET NOTE**

The Oregon Department of Veterans' Affairs shall provide a report detailing its study of the tax treatment of military pensions and recommendations for related policy proposals. The report shall be submitted to the Emergency Board and interim committees of the Legislature related to veterans by September 2024.

### **Housing and Community Services Department**

General Fund in the amount of \$5 million is included to pair with Low Income Fast Track (LIFT) bond proceeds to incentivize homeownership development in rural areas and foster greater density in urban areas. The historical average subsidy for LIFT homes for purchase has been \$70,000 per home. This investment will be able to subsidize approximately 71 new affordable homes that are financed with LIFT Article XI-Q bond proceeds.

Other Funds expenditure limitation is increased by \$50 million related to lottery bonds authorized for issuance to preserve an estimated 1,075 units of existing affordable housing. This can include publicly supported affordable housing, properties with federal project-based rental assistance contracts, rent subsidies, manufactured dwelling parks, and properties undergoing recapitalization. Other Funds expenditure limitation was increased by \$525,793 for cost of issuance associated with these bonds, and Lottery Funds debt service limitation was increased by \$2.5 million as a result of this investment.

The agency's General Fund appropriation for debt service was increased by \$26.5 million to reflect the issuance of \$600 million in general obligation bonds authorized for issuance to finance the creation of affordable housing, and by \$4.3 million for cost of issuance. Of the \$600 million in bonds, \$440 million is associated with the LIFT Housing Program, issued pursuant to Article XI-Q of the Constitution, with \$350 million intended for an estimated 2,953 affordable rental housing units, and \$90 million is set aside for projects to finance home ownership, estimated to fund 383 homes. General Obligation bonds of \$160 million will also finance the construction of an estimated 1,067 units of permanent supportive housing (PSH). Once occupied, each PSH unit requires an ongoing operating subsidy of \$20,000 for wrap around services to households, and \$20,000 for rental assistance, per biennium. Other Funds expenditure limitation was further increased by \$29,000 attributable to debt service adjustments on outstanding bonds.

General Fund in the amount of \$216,349 is appropriated to support a permanent Policy Analyst 3 position (0.88 FTE) to accommodate workload implications relating to HB 2071, which has the effect of expanding the Oregon Affordable Housing Tax Credit to lenders of limited equity homeownership cooperatives.

In addition to the adjustments to HCSD's budget, a \$39 million General Fund special purpose appropriation is made to the Emergency Board for allocation to the HCSD to pay longer-term rental assistance for people rehoused after homelessness. This amount would expand rehousing efforts from the 600 households included in HB 5019 and SB 5511, to an additional estimated 700 households statewide, with 25% of the funds set aside for distribution by culturally responsive organizations. HCSD must report to the Emergency Board on details of a framework for longer term rental assistance associated with these initiatives, which includes the following information in each continuum of care: the estimated number of households served; the average amount of rental assistance assumed and the length of time such assistance will be provided; eligibility criteria and subsequent income verification measures undertaken by the service providers administering rental assistance; and associated services and plans to leverage other federal or state benefits with the goal of reducing the amount of or need for longer-term rental assistance services. The department will also provide information on accountability measures for its service delivery partners. Long term rental assistance is not assumed to be part of the calculation for ongoing service needs for the 2025-27 biennium.

#### **Oregon Business Development Department**

Increased expenditure limitation of \$50 million Other Funds was approved for OBDD for the expenditure of net lottery revenue bond proceeds deposited in the Child Care Infrastructure Fund established in HB 3005 (2023). The monies in the fund are to be used by the Department to provide loans and grants for allowable costs expended for early child care infrastructure activities. For the administration of the Child care Infrastructure Fund, an increase in Lottery Funds expenditure limitation of \$534,259 and the establishment of three positions (2.13 FTE) was approved. The total funding includes position costs of \$430,159 and program related services and supplies expenditures of \$104,100, including \$25,000 for attorney general costs for contract reviews.

Adjustments to the agency's nonlimited Other Funds expenditures were approved for net lottery revenue bond proceeds of \$30 million to be deposited in the Special Public Works Fund from authorized bond issuance in the upcoming 2023-25 biennium. The Special Public Works Fund provides loan and grant funding to eligible municipalities for planning, design, and construction of essential public infrastructure including utilities and facilities essential to industrial growth, commercial enterprise, and job creation.

The Subcommittee approved an increase of \$10 million Other Funds for the Infrastructure Division to allow the department to provide grants for levee projects from the net proceeds of lottery revenue bonds authorized to be issued and deposited in the fund during the upcoming biennium.

Approved increases in Other Funds expenditure limitation totaling \$43.3 million were made for the distribution of grants funded by the issuance of lottery revenue bonds for economic development capital projects as follows:

- \$5 million - Umatilla Electrical Cooperative Association Industrial Site Utility Expansion
- \$4.5 million - City of Phoenix Industrial Improvements, South Valley Employment Center
- \$5 million - City of Aumsville Wastewater System Improvements
- \$5 million - City of Molalla New Wastewater Treatment Plant
- \$3.8 million - City of Newport Wastewater Treatment & Conveyance System Improvements

- \$20 million - Port of Coos Bay channel modification

Lottery Funds expenditure limitation is increased by \$4 million for the payment of debt service related to lottery bonds anticipated to be issued in the 2023-25 biennium for capitalization of the Special Public Works Fund and the Child Care Infrastructure Fund. An Other Funds expenditure limitation of \$1.1 million was established for OBDD for the payment of debt service costs from the proceeds of bond reserves, interest earnings, and bond refinancing activities on bonds issued in prior biennia. An increase in Other Funds expenditure limitation of \$1.6 million was also approved for the payment of costs associated with the issuance of lottery revenue bonds associated with specific infrastructure projects, Child Care Infrastructure Fund capitalization, Special Public Works Fund capitalization, and grant funding from the Cultural Resources Economic Fund.

Increased Other Funds expenditure limitation of \$3 million was approved from the Cultural Resources Economic Fund for OBDD to distribute a grant to the Native Arts and Cultural Foundation for renovations to the Center for Native Arts and Cultures.

The Subcommittee approved multiple General Fund appropriations to OBDD for the distribution of grants to cultural venues in specified amounts. The grant funding is provided on a one-time basis to offset financial losses suffered by these cultural venues due to the negative impact of the COVID-19 pandemic.

Individual grant funding and recipient venues are:

- \$269,623 - Aladdin Theater
- \$107,925 - Alberta Rose Theater
- \$49,892 - Alberta Street Pub
- \$28,690 - Artichoke Music
- \$136,133 - Ashland Armory
- \$44,811 - Atlantis Lounge
- \$14,051 - Barnstormers Theatre
- \$20,431 - The Belfry
- \$24,934 - BodyVox
- \$65,317 - Bossanova Ballroom
- \$67,151 - Britt Festival Pavilion
- \$33,418 - Cascades Theatre Company
- \$14,051 - Coaster Theatre Playhouse
- \$13,348 - CoHo Productions
- \$23,981 - Cottage Theatre
- \$112,128 - Craterian Performances Company
- \$285,580 - Crystal Ballroom
- \$107,511 - Cuthbert Amphitheater
- \$103,672 - Dante's
- \$20,127 - Domino Room
- \$145,877 - Doug Fir Lounge



- \$28,102 - Egyptian Theatre
- \$30,507 - The Elgin Opera House
- \$109,368 - Elsinore Theatre (Historic)
- \$128,301 - 45 East, LLC
- \$17,089 - Gallery Theater
- \$57,730 - The Goodfoot
- \$171,267 - Hawthorne Theatre
- \$13,386 - Headwaters Theatre/Water in the Desert
- \$30,380 - Historic Rogue Theatre
- \$111,267 - Holocene
- \$4,310 - HQ LaGrande
- \$203,166 - Hult Center for the Performing Arts
- \$39,748 - Imago Theatre
- \$34,785 - Jack London Revue
- \$11,393 - Jazz Station/Willamette Jazz Society
- \$7,595 - KALA
- \$19,747 - Kelly's Olympian
- \$33,057 - Kickstand Comedy (formerly Brody Theater)
- \$45,570 - Lakewood Center for the Arts
- \$30,836 - Laurelthirst Public House
- \$33,627 - Liberty Theater
- \$17,089 - Lincoln City Cultural Center
- \$45,665 - Little Theatre on the Bay/ Liberty Theatre (North Bend)
- \$51,266 - Majestic Theatre
- \$115,463 - McDonald Theatre
- \$31,899 - Midtown Ballroom
- \$13,948 - Milagro Theatre
- \$159,522 - Mississippi Studios
- \$13,606 - New Expressive Works
- \$60,001 - Newport Performing Arts Center (2 stages)
- \$43,671 - Northwest Children's Theater
- \$9,494 - OK Theater
- \$47,469 - Old Church Concert Hall
- \$28,102 - Oregon Contemporary Theatre
- \$14,290 - Pentacle Theatre
- \$101,845 - Portland Institute for Contemporary Art

- \$230,634 - Pickathon
- \$99,654 - Polaris Hall
- \$46,265 - Portland Playhouse
- \$235,604 - Revolution Hall
- \$263,706 - Roseland
- \$130,873 - Ross Ragland Theater
- \$3,798 - Sawdust Theatre
- \$34,204 - Shaking the Tree Theatre
- \$200,094 - Shedd Institute for the Arts
- \$22,405 - The Siren Theater
- \$97,516 - Stage 722
- \$81,646 - Star Theater
- \$14,051 - Theatre in the Grove
- \$186,694 - Tower Theatre (Bend)
- \$33,862 - Vault Theater (Bag and Baggage)
- \$27,397 - Volcanic Theatre
- \$63,175 - White Eagle
- \$20,127 - Whiteside Theatre
- \$32,564 - Wildish Community Theater
- \$147,309 - Wonder Ballroom
- \$41,393 - WOW Hall/Community Center for the Performing Arts

A one-time General Fund appropriation of \$1 million to OBDD is included for a grant to Literary Arts, Inc. to fund a portion of a \$12 million renovation of the organization's newly purchased 14,000 square foot headquarters at 716 S.E. Grand in Portland.

A total of \$15.1 million Lottery Funds was provided to OBDD on a one-time basis for local governments as grants for various infrastructure projects supporting economic development. The individual projects and funding include: City of Estacada New Wastewater Facility project, \$2.4 million; Port of Morrow, South Morrow County Water and Transportation Infrastructure Development, \$2.5 million; Harney County Industrial Improvements: B Street Extension, \$2.25 million; City of Waldport Industrial Park Sewer expansion, \$2.2 million; Wheeler County Industrial Development, \$2.4 million; City of Lowell Water Treatment Plant Upgrades, \$306,420; Illinois Valley Fire District Extension of Water & Sewer Lines, \$984,500; City of Port Orford Water Recycling project, \$750,000; and Tillamook County Shilo Levee Rehabilitation, \$1.3 million.

In anticipation of the issuance of general obligation bonds for the seismic rehabilitation program at OBDD, expenditure limitation of \$150 million Other Funds was included for program grants: \$100 million for public school buildings and \$50 million for emergency services facilities. An increase in expenditure limitation of \$1.5 million was approved for the payment of costs associated with the issuance of the bonds. In addition, the Subcommittee approved an

increase in the General Fund appropriation to OBDD in the amount of \$12.6 million for the payment of debt service obligations related to the issuance of bonds for the seismic rehabilitation program.

The measure also includes several technical adjustments to OBDD's budget. First, expenditure limitation of \$287,800 Other Funds which was established in error for the transfer of American Rescue Plan Act State Fiscal Recovery Funds is reduced. This is offset by an increase in the agency's general Other Funds appropriation in the same amount.

Other Funds expenditure limitation of \$166,476 and authority for three positions (0.88 FTE) are transferred from the Business, Innovation, and Trade Division to the Operations Division where the positions were intended to be budgeted. The offsetting adjustments net to zero agencywide.

A technical adjustment is included to resolve statutory expenditure limitation conflicts between Other Funds expenditure limitation from the University Innovation Research Fund that arose between SB 4 (2023) and SB 5524 (2023), the agency's budget bill, with no net change in overall expenditure limitation from the fund. The expenditure limitation from the fund provided in SB 4 is reduced by \$10 million and the expenditure limitation associated with the fund in SB 5524 is increased by \$10 million.

The measure includes another technical adjustment to resolve conflicts between Lottery Funds expenditure limitation supporting Small Business Development Centers that arose between HB 3410 (2023) and SB 5524 (2023) with no net change in overall expenditure limitation or program support. The expenditure limitation from the fund provided in HB 3410 is reduced by \$3 million and the expenditure limitation supporting Small Business Development Centers in SB 5524 is increased by \$3 million.

An adjustment is made to correct an error in OBDD's primary budget bill, SB 5524. This change reduces expenditure limitations from the Broadband Fund as provided in section 7 of the agency's budget bill related to American Rescue Plan Act (ARPA) Capital Projects Funds and includes language that appropriately provides expenditure limitation for only the portions in the Broadband Fund that are from ARPA Capital Projects revenue, as multiple sources of revenue are comingled in the fund. The revised language also updates the amount of expenditure limitation to reflect the total amount of ARPA Capital Projects Funds anticipated to be transferred by the Department of Administrative Services in the upcoming biennium, as the funding that was anticipated to be transferred in the prior biennium was not transferred due to the statutorily defined uses of funds deposited in the Broadband Fund being in conflict with federal guidance on the expenditure of the ARPA Capital Projects monies. These conflicts are anticipated to be resolved with the adoption of HB 3201 (2023) which contains provisions aligning the stated uses of the fund with federal guidance.

### **Oregon Liquor and Cannabis Commission**

Two positions (1.76 FTE) and \$496,133 Other Funds expenditure limitation are added to the Oregon Liquor and Cannabis Commission (OLCC) budget to improve information technology security and data privacy. An Information Specialist 8 will monitor and remediate threats to OLCC systems, networks and devices, and a Principle Executive Manager D position will develop systems, policies and procedures to improve security, as well as coordinate with state and licensee stakeholders who want access to data.

Other Funds expenditure limitation in the amount of \$16.5 million is included for bonds reauthorized for the OLCC's information technology systems for the warehouse management system, and licensing and enforcement systems. The total approved project cost is \$27 million, and bonds for this purpose were

approved in the 2021-23 biennium but the entire approved amount was not issued. The \$16.5 million represents the balance of project costs remaining. Cost of issuance on this amount, as well as bonds reauthorized for the liquor warehouse and conveyer system, is \$977,217, and associated debt service for the biennium is \$9.5 million. These bonds are supported by revenue from liquor sales.

## **EDUCATION**

### **Department of Early Learning and Care**

To establish the Imagination Library of Oregon program for providing a free book each month to eligible Oregon children from birth to age five, the Subcommittee approved a General Fund appropriation of \$1.7 million to the Department of Early Learning and Care (DELIC). The Department will contract with an Oregon-based non-profit organization to manage the program.

For DELIC to provide technical assistance to child care providers seeking to access the Child Care Infrastructure Fund (CCIF), the Subcommittee approved \$186,943 General Fund, \$216,168 Federal Funds expenditure limitation, and two positions (1.75 FTE) to design, coordinate and implement the CCIF technical assistance program, focused on ensuring that child care providers – particularly those who historically have not had access to funding – can access and navigate the CCIF administered by the Oregon Business Development Department. For grants to nonprofit entities that have experience in providing technical assistance to child care providers, the Subcommittee approved an appropriation of \$5 million General Fund to the Department. The grant program is intended to support child care business owners as they navigate local county/city zoning requirements related to child care, and to provide resources specifically to ensure that the nine federally recognized Tribes within Oregon’s borders can navigate the system with their sovereignty in mind.

The Employment Related Day Care program provides consistent, quality child care to eligible low-income families while they are working or attending school. To improve the cost per case rate paid to child care providers in this program, the Subcommittee approved \$15 million General Fund.

The Subcommittee approved \$401,243 General Fund and \$1.6 million Federal Funds expenditure limitation to create two new Investigations Specialist positions (1.84 FTE) to improve agency response to complaints; convert three limited duration Compliance Specialist 2 positions (3.00 FTE) to permanent positions; convert one limited duration Program Analyst 4 position (1.00 FTE) to permanent in the Baby Promise program; and convert one limited-duration Program Analyst 4 position (1.00 FTE) to permanent in the Spark quality recognition and improvement program.

### **Department of Education**

The Subcommittee approved \$559,094 Other Funds expenditure limitation and the establishment of one Business Analyst (ISS7) position (0.96 FTE) and one Project Manager 3 position (0.96 FTE) to develop the business case and artifacts required by the Stage Gate process to start a project to replace the State School Fund Information Technology System.

In 2022, the Educator Advancement Council began development of a comprehensive adult professional learning system for educators. To bring the system to scale statewide and support its continued development for and use by educators, the Subcommittee approved \$4.8 million Other Funds expenditure limitation and the establishment of 10 permanent positions (10.00 FTE). This amount includes \$2 million for procurement of an online learning platform.

Funding for the purchase of the online learning platform is provided on a one-time basis in the 2023-25 biennium; any future costs related to licensing and maintenance of this system are assumed to be ongoing.

The Subcommittee approved an increase in Other Funds expenditure limitation for the High School Graduation and College and Career Readiness Fund of \$14.7 million. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success.

The Department of Education administers a statewide education plan for African American/Black students who are in early childhood through post-secondary education programs. To increase the grants that may be awarded through this plan, the Subcommittee approved an increase in Other Funds expenditure limitation of \$5 million on an ongoing basis. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success.

Oregon schools teach approximately 17,000 migrant students, and nearly 100,000 students who are English language learners. To support school districts in teaching migrant students and English Language Learners and improving their educational success in Oregon schools, the Subcommittee approved \$748,833 Other Funds expenditure limitation, \$1.5 million Federal Funds expenditure limitation, and the establishment of eight permanent positions (7.68 FTE) for the Department of Education to create a new migrant and multilingual education team. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success; the source of Federal Funds is federal COVID-19 relief funding from the Elementary and Secondary School Emergency Relief program, available on a one-time basis in the 2023-25 biennium.

The Subcommittee approved \$100 million Other Funds expenditure limitation for the Oregon School Capital Improvement Matching program. The proceeds of the sale of Article XI-P general obligation bonds authorized in HB 5005 (2023) will be used for grants to school districts that can match the grant with proceeds of locally issued bonds for the construction and improvement of school district buildings and property.

The Subcommittee approved \$15 million Other Funds expenditure limitation for lottery bond proceeds authorized in HB 5030 (2023) for deposit into the Connecting Oregon School Fund (COSF) for expanding internet connectivity in schools and maximizing the use of available federal resources. The agency will use COSF to provide state grants to school districts, education service districts, and public charter schools that are successful in applying for federal E-rate funding from the Universal Service Administrative Company (USAC) for special construction projects. These projects will provide new or improved existing internet connectivity for schools in which the federal E-Rate funding would typically provide between 60-80% of project costs. ODE will provide state grants for up to 10% of project costs which will leverage an additional matching federal contribution, which may enable sufficient funding to pay for the entire cost of the project. State funding will be allocated through a formula that prioritizes schools based on income levels; rural and remote areas of the state; and the current type of internet connectivity and download speeds.

A total of \$1.1 million Other Funds expenditure limitation was approved for the cost of issuance of general obligation bonds (HB 5005) and lottery bonds (HB 5030). These include the costs for bonds issued for the Oregon School Capital Improvement Matching program (Article XI-P bonds), projects for the Oregon School for the Deaf (Article XI-Q bonds) and Broadband Connecting Oregon Schools grants (lottery bonds). An Other Funds expenditure limitation of approximately \$8 million was established for debt service on bonds sold in prior periods.

The Subcommittee approved an increase of \$42.4 million General Fund and a reduction of \$42.4 million Lottery Funds in the State School Fund. This change reflects the final balance of available Lottery Funds usage across the state budget and maintains the total State School Fund budget of \$10.2 billion for the 2023-25 biennium.

The East Multnomah Outreach, Prevention, and Intervention program, operated by the City of Gresham, provides culturally responsive outreach, prevention, and intervention programs to prevent youth violence and to empower youth to be successful members of the community. To continue state support for this program, the Subcommittee approved \$2 million General Fund on a one-time basis for the 2023-25 biennium.

The Subcommittee approved an increase of \$146.3 million Other Funds expenditure limitation for the Student Investment Account in the Fund for Student Success. This increase brings expenditure limitation in this account to 50% of the estimated revenues available for distribution in the Fund for Student Success for 2023-25.

### **Higher Education Coordinating Commission**

The Subcommittee approved a one-time \$100,000 General Fund appropriation for the Higher Education Coordinating Commission (HECC) to distribute to the Oregon State University Institute of Natural Resources to convene a statewide water conference to facilitate learning and relationship-building between sectors, identify research needs, and develop a statewide research and learning agenda. An additional one-time General Fund appropriation of \$500,000 is included for the University of Oregon Just Future Institute for the following purposes related to equitable water access:

- Conduct research to understand and address water needs of environmental justice communities.
- Provide grants to community-based organizations, tribes, and other entities to build capacity to engage in water related work and projects that help to understand and address water needs of environmental justice communities, including resources for outreach, education, planning, research, and projects.

### **BUDGET NOTE**

The Higher Education Coordinating Commission, in collaboration with the University of Oregon, shall submit a report on the use of funds related to equitable water access to the Joint Committee on Ways and Means and any committee of the Legislature working on water-related issues during the 2025 legislative session.

The Subcommittee approved a one-time General Fund appropriation of \$195,000 for Portland State University to support two years of the development of a Project Rebound Resource Center to support formerly incarcerated students complete their degree post-release. In addition, the Subcommittee approved, on a one-time basis, a \$306,000 General Fund appropriation for HECC to distribute to Portland State University, Portland Community College, Chemeketa Community College, Treasure Valley Community College, and Central Oregon Community College to provide bridge funding for delivery of college-in-prison-courses for the 2023-24 academic year.

As part of the wildfire prevention and management package, a \$10 million General Fund is approved for deposit into the Oregon Conservation Corps Fund to fund grant supported projects related to the Oregon Conservation Corps Program. The program was established in SB 762 (2021) to reduce the risk of wildfires, assist in the creation of fire-adapted communities, and engage youth and young adults in workforce training. In addition, the Subcommittee approved a corresponding Other Funds expenditure limitation increase of \$10 million for expenditures from the Oregon Conservation Corps Fund.

The Subcommittee approved a one-time General Fund appropriation of \$135,000 for Oregon State University's Southern Oregon Research Extension Center to partner with growers in affected areas to increase capacity to monitor, trap, and suppress vine mealybug found in Oregon vineyards.

As part of the climate package, the Subcommittee approved a General Fund appropriation of \$250,000 for the Oregon Climate Service at Oregon State University to support the State Climatologist position.

HB 2049 (2023) established the Oregon Cybersecurity Center of Excellence. The measure established three Funds to provide resources to the Center: (1) the Oregon Cybersecurity Center of Excellence Operating Fund; (2) the Oregon Cybersecurity Workforce Development Fund; and (3) the Oregon Cybersecurity Grant Program Fund. The measure provided \$2.5 million General Fund to be deposited into the Operating Fund for startup costs for the Center; \$2.15 million General Fund to be deposited into the Workforce Development Fund to support specified education and training programs; and \$250,000 General Fund for the Grant Program Fund to provide assessment, monitoring, incident response, and competitive grants to government bodies for cybersecurity-related goods and services. After review of HB 2049 (2023), it was determined that Other Funds expenditure limitations are required to spend out of these three Funds. The Subcommittee approved three Other Funds expenditure limitations totaling \$4.9 million for the Higher Education Coordinating Commission to for distribution of monies from these three Funds to the Oregon Cybersecurity Center of Excellence.

The Subcommittee approved increasing Other Funds expenditure limitation by \$4.7 million for the costs of issuing bonds authorized in HB 5005 (2023) for public universities, community colleges, and HECC. In addition, the Subcommittee approved \$2.1 million General Fund for debt service on the Oregon Institute of Technology Geothermal System emergency renovation project, which has approval for the October 2023 bond sale requiring debt service for the 2023-25 biennium. Capital construction limitation for new public university and community colleges capital projects is provided in HB 5006 (2023) and project descriptions are included in HB 5005 (2023).

Other Funds expenditure limitation of \$5 million was approved for the second phase of the Financial Management Information System (FAMIS) project. The second phase will include the replacement of two additional legacy information systems: ETPL (Eligible Training Provider List System), and PCSVets (Private Career Schools and Office of Degree Authorization). The project replaces multiple out-of-date existing systems with one IT platform that consolidates HECC's data to provide students and job seekers with better access to assistance, while improving security and reporting functions. This information systems modernization project is financed with the proceeds from the sale of Article XI-Q Bonds. The project has approval for the May 2024 bond sale requiring debt service for 2023-25; the Subcommittee approved \$856,842 General Fund to pay that expense.

The Subcommittee approved a General Fund appropriation of \$500,000 for the Oregon Health and Science University School of Public Health to perform a public health study on the effects of current laws and policies on people in the sex trade in the state of Oregon.

The Subcommittee approved the following one-time General Fund appropriations to HECC for distribution to entities supporting youth workforce development and college access:

- \$586,500 to grant to REAP, Inc. for REAP's Young Entrepreneurs Program (YEP) to create opportunities for young entrepreneurs in outer east Portland.

- \$1.2 million to grant to Self Enhancement, Inc. for establishing an Underserved and Underrepresented Youth Cohort that will build a pipeline of diverse students who are ready to gain employment in the newly expanded semiconductor industry following the students' graduation from high school or a post-secondary institution of education.
- \$2 million to grant to Building Blocks 2 Success for the purpose of increasing workforce development in the semiconductor industry, with a focus on enhancing: (1) a Science, Technology, Engineering, and Math (STEM) pipeline program for summer programming; (2) college preparation for individuals who will major in STEM fields at historically Black colleges and universities; (3) participation at STEM-based camps at Oregon State University; (4) wraparound supports for STEM interns; and (5) improving indicators of student success in semiconductor-related academic majors.

## **HUMAN SERVICES**

### **Commission for the Blind**

Oregon Commission for the Blind's information technology (IT) infrastructure update and alignment project was originally approved in the 2019-21 biennium. The goals of the project are to establish a case management system and transfer IT support from a contractor to Department of Administrative Services (DAS) IT services. The measure increases General Fund by \$952,421 to implement the second phase of the project, which includes ongoing maintenance and system support and cloud hosting, and to support the cost of DAS IT helpdesk services and state data center costs. The agency will provide a project status update to the Legislative Fiscal Office, including the projected project completion date, prior to the 2025 legislative session.

The budget increases Federal Funds expenditure limitations for the Commission for the Blind by \$234,260 to fund the upward reclassification 36 rehabilitation instructor and counselor positions to vocational rehabilitation specialist positions. The Department of Administrative Services Chief Human Resources Office conducted a position analysis of the commission's rehabilitation instructors and vocational rehabilitation counselors and determined the work conducted by these positions was consistent with the vocational rehabilitation specialist classification.

### **Department of Human Services**

The Subcommittee approved a General Fund appropriation of \$20.9 million to the Department of Human Services (DHS) to phase out the temporary food and shelter services being provided to 300 individuals pursuing a case by U.S. Citizenship and Immigration Services. The funding includes \$10.8 million to cover food and shelter costs for nine months, during which time DHS will work with Multnomah County and community-based organizations to fully transition these individuals out of short-term shelter and into long-term community-based housing and wrap around services. The appropriation includes \$9.8 million General Fund for Multnomah County to coordinate services and contract with community-based organizations. Also included is \$377,564 for five limited-duration positions (1.90 FTE) in DHS Self-Sufficiency for program administration, including four Public Service Representative 4 positions and one Program Analyst 2 position. The Subcommittee adopted the following related budget note:

#### **BUDGET NOTE**

The Department of Human Services is directed to present to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2024 regular legislative session on (1) the status of efforts to transition the current caseload of 300 individuals (as of June 5, 2023) into



community-based housing and wrap-around services, (2) the number of similarly-situated individuals who have arrived in Oregon in need of like services, and (3) efforts to connect those individuals with community-based organizations and resources.

The budget includes \$6.8 million General Fund and Federal Funds expenditure limitation of \$3.4 million for the Department of Human Services to make permanent a 5% occupancy rate enhancement first approved in 2021-23 due to the COVID-19 pandemic, and to reflect a new methodology for calculating the rates paid to behavior rehabilitation service providers. This new methodology will connect provider payment rates to data from the U.S. Bureau of Labor Statistics and the Consumer Price Index to account for inflation. The funding provided is in addition to the \$2.9 million General Fund included in the Department of Human Services budget bill (HB 5026). A corresponding rate adjustment is supported for behavior rehabilitation services funded in the Oregon Youth Authority's budget.

#### **BUDGET NOTE**

The Department of Human Services is directed to conduct a comprehensive rate and wage study across home and community-based service delivery systems, with a focus on providers of in-home and residential care to individuals receiving services through the Office of Developmental Disabilities Services and the Office of Aging and People with Disabilities and provide a written report on the findings and recommendations to the Joint Committee on Ways and Means or Emergency Board no later than September 2024. The report shall provide an analysis of (1) the findings of the wage and rate study; (2) the different required qualifications to provide services in a particular setting; the different service delivery models and service requirements for the service delivery model; and the levels of acuity among recipients of the services provided; and (3) the costs and benefits of recommendations designed to standardize the compensation of direct care workers across programs and service delivery models.

The Subcommittee also approved a one-time General Fund appropriation of \$2.5 million to DHS for assistance to Afghan refugees. SB 5561 (2021 second special session) appropriated \$18.2 million General Fund to DHS on a one-time basis for a 12-month package of support for up to 1,200 Afghan individuals and families paroled into the United States through the U.S. State Department's Afghan Placement Assistance Program, including funds for short-term food and shelter, case management services, rental assistance, culturally specific food assistance and interpretation classes. The \$2.5 million appropriated by the Subcommittee for 2023-25 represents the anticipated unspent amount from the 2021-23 biennium, which the measure disappropriates.

An increase of \$350,000 General Fund is included for the Intellectual and Developmental Disabilities program to support legal reviews of guardianship pleadings through Disability Rights Oregon. The Subcommittee also approved Other Funds expenditure limitation of \$264,000 for DHS debt service payments.

The measure also includes a General Fund appropriation of \$3.6 million for implementation of SB 104 (2023) related to agency with choice services for individuals served by the DHS Office of Developmental Disabilities Services. This increase serves as a necessary correction to the fiscal amendment adopted for SB 104 and does not represent additional program funding.

#### **Long Term Care Ombudsman**

The Subcommittee approved \$300,000 in Other Funds expenditure limitation for the Long Term Care Ombudsman to administer a grant from Asante Hospital Systems to increase access to public guardian services.

### **Oregon Health Authority**

The Subcommittee approved a \$20 million General Fund increase in the Oregon Health Authority (OHA) for local community investment in public health modernization. Included are 10 permanent full-time positions (6.66 FTE) to assist in administering the funds. This increase adds to a \$30 million General Fund increase in OHA's budget bill (SB 5525) for public health modernization.

The budget includes a General Fund decrease of \$98.3 million to recognize savings to the Oregon Health Plan based on greater than anticipated revenue forecasted from the intergovernmental transfer agreement with Oregon Health and Science University. Also included are increases of \$241 million Other Funds and \$344.4 million Federal Funds to utilize the federal match associated with the additional revenue.

Insurer's tax revenue collected by the Department of Consumer and Business Services exceeded prior forecasts, requiring an Other Funds expenditure limitation increase for OHA of \$34.9 million as the funds are transferred to support the Oregon Health Plan, while allowing for a \$34.9 million decrease to reflect the savings to the General Fund.

OHA's primary budget bill (SB 5525) includes a General Fund investment for expansion of the 9-8-8 system and mobile crisis response. Upon the passage of HB 2757 (2023), a new tax on telephone lines of \$0.40/line will generate revenue for the program. The new revenue reflects an increase of \$32.9 million Other Funds. The original \$39.6 million General Fund investment included in SB 5525 is decreased in SB 5506 by \$26.4 million to reflect the savings resulting from the new tax, while leaving some of the original investment in place to accommodate program start-up and account for the timing of new tax revenue that will not be available until April 2024.

The budget includes a \$2 million General Fund investment to supplement health care interpreter services in the Central Services Division.

The Subcommittee approved a \$1.5 million General Fund investment for the Prescription Drug Monitoring Program (PDMP) integration with provider electronic health records systems for the 2023-25 biennium. The PDMP integrates information collected by the Public Health Division and makes it available at the point of care by physicians to ensure that patients are not receiving unnecessary prescriptions for opioids and other narcotics, helping to prevent drug addiction and overdoses.

To recognize, support, and promote initiatives that contribute to the advancement of equity and inclusion at the Oregon State Hospital, the budget includes \$1.9 million General Fund. This funding will support the establishment of 10 positions (7.50 FTE) for training; cultural linguistic, and identity-affirming needs and supports; and other activities to support an inclusive and welcoming culture. Also included are increases of \$426,651 General Fund and \$103,882 Other Funds, a reduction of \$97,153 Federal Funds, the abolishment of six positions (6.00 FTE) across multiple divisions, and the creation of six positions (5.01 FTE) to realign diversity, equity, and inclusion efforts agencywide.

The budget includes a one-time increase of \$4.9 million General Fund, \$8,631 Other Funds, \$1.6 million Federal Funds, and seven positions (5.25 FTE) to improve mental health programs by strategically investing in jail diversion and civil commitment programs.

The budget includes \$1.8 million General Fund for debt service on general obligation bonds for capital projects approved for the Oregon State Hospital (OSH). The approved projects include \$5 million to remodel a single unit at the Junction City facility to accommodate a complex patient and \$3 million to

replace the programmable logic controller (PLC) information technology system. To pay for the cost of issuance of the bonds, an increase of \$140,000 Other Funds is included. The Subcommittee also approved \$50 million in Other Funds expenditure limitation for lottery bond proceeds to build new community acute psychiatric facility capacity, and \$525,793 Other Funds for cost of issuance. An increase of \$2.5 million Lottery Funds is also included for the debt service on lottery bond sales, as well as an increase of \$27,000 in Other Funds expenditure limitation for debt service payments on existing bonds.

An increase in Other Funds expenditure limitation of \$4.4 million is included for the Public Health Division to utilize proceeds from the JUUL settlement for inhalant cessation assistance. The agreement includes a \$1.8 million payment for 2021-23 and a \$3.6 million payment for 2023-25, and the amount available to OHA is net of \$1 million in legal cost recovery for the Department of Justice.

## **JUDICIAL BRANCH**

### **Judicial Department**

The Subcommittee approved the following Other Funds expenditure limitations for the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF) for both state and local matching funds. Article XI-Q general obligation bond proceeds support state matching funds.

<b>Circuit Courthouse</b>	<b>State Match Other Funds</b>	<b>Local Match Other Funds</b>	<b>Total Other Funds</b>
Clackamas County	\$30,000,000	\$30,000,000	\$60,000,000
Morrow County	\$12,575,000	\$12,575,000	\$25,150,000
Curry County	\$10,600,000	\$10,600,000	\$21,200,000
Benton County	\$8,831,894	\$8,831,894	\$17,663,788
<b>Total</b>	<b>\$62,006,894</b>	<b>\$62,006,894</b>	<b>\$124,013,788</b>

The Subcommittee approved, on a one-time basis, a separate increase to Other Funds expenditure limitation of \$813,106 associated with bond costs of issuance. The measure also includes a one-time Other Funds expenditure limitation of \$260,000 for debt service payments on previously authorized bond issuances.

The following one-time General Fund appropriations are included for the following courthouse projects:

<b>Courthouse Project</b>	<b>Purpose</b>	<b>Total General Fund</b>
Deschutes County Courthouse	Renovation	\$15,000,000
Columbia County Courthouse	Renovation	\$2,000,000
<b>Total</b>		<b>\$17,000,000</b>

The Subcommittee approved, on a one-time basis, Other Funds expenditure limitation for the courthouse projects summarized in the table below. The revenue source is the American Rescue Plan Act State Fiscal Recovery funds received by the Department of Administrative Services as Federal Funds and transferred to the Judicial Department as Other Funds.

Courthouse Project	Purpose	Total Other Funds
Harney County Courthouse Annex	Renovation	\$3,000,000
Umatilla County Courthouse	Replacement planning	\$100,000
Hood River County Courthouse	Replacement planning	\$42,549
Total		\$3,142,549

An additional one-time General Fund appropriation of \$818,333 is also included in the measure for distribution to the Oregon State Bar for immigration legal services.

#### **Public Defense Services Commission**

The Subcommittee approved, on a one-time basis, a General Fund appropriation of \$1.5 million to the Public Defense Services Commission to contract with Disability Rights Oregon (DRO) for civil court-appointed counsel at state expense for qualified individuals when the estate of the protected person is insufficient to pay the expense of a private counsel (SB 578, 2021). The appropriation provides funding to support for three provider attorneys (\$1.2 million), one provider investigator (\$156,817), and an administrative charge of five percent (\$74,639). Of note is that the Commission has yet to adopt any policies or procedures related this program, including those needed to determine the financial eligibility requirements for participation.

The measure includes a one-time increase of \$1 million Other Funds for the potential receipt from the Criminal Justice Commission of a subgrant from the Edward R. Byrne Memorial Justice Assistance Grant.

The Subcommittee adopted the following budget note related to the Case Financial Management System information technology project:

#### **BUDGET NOTE**

The Public Defense Services Commission is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means prior to the 2024 legislative session on the status of the Financial/Case Management System (F/CMS) information technology project. The Commission's reports to the Legislature shall include: (a) updates on project scope, schedule, budget, and total cost of ownership; (b) current project risks, likely impacts, and mitigation strategies; (c) independent quality assurance reporting; (d) stakeholder/provider involvement in the planning and governance of the project; and (e) other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project. The Commission is to follow the Joint Stage Gate or a similar disciplined process related to information technology projects, including development of key artifacts and independent quality assurance oversight.

#### **LEGISLATIVE BRANCH**

### **Legislative Administration Committee**

To support the third phase of the Capitol, Accessibility, Maintenance, and Safety (CAMS) project, the budget includes an increase of \$19.1 million General Fund for debt service and \$1.9 million Other Funds for the cost of issuance on \$215 million in general obligation bonds authorized in HB 5005 (2023). CAMS III will continue seismic upgrades and other improvements to the 1938 Capitol rotunda. Added to the project are the replacement of the Capitol's nine elevators, the fire alarm systems in the House and Senate wings and their integration with the new system in the rotunda, and the chamber sound systems, including outdated wiring to member desks on the House floor.

## **NATURAL RESOURCES**

### **Department of Agriculture**

The Subcommittee approved a one-time General Fund appropriation of \$312,100 in the Oregon Department of Agriculture (ODA) to support survey and treatment of the vine mealybug. This pest presents a substantial threat to wine grapes in many production regions worldwide, and it was first identified in Oregon in 2021. Vine mealybug directly impacts vines and fruit and is also a key vector of leafroll virus in grapevines. Both the vine mealybug and leafroll virus cause economic damage in vineyards once established. A monitoring study conducted by ODA in 2022 found that Oregon's vine mealybug population is confined to commercial vineyards within a small area of Jackson County. In a budget note for HB 5002 (2023), ODA has been directed to report to the Legislature during the 2024 legislative session on the status of the agency's surveillance and treatment against the Japanese beetle and other emerging pests, such as the vine mealybug.

The budget also includes a one-time General Fund appropriation of \$1 million to increase funding for the Wolf Depredation Compensation and Financial Assistance Grant Program. This program administers grants to counties that have created and implemented a county wolf depredation compensation program.

### **Department of Energy**

The Subcommittee approved several investments and adjustments for the Oregon Department of Energy (ODOE) related to recommendations from a legislative workgroup on climate and energy issues. Unless otherwise noted, these investments are approved on a one-time basis and include the following:

- \$20 million General Fund for deposit into the Community Renewable Investment Fund, established in HB 2021 (2021), to provide grants for planning and developing projects that advance community renewable energy and energy resilience. Additionally, \$20 million Other Funds expenditure limitation was provided for expenditures from the Fund.
- \$10 million General Fund for deposit into the Rooftop Solar Incentive Fund, established in HB 2618 (2019) for issuance of rebates and administration of the Solar and Storage System Rebate program which incentivizes the purchase, construction or installation of solar electric systems and paired solar and storage systems. Additionally, \$10 million Other Funds expenditure limitation was provided for expenditures from the Fund. The related program sunset has been extended to January 2, 2029, in HB 3049 (2023).
- \$200,000 General Fund for Oregon's share of upfront monies for a proposal to establish a regional hub intended to move towards producing green hydrogen fuels.

- Due to the extension of the Solar and Storage System Rebate program, as well as the Heat Pump Deployment program, the months for seven related limited duration positions have been increased by 4.48 FTE so they may continue to support the programs throughout the 2023-25 biennium. These positions are established in the Department's policy packages 205 and 206. The positions are funded by the programs, and expenditure limitation is already included in the agency's budget. Only a technical adjustment shifting \$900,292 Other Funds expenditure limitation from special payments to personal services is needed.
- \$451,606 General Fund is provided for establishment of a permanent, full-time Business Operations Manager 3 (0.88 FTE) and related services and supplies. This position will provide management, oversight, and support for the various new programs established in ODOE's Energy Development Services division.

Additionally, the budget includes \$513,354 Other Funds expenditure limitation for establishment of a limited duration Procurement and Contracting Specialist 3 (0.88 FTE), a limited duration Human Resources Analyst 2 (0.88 FTE), position related services and supplies, and 12 additional months for an existing Operations and Policy Analyst 2, bringing it to 1.00 FTE. All three positions are in the Administrative Services division. The additional staff capacity is intended to address workload from the cumulative effect of policy bills passed during this legislative session, inclusive of climate initiatives, which approved over \$45 million in various programs and established 19 positions for the Department.

SB 1536 (2022) directs ODOE to complete a cooling study and submit a report to the Legislature no later than September 15th, 2023. The bill provided \$500,000 as a one-time General Fund appropriation for the study. The Subcommittee approves reappropriation of the remaining \$300,000 General Fund that will revert at the end of the 2021-23 biennium. The reappropriation of these funds is necessary to complete the report, which has been contracted through a third party.

Lastly, \$5.1 million Federal Funds expenditure limitation and establishment of one permanent, full-time Economist 4 position (1.00 FTE) is provided in support of the State Energy Program grant, awarded to the Department by the U.S. Department of Energy, and made possible through the Infrastructure Investment and Jobs Act. The position establishment makes permanent an existing limited duration position for delivery of the grant over the performance period, which will be at least five years. The position provides additional support for energy planning, policy, and program development, coupled with education, outreach and technical assistance for Oregonians. ODOE received approval to apply for the grant during the December 2022 meeting of the Emergency Board.

#### **Department of Environmental Quality**

The measure includes Other Funds expenditure limitation of \$5 million to expend a portion of the proceeds from \$10 million in general obligation bonds approved through HB 5005 (2023). The bond proceeds will replenish the Orphan Site Account which is used to fund investigations and cleanup at sites where parties who are responsible for the pollution are unknown, unable, or unwilling to perform cleanup at the site. The Orphan Site Account is also used to meet Oregon's obligations at federally funded Superfund sites. Oregon must contribute at least 10% of the Environmental Protection Agency's cleanup costs and pay 100% of long-term maintenance costs at Superfund sites. The Department typically spends the proceeds over two consecutive biennia before making another request for additional Orphan Site bonds. Other Funds expenditure limitation is also increased by \$333,333 for the cost of issuing \$10 million in general obligation bonds in May 2024, and \$1.8 million General Fund is provided for debt service payments.

Interest earnings on general obligation bond proceeds produced \$54,000, which is available to offset General Fund debt service payments. The Subcommittee approved establishment of an Other Funds expenditure limitation of \$54,000 to apply these interest earnings towards debt repayment.

### **Department of Fish and Wildlife**

The Subcommittee approved a one-time General Fund appropriation of \$1 million for the Department of Fish and Wildlife to pay for a third-party assessment of state-owned fish hatcheries. In its 2023-25 request budget, the Department discussed many agency initiatives to prepare for the impacts of climate change and ocean acidification, including initiation of a climate vulnerability assessment of Oregon's fish hatcheries. This investment provides funding to procure an assessment providing fish hatchery information including, but not limited to climate vulnerability. The Subcommittee provided the following instruction to the Department regarding the assessment:

#### **BUDGET NOTE**

The Department of Fish and Wildlife is directed to procure a third-party assessment of the operations, sustainability, and climate vulnerability of state-owned fish hatcheries. The department shall present a detailed and thorough report which must, at a minimum, include the following:

- Funding models and financial sustainability of state-owned hatchery operations, including consideration of facility maintenance costs.
- An economic cost-benefit analysis that includes:
  - The total agency costs associated with producing hatchery fish at each facility.
  - The estimated economic benefits associated with production of hatchery fish.
- A summary of how the ecological impacts and benefits of hatchery programs on wild fish are incorporated into federal and state planning and policy making.
- Climate vulnerability for a sample set of state-owned hatcheries. This assessment should include:
  - The projected impact of climate change on the ability of each hatchery to rear and release fish.
  - The likely impact of climate change on the viability of, and need (augmentation and conservation) for hatchery programs.
  - Recommendations to mitigate these impacts through hatchery program changes, such as the species of fish released, and other measures.

During the 2024 legislative session, the Department is directed to provide an update on the status of this report to the Joint Committee on Ways and Means. The Department shall present a completed report during the 2025 session.

The Subcommittee also approved a one-time General Fund appropriation of \$100,000 to pay for anticipated Department of Justice costs related to contested water rights cases and protest resolution. This likely increase in legal expense is related to an agency effort to reduce the backlog of protests concerning water rights and transfers. Additionally, a shift of \$957,216 General Fund from the Fish Division to the Habitat Division rebalances statewide drought package investments approved and funded in the Department's budget bill (SB 5509).

The measure includes a one-time General Fund increase of \$238,271 for the payment of debt service associated with bonds authorized to finance \$2.5 million of capital renewal and improvement projects on non-hatchery related facilities. The Subcommittee also approved \$40,000 Other Funds expenditure limitation for the cost of issuance related to the bonds. The \$2.5 million Other Funds expenditure limitation is provided in the Capital Construction bill (HB 5006).

Other Funds expenditure limitation of \$13.8 million is included to expend lottery bond proceeds authorized to be issued for infrastructure projects improving fish and wildlife passage. Proceeds in the amount of \$8.8 million will be deposited into the Fish Passage Fund (ORS 497.139) for fish passage projects, and proceeds in the amount of \$5 million will be deposited into the Oregon Conservation and Recreation Fund (ORS 496.252) for wildlife passage projects. This investment is included in the statewide drought package. An additional \$181,834 Other Funds expenditure limitation is included for the cost of bond issuance, and due to the sale scheduled in March 2025, debt service costs will not occur during the 2023-25 biennium.

The Subcommittee approved position authority to continue three limited duration positions (3.00 FTE) first approved in 2021-23. Positions include a Facilities Engineer 3 (1.00 FTE), a Construction Project Manager 1 (1.00 FTE), and an Engineering Technician 2 (1.00 FTE). The positions support a capital improvement and renewal project which was approved and financed with \$5 million in Article XI-Q bonds in 2021. Funding for the position comes from the bond proceeds, which have six-year limitation.

#### **Department of Forestry**

The Subcommittee established a \$12 million Other Funds expenditure limitation for the Oregon Department of Forestry (ODF) for the purchase of a new multi-mission capable aircraft from the net proceeds of General Obligation bonds anticipated to be issued in the upcoming biennium. The new aircraft is intended to replace the agency's current aircraft that has been in service for 36 years and has been increasingly in need of repairs and is subject to unexpected down time. The aircraft will perform missions that include fire start detection, air attack, large fire direct and logistical support, firefighter transportation, search and rescue, and disaster relief. Agency defined requirements for the new aircraft include twin turbine engines, high fixed wing, type certified at purchase, infrared and night vision equipped (or compatible platform), short take-off and landing performance, minimum 10-passenger capacity, 8,000 foot single-engine service ceiling, cargo rail system, and opening in flight rear cargo door.

Other Funds expenditure limitation increases totaling \$5.1 million for ODF were approved for the expenditure of general obligation bond proceeds for capital improvement projects and bond cost of issuance related to bonds approved for issuance in the upcoming biennium. The agency's General Fund appropriation for debt service is increased by \$1.5 million and debt service expenditure limitation is increased by \$1.1 million Other Funds for the payment of anticipated debt service on bonds approved to be issued in the upcoming biennium for capital improvement projects, the second construction phase of the agency's Toledo facility, and purchase of the new multi-mission aircraft and hanger renovation/replacement.

Additionally, the General Fund appropriation made to ODF for the Fire Protection division is reduced by \$1.9 million to adjust the ongoing budget of the agency due to the decision to not continue the catastrophic fire insurance coverage through Lloyds of London.

#### **Department of Geology and Mineral Industries**

In the Department of Geology and Mineral Industries, \$381,097 General Fund and \$37,097 Other Funds supports the establishment of two positions (1.50 FTE) and associated services and supplies to expand the Oregon Mapping Program. This investment was included in the statewide drought package and seeks to create an integrated Oregon Mapping Program through inclusion of a sampling program for water and mineral resources. The two positions include a permanent, full-time Natural Resource Specialist 4 (0.75 FTE) and a permanent, full-time Natural Resource Specialist 2 (0.75 FTE) established in the Geologic Survey and Services division.

#### **Department of Land Conservation and Development**



The measure makes a technical adjustment to allow funds appropriated to the Department of Land Conservation and Development (DLCD) in HB 3409 (2023) for the Community Green Infrastructure Grant Program to be deposited in the Community Green Infrastructure Fund established in the same bill. The technical adjustment also includes \$6.5 million in Other Funds expenditure limitation to allow DLCD to expend moneys from the Community Green Infrastructure Fund.

The measure appropriates \$3 million General Fund to DLCD for continued work on climate friendly and equitable communities. Of this funding, a one-time appropriation of \$2.7 million will be used to provide financial assistance to local governments to adopt climate-friendly areas, work on parking reform and management, engage in equitable community engagement, and perform other work related to this program. The remaining \$309,078 General Fund would be used to hire one permanent, full-time Planner 4 position to work on this program.

#### **Department of State Lands**

Increased Other Funds expenditure limitation of \$18.8 million was approved for the Department of State Lands for expenditure of monies allocated from the Polychlorinated Biphenyls Remediation and Restitution Account and deposited in the Abandoned and Derelict Vessel Fund established by HB 2914 (2023). This fund was created to address the growing number of vessels that are left without authorization on public or private land, or in state or other waters, often sinking, actively polluting or obstructing a waterway, and possibly endangering life or property.

The Department of State Lands was provided with an increase in expenditure limitation of \$500,000 Federal Funds to expend earmarked grant funding from the U.S. Department of Housing and Urban Development for the planning and initial project costs for redevelopment of Shuttters Landing (aka Shutter Creek site) in association with the creation of the Elliott State Research Forest and its related research infrastructure. The total funding earmarked was \$4 million; however, the requested expenditure limitation increase is limited to anticipated expenditures in the upcoming biennium, with expenditure limitation for the remaining amount to be requested in future biennia.

#### **Oregon Watershed Enhancement Board**

Increased expenditure limitation of \$4.1 million Other Funds was approved for the Oregon Watershed Enhancement Board for the expenditure of net lottery revenue bond proceeds deposited in the Community Drinking Water Enhancement and Protection Fund, and bond issuance costs. The fund and associated program provide grants to water suppliers and serve rural communities, communities experiencing lower incomes, or in low population areas to protect, restore, or enhance sources of drinking water as established by HB 2010 (2023) as a part of the water and drought package.

#### **Parks and Recreation Department**

Increased expenditure limitation of \$10.2 million Other Funds was approved for the Parks and Recreation Department, Community Support and Grants program, for the expenditure of \$10 million in net proceeds from issuance of lottery revenue bonds for the Oregon Main Street program and \$155,705 for costs associated with the issuance of the bonds.

#### **Water Resources Department**

A one-time General Fund appropriation of \$100,000 to the Water Resources Department (WRD) was approved for the pass through of funding to Portland State University, Oregon Consensus, to continue current facilitation of the Tribal Water Task Force. This supports engagement between Oregon's nine

federally recognized Tribes and the Water Resources Department on issues related to water supply, watershed management, and water distribution, including matters related to water rights held or claimed by Tribes.

The Subcommittee approved an increase of \$10 million Other Funds expenditure limitation for making grants and loans from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. Water Supply Development grants and loans are made to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water.

Increased expenditure limitation of \$50 million Other Funds was approved for the purpose of making grants and loans for irrigation modernization projects from lottery bond proceeds deposited into the Water Supply Development Fund. The funding is intended to leverage federal funding associated with Natural Resource Conservation Service authorized watershed plans, U.S. Bureau of Reclamation WaterSmart grant recipients, or U.S. Environmental Protection Agency grant recipients that are eligible to be on the Oregon Department of Environmental Quality's Intended Use Plan; and to provide public benefits in each category of benefits described in ORS 541.673. For projects involving surface water rights where the project conserves water, the intent is for priority to be given to projects that legally protect a portion of the conserved water instream commensurate with the amount required under the approach described in ORS 537.470.

The Water Resources Department expenditure limitation is increased by \$5 million Other Funds to allow the agency to distribute a grant to the City of West Linn for replacement of a water line crossing the Interstate 205 bridge (Abernathy Bridge). The grant funding is from the net proceeds of lottery revenue bonds authorized to be issued for the project.

An increase of \$700,425 Other Funds expenditure limitation supports the payment of bond issuance costs related to lottery revenue bonds authorized to be issued in the upcoming biennium for Water Supply Development, Irrigation Modernization, and the West Linn Abernathy Bridge waterline replacement projects. Lottery Funds debt service expenditure limitation is increased by \$2.6 million for the payment of debt service obligations related to Lottery revenue bonds authorized to be issued in the upcoming biennium.

One-time General Fund appropriations totaling \$11.2 million were provided to the Water Resources Department for the purpose of funding grants to entities for water supply projects. The individual recipients, projects, and amount of funding provided are: City of Beaverton, South Cooper Mountain Non-Potable (Purple Pipe) Project, \$2.5 million; North Unit Irrigation District, Infrastructure Modernization Project, \$2 million; Deschutes River Conservancy, Conserving Water Through Piping and Improved Monitoring and Measurement, \$1.5 million; Rogue River Irrigation District, Fourmile Creek Project, \$1.53 million; City of Monroe Water, Pre-filter and Automated Controls Infrastructure, \$1.5 million; City of St. Paul, Water Reservoir Improvement Project, \$636,000; City of Bay City, Earthquake Isolation Valves for Water Reservoirs, \$225,000; City of Halsey, New Well, \$300,000; City of Sodaville, Jackson Well Conversion to Municipal Use, \$370,000; and City of Falls City, Water Main Line Replacement Project, \$591,750.

## **PUBLIC SAFETY**

### **Board of Parole and Post Supervision**

To pay for legal representation for juvenile commutations and adults in custody, the budget increases the Board of Parole and Post Supervision's General Fund appropriation by \$322,600.

### **Criminal Justice Commission**

SB 973 (2019) created the Improving Peoples' Access to Community-based Treatment, Supports and Services (IMPACTS) Account for making grants to counties and federally recognized Indian tribes for community supports and services for individuals with mental health or substance use disorders leading to their involvement with the criminal justice system. The Subcommittee approved \$10 million General Fund on a one-time basis to recapitalize the account and provided the Criminal Justice Commission with \$10 million of Other Funds expenditure limitation for making grant awards.

A one-time increase of \$650,000 General Fund supports the Family Preservation Project operating at the Coffee Creek Correctional Facility. The Criminal Justice Commission will administer payments for this program, which is provided by the YWCA of Greater Portland.

A one-time General Fund appropriation of \$5 million is included for deposit into the Illegal Marijuana Market Enforcement Grant Program Fund established in SB 1544 (2018). Monies in this fund are for providing grants to local governments to assist with the costs incurred by local law enforcement agencies in addressing unlawful marijuana cultivation or distribution operations. A corresponding \$5 million Other Funds expenditure limitation is provided for the Commission to distribute the grants out of the fund.

An additional one-time General Fund appropriation of \$100,000 is approved for the Criminal Justice Commission to conduct a study on the advantages and disadvantages of decriminalizing prostitution. The Subcommittee approved the following related instruction:

#### **BUDGET NOTE**

The Criminal Justice Commission is directed to study the advantages and disadvantages of decriminalizing the crime of prostitution and provide a report on the study to the Emergency Board and relevant interim committees related to judiciary, no later than September 2024.

### **Department of Corrections**

The measure includes a budget-neutral reduction of approximately \$6.1 million General Fund and an increase in Other Funds expenditure limitation in the same amount to utilize remaining American Rescue Plan Act State Fiscal Recovery Funds received by the Department of Administrative Services and transferred to the Department of Corrections for maintaining public safety services.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$855,000 for the cost of issuance on \$71.4 million in Article XI-Q bonds for the Department of Corrections' deferred maintenance program, and camera and radio system upgrades. Bonds will be issued in October 2023 and in March 2025. New debt service totaling approximately \$4.1 million General Fund and \$1.2 million Other Funds expenditure limitation was approved for the Department's planned 2023-25 bond issues.

### **Department of Emergency Management**

An Other Funds debt service expenditure limitation was established for \$190,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding General Obligation bonds.

### **Department of Justice**

The measure includes a one-time General Fund appropriation of \$10 million and increase of \$10 million Other Funds for the Crime Victims and Survivor Services Division to assist victims of domestic violence and sexual assault with emergency shelter and safety planning.

A one-time increase of \$6 million General Fund is included for the Crime Victims and Survivor Services Division to assist victims of domestic violence and sexual assault with housing assistance. The funding, to be distributed to tribal governments and community-based programs, is for homelessness prevention, housing search assistance, tenant education and funding for rent, utilities, moving costs, deposits, application fees or safe emergency housing.

The Subcommittee approved, on a one-time basis, a General Fund appropriation of \$10 million, for the Crime Victims and Survivor Services Division, for community-based violence prevention grants. This amount is in addition to \$15 million Other Funds expenditure limitation supported with American Rescue Plan Act State Fiscal Recovery funds received by the Department of Administrative Services as Federal Funds and transferred to the Department of Justice Other Funds (SB 5514) in the prior biennium.

The measure includes a supplemental increase to Other Funds expenditure limitation of \$6.6 million and authorizes the establishment of 18 permanent full-time positions (15.75 FTE) for organizational changes to the Child Advocacy Division. The request includes \$1.2 million in services and supplies. The revenue source will be hourly legal billings to the Oregon Department of Human Services.

The Subcommittee approved a General Fund appropriation of \$821,346 and authorized the establishment of three permanent full-time positions (2.63 FTE) for organized retail theft investigations. The Department will hire one Research Analyst 3 and two Criminal Investigators who will work with local law enforcement investigators, prosecutors, and private sector loss prevention personnel on organized retail theft cases. The request includes \$204,395 in services and supplies.

The Subcommittee approved a General Fund appropriation of \$457,758 and the establishment of one permanent full-time Senior Assistant Attorney General position (0.88 FTE) for an Animal Cruelty Resource Prosecutor. The adjustment includes \$82,510 in services and supplies.

A one-time General Fund appropriation of \$3.9 million, Other Funds expenditure limitation increase of \$21.2 million, and the establishment of 22 limited duration positions (22.00 FTE) are approved for the Legal Tools Replacement Project 3.0. The revenue source of the Other Funds is Article XI-Q general obligation bonds. This increase is approved with the understanding the Department of Administrative Services will unschedule \$7.2 million Other Funds for Article XI-Q general obligation bond proceeds that will not be expended until the 2025-27 biennium (March 2025 bond sale).

The Subcommittee also approved, on a one-time basis, an Other Funds expenditure limitation of \$2.5 million for debt service payments for the Legal Tools Replacement Project 3.0. Debt service will be paid as a part of hourly legal billings to state agencies. In addition, the measure includes a one-time Other Funds expenditure limitation of \$320,000 for the cost of the bond issuance for the Legal Tools Replacement Project 3.0 and which is to be budgeted under Debt Service and Related Costs program. The Subcommittee adopted the following budget note related to the Legal Tools Replacement Project 3.0 technology project:

**BUDGET NOTE**

The Department of Justice is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means prior to the 2024 legislative session on the status of the Legal Tools Replacement Project 3.0. The agency's reports to the Legislature shall include: (a) updates on project scope, schedule, budget, and total cost of ownership; (b) current project risks, likely impacts, and mitigation strategies; (c) independent quality assurance reporting; (d) Department of Administrative Services project reporting and direction; (e) client agency involvement in the planning and governance of the project; and (d) other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

The Department of Justice generates the majority the agency's Other Funds revenue from charges to state agencies for legal services. The legal services rate (also known as the Attorney General rate) is established as part of the legislative budget process. The Attorney General rate for the 2023-25 biennium legislative adopted budget is estimated to generate \$322.9 million and includes \$26.6 million, or two months, of operating capital reserve for the Legal Services Fund. The legislatively approved rates are detailed in the following table:

2023-25 Biennium	Hourly Rate
Senior Attorney General	\$275
Assistant Attorney General	\$275
Investigator	\$144
Paralegal	\$121
Law Clerk	\$65
Legal Secretary/Clerical	\$56

**Department of the State Fire Marshal**

The Subcommittee approved a one-time General Fund appropriation of \$12 million and one-time Other Funds expenditure limitation of \$2 million for four investments in wildfire mitigation and response activities throughout the state. These include:

- \$2 million General Fund for deposit into the State Fire Marshal Mobilization Fund for firefighting costs associated with mobilizing local fire service personnel and equipment to respond to governor-declared conflagrations.
- \$2 million Other Funds expenditure limitation to spend funds deposited into the State Fire Marshal Mobilization Fund.
- \$6 million General Fund to continue the Wildfire Season Staffing grants.
- \$2 million General Fund for wildfire readiness and response, including pre-position resources ahead of anticipated wildfire conditions, such as high winds, lightning, or hot weather; and immediate response to an active incident, which is not yet a conflagration, for short-term capacity.

- \$2 million General Fund for fire apparatus maintenance, firefighting equipment refurbishment, and operations and maintenance of engines for statewide wildfire response.

Additionally, the measure increases Other Funds expenditure limitation by \$545,174 to convert three existing full-time limited duration positions to permanent positions for ongoing operational support as the Department transitions to an independent agency. Positions include a Principal Executive Manager D (1.00 FTE), Accounting Technician (1.00 FTE), and Operations and Policy Analyst 2 (1.00 FTE). These positions are all supported with revenue from the Fire Insurance Premium Tax.

#### **Department of State Police**

Based on the May 2023 state economic and revenue forecast, the measure includes a one-time General Fund appropriation of approximately \$2.2 million to backfill an expected Measure 76 Lottery Funds revenue shortfall for the Department of State Police Fish and Wildlife Division.

The Subcommittee also approved Other Funds expenditure limitation of \$676,814 for the cost of issuance on \$55.1 million in Article XI-Q bonds for three major Oregon State Police construction projects: expansion of the Central Point Office, construction of a new forensic laboratory and medical examiner's office, and a patrol area command office in Springfield. Bonds will be issued in October 2023. New debt service totaling \$5.7 million General Fund was approved for the Department's planned 2023-25 bond issues.

#### **Oregon Military Department**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$140,030 for the cost of issuance on \$8.4 million in Article XI-Q bonds for the Oregon Military Department. Two projects at the Owen Summers building in Salem will utilize these bond proceeds. The amount of \$2.9 million will fund the armory service life extension project, and \$5.5 million is to address seismic-related issues. Bonds will be issued in May 2024. New debt service totaling \$982,730 General Fund was approved for the Department's planned 2023-25 bond issues. An Other Funds debt service expenditure limitation was established for \$721,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding general obligation bonds.

#### **Oregon Youth Authority**

The Subcommittee approved \$12.6 million General Fund, \$201,478 Other Funds expenditure limitation, and \$8.3 million Federal Funds expenditure limitation to make permanent a 5% occupancy rate enhancement, first approved in 2021-23 due to the COVID-19 pandemic, and to reflect a new methodology for calculating the rates paid to behavior rehabilitation service (BRS) providers. This new methodology will connect provider payment rates to data from the U.S. Bureau of Labor Statistics and the Consumer Price Index to account for inflation. The funding provided is in addition to the \$4.5 million of General Fund included in the Authority's budget bill (SB 5541) and is based on an estimated capacity of 249 behavior rehabilitation service beds in the community. A corresponding rate adjustment is supported for behavior rehabilitation services funded in the Department of Human Services' budget.

An increase in Other Funds expenditure limitation of \$694,516 supports the cost of issuance on \$46.1 million in Article XI-Q bonds for the Oregon Youth Authority. Bond proceeds will support continued renovation of living spaces and other facilities at MacLaren, Rogue Valley, Tillamook, Camp Riverbend, and other capital improvements, and will fund the Juvenile Justice Information System modernization project. Bonds will be issued in October 2023, May 2024, and March 2025. New debt service totaling \$4.3 million General Fund was approved for the Department's planned 2023-25 bond issues.

To support the Juvenile Justice Information System (JJIS) modernization project, the Subcommittee approved \$7.7 million Other Funds expenditure limitation. The Other Funds revenue for this expenditure is from the proceeds of Article XI-Q bonds issued for the project. Also approved for JJIS is a one-time General Fund appropriation of \$3.4 million for the non-bondable costs of the project. Finally, an Other Funds debt service expenditure limitation was established for \$56,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding General Obligation bonds.

## **TRANSPORTATION**

### **Department of Aviation**

The budget reclassifies a Construction Project Manager 3 to a Policy Planning and Development Manager 3 in the Department of Aviation to properly reflect the position's responsibilities within the agency's System Action Program. To fund the cost of this reclassification, a Grounds Maintenance Worker 1 position is reduced from 14.23 months to 7.98 months.

### **Department of Transportation**

The measure increases the Oregon Department of Transportation (ODOT) budget by \$1 million General Fund on a one-time basis to augment the Great Streets program, which is primarily funded with \$50 million of transportation funds received through the federal Infrastructure Investment and Jobs Act. The program funds different types of projects, including intersection improvements, bicycle facilities, sidewalks, corridor refinement and planning, street trees and furnishings, lighting, lane reductions and reconfigurations, and traffic calming and speed reduction features.

Additional General Fund is appropriated one-time to ODOT in the following amounts:

- \$2 million to the City of Independence for the Chestnut Street Bridge in the City of Independence
- \$2 million to the City of Independence for Western Interlock off-site transportation improvements in the City of Independence
- \$1.5 million to the Klamath County Economic Development Association for the Klamath Northern Railroad
- \$3 million for pedestrian access improvements along SW Hall Boulevard
- \$5 million to the Malheur County Development Corporation for the Treasure Valley Intermodal Facility project, also known as the Treasure Valley Reload Center

The Subcommittee also approved increases to Other Funds expenditure limitation to support projects funded by lottery revenue bonds. These increases include:

- \$20 million for the Port of Hood River for the Hood River - White Salmon Interstate Bridge
- \$20 million for Multnomah County for the Earthquake Ready Burnside Bridge project
- \$5 million for the City of Bend for the Hawthorne Avenue Pedestrian and Bicycle Overcrossing

Cost of issuance associated with these bonds collectively totals \$514,349 Other Funds, and no debt service for these projects is anticipated in the 2023-25 biennium.

The Legislature authorized a total of \$1 billion in general obligations bonds to support a portion of Oregon's costs related to the Interstate 5 Bridge Replacement project, a shared venture with the State of Washington. Other Funds expenditure limitation totaling \$250 million is associated with the first issuance of bonds in the 2023-25 biennium, with \$250 million in each of the successive three biennia, which matches the State of Washington's \$1 billion commitment and will help leverage federal funding for a portion of construction and design costs. Other Funds expenditure limitation for cost of issuance of the 2023-25 bonds totals \$1.8 million.



**HB 5045 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Steiner

**Joint Committee On Ways and Means**

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**Action Date:** 03/10/23

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 11 - Anderson, Campos, Dembrow, Findley, Gelser Blouin, Girod, Hansell, Knopp, President Wagner, Sollman, Steiner

**Exc:** 1 - Frederick

**House Vote**

**Yeas:** 11 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Smith G, Valderrama

**Nays:** 1 - Reschke

**Prepared By:** Tom MacDonald, Legislative Fiscal Office

**Reviewed By:** Amanda Beitel, Legislative Fiscal Office

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**Various Agencies**

**2021-23**

## Budget Summary\*

### Emergency Board

General Fund	\$ 77,137,124	\$ -	\$ (77,137,124)	-100.0%
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### ADMINISTRATION PROGRAM AREA

#### Department of Administrative Services

General Fund Debt Service	\$ 7,828,488	\$ 8,231,138	\$ 402,650	5.1%
Lottery Funds Debt Service	\$ 22,975,355	\$ 22,775,175	\$ (200,180)	-0.9%
Other Funds	\$ 857,727,532	\$ 873,420,960	\$ 15,693,428	1.8%
Other Funds Debt Service	\$ 487,974,787	\$ 485,975,277	\$ (1,999,510)	-0.4%

#### Department of Revenue

General Fund Debt Service	\$ 6,507,679	\$ 6,224,829	\$ (282,850)	-4.3%
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#### Secretary of State

General Fund	\$ 18,915,145	\$ 19,768,356	\$ 853,211	4.5%
Other Funds	\$ 79,761,879	\$ 79,861,879	\$ 100,000	0.1%

#### Oregon Liquor and Cannabis Commission

Other Funds Debt Service	\$ 4,429,567	\$ 4,299,847	\$ (129,720)	-2.9%
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### CONSUMER AND BUSINESS SERVICES PROGRAM AREA

#### Board of Tax Practitioners

Other Funds	\$ 1,166,969	\$ 1,196,969	\$ 30,000	2.6%
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### ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

#### Oregon Business Development Department

General Fund Debt Service	\$ 74,053,211	\$ 73,090,081	\$ (963,130)	-1.3%
Lottery Funds Debt Service	\$ 42,985,875	\$ 42,813,235	\$ (172,640)	-0.4%
Other Funds	\$ 1,268,010,206	\$ 1,272,722,406	\$ 4,712,200	0.4%

## Budget Summary\*

Budget Summary*	2021-23 Legislatively Approved Budget	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
<b><u>Employment Department</u></b>				
Other Funds	\$ 285,661,087	\$ 310,661,087	\$ 25,000,000	8.8%
Federal Funds	\$ 310,599,469	\$ 285,599,469	\$ (25,000,000)	-8.0%
<b><u>Housing and Community Services Department</u></b>				
General Fund Debt Service	\$ 69,307,754	\$ 66,822,154	\$ (2,485,600)	-3.6%
Lottery Funds Debt Service	\$ 25,224,730	\$ 25,217,810	\$ (6,920)	0.0%
Other Funds	\$ 697,740,895	\$ 697,740,895	\$ -	0.0%
Federal Funds	\$ 780,210,822	\$ 782,245,770	\$ 2,034,948	0.3%
<b><u>Department of Veterans' Affairs</u></b>				
Lottery Funds Debt Service	\$ 499,184	\$ 250,254	\$ (248,930)	-49.9%
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Education</u></b>				
General Fund Debt Service	\$ 46,715,272	\$ 46,685,982	\$ (29,290)	-0.1%
<b><u>Higher Education Coordinating Commission</u></b>				
General Fund Debt Service	\$ 263,774,106	\$ 263,537,606	\$ (236,500)	-0.1%
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Commission for the Blind</u></b>				
General Fund	\$ 5,788,243	\$ 5,988,243	\$ 200,000	3.5%
Federal Funds	\$ 17,994,237	\$ 19,612,485	\$ 1,618,248	9.0%
<b><u>Oregon Health Authority</u></b>				
General Fund	\$ 3,843,917,488	\$ 3,553,471,439	\$ (290,446,049)	-7.6%
General Fund Debt Service	\$ 60,402,266	\$ 60,278,426	\$ (123,840)	-0.2%
Other Funds	\$ 10,754,252,057	\$ 11,122,825,589	\$ 368,573,532	3.4%
Federal Funds	\$ 17,914,701,472	\$ 19,362,418,424	\$ 1,447,716,952	8.1%
<b><u>Department of Human Services</u></b>				
General Fund	\$ 4,819,848,172	\$ 4,540,250,621	\$ (279,597,551)	-5.8%
Other Funds	\$ 960,448,187	\$ 1,003,351,504	\$ 42,903,317	4.5%
Federal Funds	\$ 7,692,771,219	\$ 8,076,264,437	\$ 383,493,218	5.0%

## Budget Summary\*

### JUDICIAL BRANCH

#### Judicial Department

Federal Funds

\$	1,782,035	\$	2,732,035	\$	950,000	53.3%
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#### Public Defense Services Commission

General Fund

\$	448,160,372	\$	449,250,967	\$	1,090,595	0.2%
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### LEGISLATIVE BRANCH

#### Legislative Administration Committee

General Fund Debt Service

\$	26,887,744	\$	26,848,904	\$	(38,840)	-0.1%
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### NATURAL RESOURCES PROGRAM AREA

#### Department of Agriculture

Federal Funds

\$	18,626,329	\$	19,626,329	\$	1,000,000	5.4%
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#### Department of Environmental Quality

Other Funds

\$	302,195,302	\$	303,195,302	\$	1,000,000	0.3%
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#### Department of Fish and Wildlife

General Fund Debt Service

\$	2,085,829	\$	2,061,879	\$	(23,950)	-1.1%
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Federal Funds

\$	160,372,898	\$	160,872,898	\$	500,000	0.3%
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#### Department of Forestry

General Fund Debt Service

\$	16,142,720	\$	15,777,070	\$	(365,650)	-2.3%
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Other Funds Debt Service

\$	637,324	\$	235,274	\$	(402,050)	-63.1%
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#### Department of Geology and Mineral Industries

Other Funds

\$	6,753,317	\$	7,493,317	\$	740,000	11.0%
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#### Department of State Lands

Other Funds

\$	56,128,184	\$	59,435,032	\$	3,306,848	5.9%
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#### Parks and Recreation Department

General Fund Debt Service

\$	2,232,560	\$	2,138,060	\$	(94,500)	-4.2%
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Lottery Funds Debt Service

\$	3,326,852	\$	3,120,512	\$	(206,340)	-6.2%
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#### Water Resources Department

General Fund

\$	74,089,805	\$	72,589,805	\$	(1,500,000)	-2.0%
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Lottery Funds Debt Service

\$	9,499,510	\$	7,968,940	\$	(1,530,570)	-16.1%
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HB 5045 A

## Budget Summary\*

### PUBLIC SAFETY PROGRAM AREA

#### Department of Corrections

General Fund	\$ 1,000,259,596	\$ 970,099,405	\$ (30,160,191)	-3.0%
General Fund Debt Service	\$ 105,180,474	\$ 96,052,544	\$ (9,127,930)	-8.7%
Federal Funds	\$ 4,734,976	\$ 6,000,000	\$ 1,265,024	26.7%

#### District Attorneys

General Fund	\$ 15,155,109	\$ 15,385,109	\$ 230,000	1.5%
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#### Department of Emergency Management

General Fund	\$ 32,911,344	\$ 39,302,158	\$ 6,390,814	19.4%
General Fund Debt Service	\$ 1,576,705	\$ 1,566,775	\$ (9,930)	-0.6%
Other Funds	\$ 98,495,733	\$ 104,791,705	\$ 6,295,972	6.4%
Federal Funds	\$ 702,235,505	\$ 879,846,121	\$ 177,610,616	25.3%

#### Department of Justice

General Fund	\$ 177,751,210	\$ 174,551,210	\$ (3,200,000)	-1.8%
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#### Oregon Military Department

General Fund	\$ 34,394,421	\$ 30,302,458	\$ (4,091,963)	-11.9%
General Fund Debt Service	\$ 13,493,465	\$ 12,147,095	\$ (1,346,370)	-10.0%
Other Funds	\$ 93,942,602	\$ 87,646,630	\$ (6,295,972)	-6.7%
Federal Funds	\$ 434,910,308	\$ 257,299,692	\$ (177,610,616)	-40.8%

#### Department of State Police

General Fund Debt Service	\$ 2,674,818	\$ 2,491,188	\$ (183,630)	-6.9%
Other Funds	\$ 196,656,970	\$ 196,782,010	\$ 125,040	0.1%

#### Oregon Youth Authority

General Fund Debt Service	\$ 14,880,399	\$ 13,374,089	\$ (1,506,310)	-10.1%
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### TRANSPORTATION PROGRAM AREA

#### Department of Transportation

Lottery Funds Debt Service	\$ 121,144,419	\$ 120,982,579	\$ (161,840)	-0.1%
Other Funds	\$ 4,857,235,948	\$ 5,127,235,948	\$ 270,000,000	5.6%

## Budget Summary\*

	2021-23 Legislatively Approved Budget	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
<b>2021-23 Budget Summary</b>				
General Fund Total	\$ 10,548,328,029	\$ 9,870,959,771	\$ (677,368,258)	-6.4%
General Fund Debt Service Total	\$ 713,743,490	\$ 697,327,820	\$ (16,415,670)	-2.3%
Lottery Funds Debt Service Total	\$ 225,655,925	\$ 223,128,505	\$ (2,527,420)	-1.1%
Other Funds Total	\$ 20,516,176,868	\$ 21,248,361,233	\$ 732,184,365	3.6%
Other Funds Debt Service Total	\$ 493,041,678	\$ 490,510,398	\$ (2,531,280)	-0.5%
Federal Funds Total	\$ 28,038,939,270	\$ 29,852,517,660	\$ 1,813,578,390	6.5%

\* Includes only the appropriated fund types modified by the measure.

## Position Summary

	2021-23 Legislatively Approved Budget	2023 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			Change	% Change
<b>HUMAN SERVICES PROGRAM AREA</b>				
<b><u>Oregon Health Authority</u></b>				
Authorized Positions	5,325	5,334	9	0.2%
Full-time Equivalent (FTE) positions	5,093.99	5,096.16	2.17	0.0%
<b><u>Department of Human Services</u></b>				
Authorized Positions	10,456	10,457	1	0.0%
Full-time Equivalent (FTE) positions	10,275.10	10,275.52	0.42	0.0%

### **Summary of Revenue Changes**

HB 5045 rebalances and makes other changes to state agency budgets within forecasted recourses. Other Funds expenditure limitations are increased by a net \$729.7 million, with the major adjustments involving forecasted changes in tobacco tax, marijuana tax, and health care provider assessment revenues; Federal Emergency Management Agency reimbursement and Federal Highway Administration funds expended as Other Funds, Supplemental Employment Department Administrative Funds; and debt service. The measure increases Federal Funds expenditure limitations by a net \$1,813.6 million, which is largely driven by federal matching revenue received to pay for Medicaid caseload costs; the extension of the enhanced federal Medicaid match available under the federal public health emergency for COVID-19; and federal awards for legislatively approved grants. The measure also reduces Lottery Funds expenditure limitation by \$2.5 million for debt service adjustments.

### **Summary of Capital Construction Subcommittee Action**

HB 5045 is an omnibus budget rebalance bill that modifies General Fund appropriations, adjusts expenditure limitations and position authority, and makes technical adjustments in certain state agency budgets for the 2021-23 biennium. Overall, the measure decreases General Fund appropriations by approximately \$693.8 million, which results from cost increases totaling \$54.7 million and decreases totaling \$748.5 million. The measure decreases Lottery Funds expenditure limitation by \$2.5 million, increases Other Funds expenditure limitation by \$729.7 million, and increases Federal Funds expenditure limitation by \$1,813.6 million. Ten positions (2.59 FTE) are also established. The Subcommittee did not recommend any budget notes. The amendment recommended by the Subcommittee includes the legal citations necessary to effectuate the omnibus budget adjustments, which are described in the narrative below.

### **Statewide Adjustments**

Statewide adjustments reflect budget changes in multiple agencies based on reductions to debt service realized through savings from general obligation and lottery revenue bond sales in October 2021 and May 2022. Debt service savings total \$16.4 million General Fund, \$2.5 million Lottery Funds, and \$2.5 million Other Funds. The debt service adjustments are not described in each agency's narrative section below but are included in the table at the beginning of the budget report. Sections 120 and 121 of the measure reflect these changes for each agency.

### **Emergency Board**

HB 5045 disappropriates \$77,137,124 General Fund from the Emergency Board. This amount represents the remaining balance in the Emergency Fund for the 2021-23 biennium.

### **Adjustments to 2021-23 Agency Budgets by Program Area**

#### **ADMINISTRATION**

### **Department of Administrative Services - American Rescue Plan Act (ARPA)**

As part of HB 5006 (2021), \$240 million in federal American Rescue Plan Act funds were approved for the Department of Administrative Services (DAS) to distribute in each Senate and House district in the amounts of \$4 million per Senate district and \$2 million per House district, for member-identified projects. After session, a subset of the projects required adjustments to the project or description. The Subcommittee approved the following revisions to the 2021 session member ARPA projects:

District	Member	OLD Recipient	OLD Project Description	OLD Amount
		NEW Recipient	NEW Project Description	NEW Amount
S-9	Girod	Drakes Crossing Rural Fire Protection District	Expansion of Rural Broadband Services	1,000,000
		<b>Marion County</b>	<b>Marion County Radio Communications Project</b>	<b>950,000</b>
S-9	Girod	Idanha-Detroit Rural Fire Protection District	Idanha-Detroit Fire Station	2,400,000
		Idanha-Detroit Rural Fire Protection District	Idanha-Detroit Fire Station	<b>2,450,000</b>
H-31	Stout	Linnton Neighborhood Association	River Access Near NW 107th Ave/Community Center Earthquake Retrofit	815,000
		<b>Linnton Community Center</b>	River Access Near NW 107th Ave/Community Center Earthquake Retrofit	815,000

### **Department of Administrative Services**

The Subcommittee approved the following four adjustments to the Department of Administrative Services budget:

- \$5.9 million Other Funds expenditure limitation increase for the Enterprise Goods and Services Division for administrative expenses associated with the Risk Management program (\$4.4 million) and for increased work for the Publishing and Distribution program (\$1.5 million).
- \$6 million Other Funds expenditure limitation transfer from the Enterprise Information Services (EIS) Data Center Services Division to the EIS Administration Division to support Microsoft 365 licensing for all executive branch agencies.
- \$3.65 million Other Funds expenditure limitation increase for transaction costs for the sale of parcels at Mill Creek Corporate Center.



- \$6.1 million Other Funds expenditure limitation increase to accept funds from the Federal Emergency Management Agency for reimbursement of expenditures related to COVID-19 emergency response activities and personal protective equipment purchases.

The Subcommittee also approved modifying the scope of the Grande Ronde Hospital Foundation General Fund grant authorized in HB 5202 (2022) from the expansion of the Surgical Center and facilities to hospital equipment. Grant funds will be used to purchase and install equipment for the building after construction is complete.

### **Secretary of State**

The Subcommittee increased General Fund support for the Secretary of State Elections Division by \$635,000 to close out payments related to producing voters' pamphlets for both primary and general elections. Final costs to produce the voters' pamphlets are not known until the elections end, therefore the 2021 Legislature had established a \$650,000 reservation in the Emergency Fund for this purpose. The Subcommittee also approved a \$218,211 General Fund increase to accelerate the replacement of critical information technology infrastructure equipment that has started to fail. This funding was included in a 2023-25 agency budget request, but the equipment has started to fail sooner than anticipated and needs to be replaced before the end of the biennium. A \$100,000 increase in Other Funds expenditure limitation was also approved for the Archives Division to accommodate expenditures necessary to restore records damaged by flooding at the agency's leased storage facility. These costs will be paid from the proceeds of insurance claims, but the Secretary of State needs additional expenditure authority for these unanticipated costs.

## **CONSUMER AND BUSINESS SERVICES**

### **Board of Tax Practitioners**

The Board of Tax Practitioners' Other Funds expenditure limitation is increased by \$30,000 for higher-than-expected contested case hearing costs based on billings from the Department of Justice and Office of Administrative Hearings. The increase in expenditure limitation is also partially due to a one-time payout the Board made to the previous executive director for unused, accrued vacation leave upon retirement. The Board's operating reserves are available for these additional costs.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Housing and Community Services Department**

A total of \$74.1 million General Fund appropriated to the Housing and Community Services Department in the 2021-23 biennium is approved for transfer into Other Funds accounts to enable funds to be expended during the 2023-25 biennium, as follows:

- \$20 million for single family homeownership development appropriated to HCSD in section 1 of HB 5011 (2021) and approved in Policy Option Package 114 of the agency's 2021-23 budget is deposited into the Housing and Community Services Revolving Account for

homeownership development of homes with alternative ownership models and affordable single family housing. Funds are expected to be committed by the end of the biennium, but construction projects take up to three years to complete, so expenditure of funds is not expected until the 2023-25 biennium.

- \$20 million as appropriated by section 354 of HB 5202 (2022) is deposited into the Housing and Community Services Revolving Account for affordable homes for purchase. These funds will be paired with Local Innovation Fast Track (LIFT) bond proceeds, authorized by Article XI-Q of the Constitution. Funds are expected to be committed by the end of the biennium, but construction projects take up to three years to complete, so expenditure of funds is not expected until the 2023-25 biennium.
- \$4.5 million of a \$10 million investment related to down payment assistance intended to be sub-granted to community culturally responsive organizations - as referenced by Policy Option Package 107 in the agency's 2021-23 budget - is transferred to the Housing and Community Services Revolving Account for use in the 2023-25 biennium. The transfer will allow additional organizations who would not have been able to expend funds by the close of the 2021-23 biennium to seek and serve underrepresented home buyers.
- \$27.1 million of a \$100.4 million General Fund appropriation made to HCSD by section 278 of HB 5006 (2021) for wildfire recovery efforts is transferred into the Housing and Community Services Revolving Account to accommodate completion of purchase, construction and contract timelines that will occur in the next biennium.
- \$2.5 million of an \$80 million appropriation made to HCSD by section 357 of HB 5202 (2022) for homelessness response and prevention services will be deposited into the Emergency Housing Account to support operations of shelters selected by the Oregon Community Foundation as part of the Project Turnkey program. The Foundation's selection timelines do not align with the state's biennial budget, and as a result, these shelters will not be expending funds until after June 30, 2023.

Federal Funds expenditure limitation is increased by approximately \$2 million for the Housing and Community Services Department for emergency rental assistance payments to households with a loss of income from the COVID-19 pandemic. This funding is from federally reallocated funds from other states that were unable to disburse all of their awards from the Consolidated Appropriations Act and the American Rescue Plan Act.

### **Employment Department**

The Oregon Employment Department's (OED) Federal Funds expenditure limitation is decreased by \$25 million and Other Funds expenditure limitation is increased by a corresponding amount to reflect the use of operational reserves to fund unemployment insurance administration. During the COVID-19 pandemic, the U.S. Department of Labor funded significantly less of the agency's administrative expenses than it had in previous recessions, or only about 70% of actual costs. OED had been utilizing penalty and interest payments and Supplemental Employment Department Administrative Funds to fill gap between actual costs and federal reimbursement rates.

### **Oregon Business Development Department**

An adjustment was made to the General Fund appropriation provided to the Oregon Business Development Department to allow the agency to deposit the General Fund monies originally appropriated in HB 2518 (2021) into the Oregon Brownfields Revitalization Fund established in the

same bill. In conjunction with this change, a corresponding Other Funds expenditure limitation of \$5 million was established to allow the agency to expend the monies deposited in the fund.

In addition, Other Funds expenditure limitation of \$287,800 from the American Rescue Plan Act that was erroneously established for the Oregon Business Development Department during the 2022 Legislative Session was reduced to zero. The correct Other Funds expenditure limitation from Coronavirus Relief Funds in the same amount was established by the June 2022 meeting of the Emergency Board.

## **EDUCATION**

### **Department of Education**

In order for the Department of Education to complete the administrative requirements of the 2022 summer learning program, the appropriation made for summer learning program staff in HB 5202 (2022) was extended from January 1, 2023 to June 30, 2023.

## **HUMAN SERVICES**

### **Commission for the Blind**

The Subcommittee increased one-time General Fund support for the Oregon Commission for the Blind (OCB) by \$200,000 to fund the 2023 Salem Summer Work Experience Program (SWEP), a five-to-six-week program providing work experience for young adults aged 16-20. Traditionally, SWEP is supported by the Blind Visually Impaired Student Fund managed by the Department of Education, but OCB's recent application for funding was denied, as the fund had too many demands for available resources. The Subcommittee also increased Federal Funds expenditure limitation by \$1,618,248. Of this amount, \$1,243,756 will complete purchases of vending machines for the OCB's Business Enterprise Program; purchasing of the machines began during 2019-21 but was delayed due to COVID-19 and consequent building closures. A total of \$349,368 is for maintenance and support of Aware, the Commission's automated case management system. Aware was originally approved by the Legislature in the 2017-19 biennium but its budget was reduced in 2020 as part of statewide budget rebalancing actions. Lastly, \$25,124 is for continuity of operations, disaster recovery and data security while the agency transitions to the State Data Center.

### **Oregon Health Authority**

HB 5045 disappropriates \$290.4 million General Fund, adjusts expenditure limitations, and establishes nine positions (2.17 FTE) to rebalance the Oregon Health Authority's (OHA) 2021-23 budget and make additional investments in hospital capacity. The budget rebalance adjustments included in the measure are based on the report submitted by OHA to the Emergency Board in December 2022 and updated for more recent information and recommendations from the Legislative Fiscal Office. The rebalance items are primarily related to the Oregon Health Plan (OHP) caseload forecast, changes in federal matching revenue, drug purchasing rebates, and adjusted revenue forecasts. Also included are General Fund reductions based on anticipated program surpluses. The following table provides a high-level summary of the changes:

Oregon Health Authority	General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
OHA Fall 2022 Rebalance						
Medicaid: Caseload	242,072,372		1,123,727,407	1,365,799,779		
Medicaid: FMAP Savings through Q3 FY 2023	(255,000,000)		255,000,000	-		
Medicaid: FMAP Savings Q4 FY 2023	(72,000,000)		72,000,000	-		
Medicaid: Other Items	(122,275,897)	14,324,445	(267,330,390)	(375,281,842)		
CHIP One-Time Savings	(107,000,000)		107,000,000	-		
OHSU Qualified Direct Payment Adjustment	56,893,000	(5,653,000)	105,100,000	156,340,000		
Tax Forecast Changes	2,650,422	(32,919,616)	26,734,579	22,357,545		
Drug Rebate Adjustment	(38,440,000)	38,440,000		-		
Family Care Settlement	1,000,000			1,000,000		
Cash Flow Loan and Interest	1,500,000	350,000,000		351,500,000		
Programmatic Savings	(19,845,946)	(7,137)	(34,757,979)	(54,611,062)		
Other Position Adjustments		(611,160)	1,850,259	1,239,099	9	2.17
Other Adjustments	(5,000,000)	5,000,000	58,393,076	58,393,076		
<b>Rebalance Total</b>	<b>(315,446,049)</b>	<b>368,573,532</b>	<b>1,447,716,952</b>	<b>1,500,844,435</b>	<b>9</b>	<b>2.17</b>
Hospital Capacity	25,000,000			25,000,000		
<b>OHA Total* - HB 5045</b>	<b>(290,446,049)</b>	<b>368,573,532</b>	<b>1,447,716,952</b>	<b>1,525,844,435</b>	<b>9</b>	<b>2.17</b>

*\*Excluding debt service.*

**FMAP:** The final extension of the federal public health emergency (PHE) for COVID-19 is a pivotal factor in both the current caseload forecast and increase in the Federal Medical Assistance Percentage (FMAP). In exchange for a 6.2 percentage point FMAP increase, states had to meet certain maintenance of effort requirements, including pausing the disenrollment of members from Medicaid even when they lose eligibility. The updated caseload forecast, which was developed in August 2022, assumed the PHE would expire in January 2023. It was also assumed that when the PHE expired, the enhanced 6.2% FMAP would expire.

In late December 2022, the federal government adopted legislation decoupling the continuous enrollment requirement and enhanced FMAP from the PHE. Under this legislation, redeterminations are now set to begin on April 1, 2023 and the enhanced FMAP will gradually phase-down through December 2023. Oregon will need to redetermine all 1.4 million members on OHP, with OHP membership forecasted to start declining in August 2023. At the same time, a structured phase-down approach for the FMAP will be used that lowers the rate to 5% for the

fourth quarter (Q4) of state fiscal year (SFY) 2023, 2.5% for Q1 SFY 2024, and 1.5% for Q2 SFY 2024. The enhanced rate will be completely eliminated in Q3 of SFY 2024 (the end of calendar year 2023).

Included in the budget rebalance is FMAP savings from the PHE being extended from Q2 to Q3 of FY 2023. The 6.2% enhanced match saved Oregon \$255 million General Fund, which was identified in the agency's December 2022 budget rebalance report. The savings from Q4 SFY 2023 provides an additional \$72 million in General Fund savings as the state benefits from the 5% FMAP enhancement as the first phase in stepping down the match rates.

Caseload Forecast: The rebalance identifies net costs of \$242 million General Fund and \$1.3 billion Federal Funds to properly fund OHP and other medical assistance caseloads. This adjustment is based on changes from the fall 2021 caseload forecast, which was used to calculate the first 2021-23 rebalance report in December 2022. Overall, the updated forecast is higher by over 81,000 members, although the net change incorporates a variety of caseload components that increased or decreased. When the spring 2023 caseload forecast is produced in early March 2023, those that stayed on OHP for an additional quarter will be included, likely reflecting an increased cost into 2023 until the redetermination process begins to have an impact.

Other Medicaid Items: Prior to the federal PHE, Medicaid caseloads experienced a natural turnover of member participation (also called "churn") as personal medical or financial circumstances changed and members exited or reentered the caseload. Due to the maintenance of effort requirements discussed above, the PHE resulted in OHP clients not being disenrolled. While this means the caseload numbers for OHP increased, these clients are not utilizing the coverage to the degree anticipated. As a result, this cost per member per month then decreased. In addition, the pandemic has seen a rise in telehealth options, changing the way Oregonians get health care, also decreasing costs for office visits and other services, including transportation. Combined with a decrease in Medicare Part D rates due to FMAP increases and a lower utilization by CCOs for pregnant clients who are still on the Medicaid caseload and no longer pregnant, a net savings of \$122.3 million General Fund (\$375.3 million total funds) results across CCO and fee for service caseloads.

Children's Health Insurance Program: OHA was notified by the Centers for Medicare and Medicaid Services that a federal contingency fund available to backstop the Children's Health Insurance Program from federal fiscal year 2019 had additional funds for Oregon that may be used for any purpose, except as matching funds for federal programs. The rebalance includes \$107 million in General Fund savings from the draw-down of these funds.

OHSU Qualified Directed Payment: HB 2391 (2017) established a net reimbursement rate for the Oregon Health and Science University (OHSU) of 87% of the hospital's costs of providing services that are paid for, in whole or in part, with Medicaid funds. Due to the increased cost of care and inflationary environment since the COVID-19 pandemic began, this qualified direct payment necessitates an increase of \$56.9 million General Fund and \$104.1 million in Federal Funds expenditure limitation to comply with the reimbursement requirement. Also included is a \$5.6 million Other Funds reduction to reflect a smaller intergovernmental transfer from OHSU.

Tobacco/Marijuana Tax Forecasts: The rebalance recognizes \$19 million in tobacco tax revenue increases dedicated to OHP (\$18.6 million) and mental health programs (\$0.4 million) based on changes reflected in the September 2022 Office of Economic Analysis revenue projection. The additional Other Funds revenue is available to offset General Fund in these programs and will be updated in a subsequent 2023 legislative session budget reconciliation bill based on any changes in the next quarterly forecast. The forecasted increase in tobacco tax revenue is largely driven by revenue collections from the new vaping and \$2.00 per pack tax increase on cigarettes being collected above initial projections. This upward adjustment is not expected to be part of a trend. The long-term tobacco tax forecast continues to show decreasing revenue as consumption and instate tobacco purchases decline.

The March 2023 Department of Administrative Services Office of Economic Analysis (OEA) revenue forecast lowered anticipated marijuana revenues, resulting in a reduction of the Drug Treatment and Recovery Services Fund allocation by \$40.5 million Other Funds when compared to the March 2022 OEA forecast. OEA's forecast indicates this substantial downward projection results from the continued oversupply of production, market saturation, and profitability challenges experienced by marijuana businesses, which has increased tax delinquencies.

Insurer Taxes: Insurer tax revenue is lower than initially projected for OHA's budget by \$48 million based on the Department of Consumer and Business Services revenue projections, whereas the CCO assessment is higher by \$37 million due to the increasing OHP caseload. Based on these changes, which have offsetting adjustments for how the OHP caseload is funded, the Subcommittee approved an increase of \$21.6 million General Fund, a reduction of \$11.4 million Other Funds, and an increase of \$26.7 million Federal Funds to reflect the new estimates.

Drug Rebate Adjustment: The Medicaid Drug Rebate program requires drug manufacturers to enter into a national rebate agreement to receive federal funding for outpatient drugs dispensed to Medicaid patients. Pharmaceutical companies participating in this program have signed agreements with the Centers for Medicare and Medicaid Services to provide rebates on all of their drug products. The amount of this rebate exceeded Other Funds limitation by \$38.4 million, creating an equal General Fund savings to the program.

Family Care Settlement: Per the fully executed settlement between the state and Family Care, OHA's portion of the settlement payment is \$7.5 million. HB 5045 includes \$1 million General Fund for the amount owed in the 2021-23 biennium.

Treasury Loan: During the last six months of each biennium, OHA typically borrows from the State Treasury to mitigate OHP cash imbalances that occur due to the timing of Other Funds revenue collections such as hospital assessments. The amounts borrowed are then repaid once the Other Funds revenues are collected. The agreement with Treasury will confine of the use of the funds borrowed to legislatively approved expenses. For 2021-23, OHA's rebalance recognizes a \$350 million Other Funds limitation in the Health Systems Division based on the anticipated loan amount and \$1.5 million General Fund requested in Central Services for short-term interest costs.

**Programmatic Savings:** Multiple agency divisions identified savings of \$19.8 million General Fund and \$54.6 million total funds resulting from one-time vacancy savings, information technology project savings and other fund shifts. These savings amounts are higher than reported by the agency in its December 2022 rebalance report based on updated projections.

**Position Adjustments:** The rebalance includes an increase of nine positions (2.17 FTE). Two positions (0.42 FTE) are supported with Federal Funds, which include one position (0.25 FTE) for a 988 Call Center Grant and one position (0.17 FTE) as a part of the expansion of a comprehensive suicide prevention grant. Seven positions (1.75 FTE) are included to realign the Other Funds spending plan related to the drug treatment and recovery services required under Ballot Measure 110 (2020) within the program's required 4% administrative cost cap.

**Other Rebalance Adjustments:** HB 5045 also includes \$51 million in Federal Funds expenditure limitation to accommodate the federal match for reinvesting \$14 million from the Designated State Health Programs (DSHP) and \$5 million in Federal Funds expenditure limitation to take advantage of federal match from the FMAP extension in Central Services and State Assessments and Enterprise-wide Costs that also equally offsets General Fund. An additional \$5 million in Other Funds expenditure limitation is also included for the Healthy Homes program. This program received a \$5 million General Fund increase in section 367 of HB 5202 (2022); however, the appropriation language did not deposit the revenue to the Healthy Homes Repair Fund, as intended. The \$5 million in Other Funds expenditure limitation and legal reference corrections are included in HB 5045 to fix this issue. OHA's budget rebalance also includes various technical adjustments to expenditure limitations and position counts, as well as net-zero transfers across agency programs.

**Hospital Capacity:** In addition to the budget rebalance adjustments discussed above, the Subcommittee approved a one-time General Fund appropriation of \$25 million to further address hospital capacity constraints. During the September 2022 meeting of the Emergency Board, OHA requested \$6.9 million to fund nurse staffing contracts to support an increase in hospital capacity. On December 7, 2022, former Governor Brown issued Executive Order 22-24 to expand the declaration of emergency in response to the surge in hospitalization rate for severe respiratory illness, influenza, and COVID-19. Through early February 2023, OHA funded 370 clinicians in total across the state to alleviate hospitals experiencing the highest levels of stress to their overall operations.

### **Department of Human Services**

For the Department of Human Services' (DHS) second financial rebalance of the 2021-23 biennium, the Subcommittee approved adjustments resulting in net General Fund savings of \$299.8 million, an Other Funds expenditure limitation increase of \$50.7 million, and a Federal Funds expenditure limitation increase of \$383.5 million. Preliminary rebalance adjustments were identified in a report presented to the Emergency Board at its December 2022 meeting and subsequently updated based on more current information and recommendations from the Legislative Fiscal Office. The adjustments encompass several issues affecting the DHS budget, including savings and funding gaps due to changes in caseloads, costs per case, and the federal medical assistance percentage (FMAP); costs associated with emergency response activities; and other program changes arising since the 2022 legislative session. The following summarizes the budget rebalance adjustments:

- Caseload: The rebalance reflects \$21.4 million net General Fund savings based on the fall 2022 caseload forecast. Compared to the fall 2021 forecast, caseloads are lower in the Child Welfare, Intellectual/Developmental Disabilities, and Aging and People with Disabilities (APD) programs. Savings in these programs are partially offset by caseload costs in the Temporary Assistance for Needy Families (TANF) and Healthier Oregon programs. The General Fund costs for the TANF caseload is partially reduced by a one-time shift of \$17.7 million to TANF federal funds. The rebalance includes an \$8.9 million General Fund increase for the Healthier Oregon program.
- Cost Per Case: The rebalance adjustments include a \$36.4 million General Fund increase for higher than budgeted costs per case in the Child Welfare (CW), Self Sufficiency (SSP), and Intellectual/Developmental Disabilities (I/DD) programs. In CW, the net increase reflects higher utilization and costs related to residential treatment, adoption assistance, and guardianship assistance. In SSP, the increase is mostly driven by higher costs per case in the Temporary Assistance for Needy Families program. The SSP cost per case adjustment included in HB 5045 is \$12.2 million lower than the amount included in the agency's December 2022 rebalance report to correct a calculation. In I/DD, two trends are driving the increase in costs per case: a higher than usual number of exception rates approved for adult 24-hour residential services, and a continuing increase in the use of in-home agency services. Children service hours also did not see a decrease during the school months as was typical prior to the COVID-19 pandemic.
- Provider Rates: The rebalance includes a General Fund increase of \$40.3 million for provider rate increases. This includes \$27.8 million General Fund for provider rate increases in the APD program, and \$6.2 million General Fund for the I/DD program. In APD, the nursing facility average daily rate increased 12% compared to the daily rate assumed in the 2021-23 legislatively adopted budget. The increase captures the impact of the statutorily required annual rate adjustment for nursing facilities, as well as a legislatively approved 4% wage add-on for nursing facility employees and extension of a 5% COVID-19 enhancement through the end of the biennium.

Beginning January 1, 2021, DHS funded a 5% rate increase to support I/DD provider agencies with costs related to the workforce shortage and other expenditures related to the pandemic. The increase was scheduled to expire on June 30, 2022 but was extended by DHS through December 2022. In December, the Emergency Board approved a separate request (Item #10) to continue the increase through June 30, 2023, with the understanding the General Fund costs of \$6.3 million would be funded from rebalance savings. The services impacted by this rate adjustment include I/DD group homes, host homes, day support activities, employment services, foster care services, and behavioral support services.

- Hospital Capacity/Decompression Efforts: The rebalance includes a General Fund increase of \$17.3 million for costs related to DHS efforts to free up hospital beds during the pandemic. DHS offered adult foster care providers \$10,000 for each patient admitted directly from a hospital between January 20, 2022 and March 31, 2022 at a cost of \$2.5 million General Fund; and, for the period of April 2022 to September 2022, the agency incurred costs of \$14.8 million for Nurse Crisis Teams to ease acute workforce challenges. In September 2022, the Emergency Board approved an agency request for \$14.8 million General Fund to operate the teams for an additional six



months.

- Eligibility Workload/Personal Services Shortfall: To manage growth in eligibility workload caused by pandemic-related federal policy changes, the agency has hired significantly beyond its current position authority. In January 2023, for example, the agency reported exceeding its budgeted human services specialist positions by more than 600 positions. The rebalance includes a budget adjustment of \$9.8 million General Fund to cover a portion of the cost of these unbudgeted positions.
- Child Welfare Savings: The rebalance includes one-time General fund savings of \$74.1 million in the CW program, including personal service savings of \$33.3 million due to vacant positions, program savings of \$40.8 million due to lower than anticipated utilization of behavior rehabilitation services beds and other support services, and delayed implementation of the new Respite Foster Care benefit.
- Enhanced FMAP Savings: The Families First Coronavirus Response Act increased states' FMAP by 6.2 percentage points during the period of the national COVID-19 public health emergency. The 2021-23 legislatively adopted budget for DHS assumed enhanced FMAP savings through March 31, 2022, and in its fall 2022 rebalance report, the agency reported savings of \$245.7 million General Fund for the period April 1, 2022 to March 31, 2023. The Subcommittee approved additional one-time General Fund savings of \$295.8 million for the period April 1, 2022 to June 30, 2023.
- Expenditure Limitation/Technical Adjustments: The \$383.5 million increase in Federal Funds expenditure limitation is largely driven by federal funds from the 6.2% enhanced FMAP (\$236.2 million), as well as federal matching funds associated with the increases in costs per case (\$73.9 million), and provider rates in APD and IDD discussed above (\$55.6 million). Federal Funds expenditure limitation was also increased by \$17.7 million to reflect the use of TANF federal funds to offset General Fund costs related to growth in TANF caseloads. The \$50.7 million increase in Other funds expenditure limitation includes \$35.6 million to allow the agency to use Federal Emergency Management Agency (FEMA) reimbursements transferred to DHS from the Oregon Department of Emergency Management for hospital decompression and COVID testing-related costs, \$13.5 million for refinancing in the CW program, and \$1.7 million for a transfer from the Department of Early Learning and Care for the costs of an interagency agreement related to the Employment-Related Day Care program. Also approved were one limited duration Administrative Specialist 2 position (0.42 FTE) in Self Sufficiency and various technical adjustments with a net zero budget impact for transfers of positions and funding between programs.

In addition to the budget rebalance changes, the Subcommittee approved several other changes to DHS's budget. A one-time increase of \$7.5 million General Fund was approved to fund the Oregon Food Bank's emergency food supply stabilization efforts, which follows increases approved during the 2022 session and September 2022 meeting of the Emergency Board. An additional one-time increase of \$3.3 million General fund was approved to ensure access to essential long-term care services and supports in underserved communities by supporting community-based care providers experiencing financial distress. DHS received funding in the 2022 session and from the Emergency Board in September 2022 for this purpose, but the number of eligible distressed providers outweighed available funding.

The Subcommittee also approved a one-time increase of \$9.4 million General Fund to cover higher than projected costs for wildfire shelter and feeding, and other emergency housing activities. A \$7.7 million reduction in Other Funds expenditure limitation was also approved to correct expenditure limitation established in error in HB 5202 (2022) for American Rescue Plan Act. This correction reduces the Other Funds expenditure limitation for Aging and People with Disabilities by \$4.4 million and Intellectual and Developmental Disabilities by \$3.3 million.

## **JUDICIAL BRANCH**

### **Oregon Judicial Department**

The Subcommittee approved, on a one-time basis, an increase of \$950,000 Federal Funds expenditure limitation for three grants previously approved for submission to the federal government. The grants include the Family Treatment Court (\$550,297); Adult Treatment courts (\$184,163); and Juvenile Justice Delinquency Prevention (\$215,540).

### **Public Defense Services Commission**

HB 5045 includes, on a one-time basis, an increase of \$1.1 million General Fund for the Public Defense Services Commission's (PDSC) response to the *Watkins v. Ackley* court decision (December 30, 2022) on nonunanimous jury convictions. *Watkins v. Ackley* applies the U.S. Supreme Court ruling in *Ramos v. Louisiana* retroactively to nonunanimous jury convictions, which allows for post-conviction relief of cases challenging their nonunanimous jury conviction. Persons with nonunanimous jury felony conviction have up to two years from the date of the *Watkins v. Ackley* court decision to challenge their conviction. At present, PDSC estimated that there are 225 to 250 existing post-conviction relief cases, with approximately 83 possibly returning for new trial in the next 60 days. The total number of post-conviction cases, and their timing, is currently unknown, but could total up to 2,000 cases. The 2021-23 legislatively approved budget for PDSC already included \$1.9 million General Fund for the U.S. Supreme Court ruling in *Ramos v. Louisiana* for only those persons currently in custody.

Included in the \$1.1 million increase is \$757,765 General Fund for hourly public defense providers to provide legal services to defendants whose cases are remanded for new trials in light of the *Watkins v. Ackley* court decision (based on average estimated hourly case data). The remaining amount represents \$181,864 General Fund provided for associated nonroutine case expenses and \$150,966 General Fund for two contract attorneys to perform post-conviction relief work for the remainder of the biennium. Cases undertaken in this biennium may continue to incur costs during the 2023-25 biennium at an estimated total cost of \$2.8 million General Fund.

The Subcommittee approved a rebalance action related to a \$10 million General Fund Emergency Board allocation for the unrepresented defendant/persons crisis (December 2022, Item #3). The rebalance aligns the agency's revised supplemental crisis plan, which was recently reported to the Legislature, by moving \$3.6 million General Fund from the Trial Criminal Division to Nonroutine Expenses (\$715,885) and Court Mandated Expenses for hourly-paid attorneys (\$2.9 million).

Also supported in the measure, on a one-time basis, is an agency-wide rebalance plan for the agency to complete the current 2021-23 biennium. Rebalance actions include transferring estimated budget savings from the Executive (\$50,000), Compliance, Audit and Performance (600,000), Appellate (\$500,000), Trial Criminal (\$3.7 million), Administrative Services (\$475,000), and the Special Programs, Contracts, and Distributions Divisions (\$150,000) to Nonroutine Expenses (\$865,026), Court Mandated Expenses (\$3.3 million), and the Juvenile Divisions (\$1.4 million). The agency's rebalance proposal was for two reasons: 1) to align the agency's administratively approved unrepresented defendant/persons crisis plan with the associated budget authority; and 2) to fund a \$1.4 million deficit in Juvenile Division (Parent Child Representation Program) expenditures due to a one quarter revenue shortfall in Federal Funds expended as Other Funds from Title IV-E for reimbursement for state expenses from the Department of Human Services. This is the agency's third major rebalance of the biennium.

## **LEGISLATIVE BRANCH**

### **Legislative Assembly**

The Subcommittee approved a net-zero fund shift to rebalance the Legislative Assembly budget. This adjustment includes decreasing the General Fund appropriated for the 81st Legislative Assembly by \$750,000 and increasing the appropriation for the 82nd Legislative Assembly by the same amount.

## **NATURAL RESOURCES**

### **Department of Agriculture**

During the November 2021 meeting of the Interim Joint Committee on Ways and Means, the Department of Agriculture was given approval to apply for a U.S. Department of Agriculture (USDA) grant benefitting seafood processors impacted by the pandemic, as well as a USDA grant intended to mitigate foreign and high-consequence animal diseases. The Department was subsequently awarded over \$1.8 million for both grants. To support grant delivery during the 2021-23 biennium, the Subcommittee approved a \$1 million increase in Federal Funds expenditure limitation for the Market Access program.

In addition, the Subcommittee approved a net-zero fund shift in Federal Funds expenditure limitation between two programs within the Department. The fund shift totals \$600,000, moving excess expenditure limitation from the Natural Resources program to the Food Safety program, where it will be used to support the new Meat Inspection program created by HB 4206 during the 2020 first special session.

### **Department of Environmental Quality**

The Agency Management Division in the Department of Environmental Quality (DEQ) has experienced higher than anticipated expenditures in the 2021-23 biennium, largely driven by professional contracts and temporary staff. This is related to the implementation of Workday Payroll as well as DEQ initiatives supporting strategic planning and improved information technology infrastructure. The division is predominantly

supported by Other Funds, collected through an indirect rate assessment to the other agency programs. The Subcommittee approved a \$1 million increase in Other Funds expenditure limitation to allow for the additional expenditures, using existing agency resources.

#### **Department of Fish and Wildlife**

During the September 2022 meeting of the Emergency Board, the Department of Fish and Wildlife received approval to apply for an America the Beautiful Challenge grant, administered by the National Fish and Wildlife Foundation. The subsequent award totaled \$2.8 million, funding the Upper Rogue Oak Initiative project focused on oak habitat restoration. The Subcommittee approved a \$500,000 increase in Federal Funds expenditure limitation for current biennium grant expenditures.

#### **Department of Geology and Mineral Industries**

The Department of Geology and Mineral Industries has entered into an interagency agreement with the Department of Forestry to provide Light Detection and Ranging (lidar) services under the Oregon Lidar Consortium. The project totals \$2.2 million for the collection of 4,629 square miles of new lidar data as part of the Private Forest Accord. The Subcommittee approved a \$740,000 increase in Other Funds expenditure limitation to support project expenditures anticipated in the 2021-23 biennium.

#### **Department of State Lands**

HB 5045 increases the Other Funds expenditure limitation for the Department of State Lands by \$3.3 million to accommodate the anticipated expenditure of monies from the Common School Fund for removal and cleanup activities related to certain abandoned and derelict vessels on submerged lands owned by the state.

#### **Water Resources Department**

The General Fund appropriation made to the Water Resources Department, Field Services Division, is reduced by \$1.5 million. The funding had originally been provided to the agency as one-time investments in two Racial Justice Council recommendations: \$1 million General Fund for equitable water access and \$500,000 General Fund for Indigenous energy resiliency. These items came from recommendations by the Racial Justice Council. Investments focus on exploring the water needs of Black, Indigenous, Tribal, rural and communities of color, addressing Indigenous treaty water rights, water scarcity, hydropower, and ecosystem services. The proposed investments were unlikely to be fully effectuated by the agency in the current biennium. This action allows the Legislature to explore alternative avenues to address the implementation of these recommendations.

### **PUBLIC SAFETY**

#### **Department of Corrections**

For the Department of Corrections (DOC), the Subcommittee approved \$1.3 million in Federal Funds expenditure limitation to expend the remaining balance of State Criminal Alien Assistance Program (SCAAP) federal grant. While the Department is no longer eligible to receive

SCAAP funding going forward due to passage of HB 3265 (2021), some funding remains available that DOC had previously received from the federal government as part of the fiscal year 2020 grant award.

Additionally, two budget-neutral fund shifts were approved. The first is a fund shift of \$15.9 million of American Rescue Plan Act (ARPA) funding that had been provided to DOC for deferred maintenance, being shifted to Operations to address a budget shortfall in that area. The budget shortfall is a result of the inflationary costs of food; fuels and utilities; personal items for adults in custody, such as clothes, bedding, paper products, and personal supplies; the unbudgeted cost of collective bargaining agreements; and the cost of ongoing habeas corpus cases. While the Department's deferred maintenance needs remain, logistically the anticipated projects could not be undertaken in the current biennium, allowing for the utilization of available ARPA funding for the operational needs of the Department in lieu of a General Fund request.

The second budget-neutral fund shift includes technical adjustments that shift costs between programs within DOC to rebalance the Department's budget. These include: \$5.5 million from health services, \$3.8 million from correctional services, and \$600,000 from community corrections shifted to central administration, totaling \$9.9 million. The available funding comes from delayed rollout of the Hepatitis C vaccine due to the COVID-19 pandemic and vacancy savings in correctional services and community corrections that will be utilized to fund a budget shortfall in central administration for human resource positions to address recruitment issues and information technology-related costs.

The Subcommittee also approved a reduction of \$30.2 million General Fund to reconcile actions taken by the Emergency Board in September 2022, which had provided \$30.2 million of remaining Coronavirus Relief Fund (CRF) monies to the Department for payroll expenses, which are an eligible use of CRF. This action was intended to act as a fund shift from General Fund to Other Funds; however, because the Emergency Board cannot reduce an agency's budget authority, the General Fund was unscheduled but remained within the Department's budget until it could be reconciled by the Legislature.

Finally, a legal reference correction was approved related to \$363,582 of ARPA funding provided in HB 5202 (2022) that had been incorrectly referred to as Coronavirus Aid, Relief, and Economic Security Act funding.

### **Department of Justice**

HB 5045 disappropriates \$3.2 million General Fund for the Defense of Criminal Convictions (DCC) due to an agency forecasting error in projecting the cost of capital cases. DCC is a budgetary unit used to track the cost of defending the state in cases in which sentenced offenders challenge their convictions or sentences.

The Subcommittee approved, as a one-time rebalance action, the transfer of \$1 million Other Funds expenditure limitation from the General Counsel Division to the Appellate Division to fund a deficit in the Appellate Division, which is reporting higher projected personal service and services and supplies costs than budgeted. Vacancy savings in the General Counsel Division is the source of the transferred funds.

### **District Attorneys**

The Subcommittee approved, on a one-time basis, an increase of \$230,000 General Fund for the final reconciliation of personal service costs for the biennium. This reconciliation accounts for the unfunded portion of Other Payroll Expenses (Social Security taxes; Workers Compensation assessment; Mass Transit taxes; Public Employees Retirement System; Pension Obligation Bonds; and a district attorney's health benefit plan choices). Such a technical adjustment occurs each odd numbered year as part of the early session omnibus measure. A portion of the total request is offset by vacancy savings and savings in the cost of grand jury recordation (\$220,000).

### **Oregon Military Department**

For the Oregon Military Department (OMD), the Subcommittee approved the necessary net-zero funding adjustments to reconcile the establishment of the Department of Emergency Management as an independent agency. The initial funding and all position authority were transferred in HB 5202 (2022) and this reconciliation transfers the remaining current biennium operational budget for the new department. This includes transfers of \$2.8 million General Fund, \$6.3 million Other Funds, and \$177.6 million Federal Funds.

The Subcommittee also approved the reversion of \$1.3 million General Fund provided to OMD at the December 2020 meeting of the Emergency Board as state matching funds for the Federal Emergency Management Agency's Other Needs Assistance program. While this program is typically reimbursed at 75% federal and 25% state, a presidential declaration adjusted the reimbursement amount to 90% federal and 10% state, allowing for the funds to be repurposed.

### **Department of Emergency Management**

The Subcommittee approved the necessary funding adjustments to reconcile the establishment of the Department of Emergency Management as an independent agency. The initial funding and all position authority were provided in HB 5202 (2022) and this reconciliation transfers the remaining current biennium operational budget for the Department. The amounts include \$2.8 million General Fund and \$6.3 million Other Funds to the Administration program, \$11.8 million Federal Funds for the Preparedness and Response program, and \$165.6 million Federal Funds for the Mitigation and Recovery program.

Additional funding provided to the Department includes approximately \$3.6 million General Fund, on a one-time basis, for the construction of the Emergency Communications Center, located on the first floor of the Department's headquarters building. Of the funding provided, \$1.3 million comes from federal reimbursement of funding that was first provided to the Oregon Military Department by the December 2020 Emergency Board as state matching funds for the Federal Emergency Management Agency's Other Needs Assistance program. While this program is typically reimbursed at 75% federal and 25% state, a presidential declaration adjusted the reimbursement amount to 90% federal and 10% state, allowing for these funds to be repurposed.

### **Department of State Police**

The Subcommittee approved an increase of \$125,040 Other Funds expenditure limitation for the Office of the State Fire Marshal, within the Department of State Police, for the reclassification of five existing positions to align the types of positions with the operational workload needs of the Office, as it becomes an independent agency on July 1, 2023. The position reclassifications include two Training and Development positions reclassified to a Program Analyst 2 and increasing two Program Analyst 2 positions and a Fire Protection Manager 2 upward to the equivalent level 3 for each classification.

## **TRANSPORTATION**

### **Department of Transportation**

Other Funds expenditure limitation for the Department of Transportation's maintenance and emergency relief programs is increased by \$70 million to accommodate a higher than anticipated volume of expenditures resulting from weather events that have damaged or disrupted state highways. The Department anticipates that the Federal Highway Administration will reimburse between 90-100% of all emergency relief costs. An additional \$200 million in Other Funds expenditure limitation included in HB 5045 is attributable to the modernization program for the U.S. 20 and U.S. 97 Bend North Corridor and I-205 Abernathy Bridge improvement projects currently underway, due to contractors hitting projected milestones sooner than anticipated.

**HB 5047 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Campos

**Joint Committee On Ways and Means**

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**Action Date:** 05/19/23

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 10 - Anderson, Campos, Dembrow, Frederick, Gelser Blouin, Girod, Hansell, Knopp, Sollman, Steiner

**Nays:** 1 - Findley

**House Vote**

**Yeas:** 11 - Breese-Iverson, Cate, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Sanchez, Smith G, Valderrama

**Exc:** 1 - Reschke

**Prepared By:** Patrick Heath and Mike Streepey, Department of Administrative Services

**Reviewed By:** Gregory Jolivet and Steve Robbins, Legislative Fiscal Office

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**Department of Human Services**

**2021-23**

**Oregon Health Authority**

**2021-23**



## **Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2021-23 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
<b>Department of Human Services</b>				
General Fund	\$ 4,540,250,621	\$ 4,449,195,797	\$ (91,054,824)	(2.0%)
Other Funds Limited	\$ 1,003,351,504	\$ 1,003,165,870	\$ (185,634)	(0.0%)
Federal Funds Limited	\$ 8,076,264,437	\$ 8,010,370,295	\$ (65,894,142)	(0.8%)
<b>Oregon Health Authority</b>				
General Fund	\$ 3,553,471,439	\$ 3,414,953,347	\$ (138,518,092)	
Other Funds Limited	\$ 11,122,825,589	\$ 11,116,155,955	\$ (6,669,634)	
Federal Funds Limited	\$ 19,362,418,424	\$ 19,011,721,291	\$ (350,697,133)	

## **Position Summary**

<b>Department of Human Services</b>			
Authorized Positions	10,457	10,457	0
Full-time Equivalent (FTE) positions	10,275.52	10,275.52	0.00
<b>Oregon Health Authority</b>			
Authorized Positions	5,334	5,334	0
Full-time Equivalent (FTE) positions	5,095.99	5,095.99	0.00

<sup>(1)</sup> Includes adjustments through March 2023

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

House Bill 5047 rebalances the 2021-23 budgets for the Department of Human Services (DHS) and the Oregon Health Authority (OHA). OHA programs are funded with a mix of General Fund, Lottery Funds, Other Funds, and Federal Funds. DHS programs are funded with a combination of General Fund, Other Funds, and Federal Funds.

The approved rebalance includes adjustments to OHA's Tobacco Tax and Insurer Tax forecasts, an adjustment to OHA's Federal Funds revenues to reflect higher than anticipated revenues from the base federal match rate for the Medicaid program, and a shortfall in the insurance

reimbursements received by the Oregon State Hospital. For DHS, the rebalance includes two revenue adjustments within the Intellectual and Developmental Disabilities (I/DD) program: a correction to the Federal Medicaid Assistance Percentage (FMAP) revenue in the last quarter of the biennium resulting in a \$3.1 million General Fund savings and a corresponding increase to Federal Funds revenue, and an adjustment based on a claims review, which found more claims throughout the biennium were eligible for Medicaid match. This resulted in an additional \$12.2 million General Fund savings and a corresponding increase to Federal Funds revenue.

### **Summary of Human Services Subcommittee Action**

The Human Services Subcommittee recommended a budget rebalance to support DHS and OHA programs and operations for the remainder of the 2021-23 biennium. The rebalance reflects program cost increases and savings, revenue changes, and technical adjustments needed to ensure DHS' and OHA's budgets remain in balance. Across both agencies, the recommended rebalance decreases General Fund by \$229,572,916, decreases Other Funds expenditure limitation by \$6,855,268 and decreases Federal Funds expenditure limitation by \$416,591,275.

### **Department of Human Services**

The Human Services Subcommittee's recommended rebalance for DHS decreases General Fund by \$91,054,824, decreases Other Funds expenditure limitation by \$185,634 and decreases Federal Funds expenditure limitation by \$65,894,142. All caseload adjustments are due to changes between the Fall 2022 and Spring 2023 caseload forecasts for the 2021-23 biennium. The rebalance plan does not include any position (or FTE) adjustments.

### **Central Services**

The Subcommittee's recommended rebalance includes a one-time, General Fund increase of \$8.0 million within Central Services for the Office of Resilience and Emergency Management's (OREM) humanitarian mission. Since October 2022, OREM has partnered with community-based organizations, local governments, and education partners to provide temporary shelter, culturally specific meals, immigration legal services, case management and wrap-around services to individuals and families arriving to the U.S. primarily at the southern border. Individuals served by the humanitarian mission are not designated refugees by the federal government. The cost of this work is anticipated to be \$10.0 million, with \$2.0 million being covered by identified savings within other areas of the Central Services budget. The remaining \$8.0 million General Fund is included in the rebalance recommendation.

### **Self Sufficiency Programs**

Within the Self Sufficiency Programs, the Subcommittee recommended an increase of \$7.1 million General Fund and a \$15,646 decrease of Other Funds expenditure limitation. The need for additional General Fund is primarily due to an increase in the basic Temporary Assistance for Needy Families (TANF) caseload. The TANF caseload is 2.8 percent higher than the previous forecast. The One-Parent and Two-Parent family caseloads are higher by 2.7 percent and 3.6 percent, respectively. The increase in the basic TANF caseload results in an additional need of \$5.4

million General Fund. The increase to the TANF UN (two-parent household) caseload results in an increase of \$1.3 million General Fund. The State Family Pre-Social Security Income Program had a slight decrease in caseload and the Temporary Assistance for Domestic Violence Survivors had a slight increase in the caseload. These two changes resulted in a net General Fund increase of \$0.4 million.

#### *Aging and People with Disabilities*

For Aging and People with Disabilities (APD), the Subcommittee recommended General Fund savings of \$41.0 million and a Federal Funds expenditure limitation decrease of \$91.0 million. These savings primarily result from unspent monies budgeted for one-time investments in home and community-based services (HCBS). For the period of April 1, 2021 through March 31, 2022, the American Rescue Plan Act provided states a 10.0 percent increase in their FMAP to enhance, expand or strengthen HCBS. APD will not be able to expend the funds by the close of the 2021-23 biennium, resulting in a decreased need of \$31.4 million General Fund and \$46.6 million Federal Funds expenditure limitation.

APD also has savings due to a delayed expansion of Oregon Project Independence and delayed implementation of the Family Caregiver Assistance Program. In order to receive Federal matching funds and utilize additional General Fund approved for these programs with the 2021-23 Legislatively Adopted Budget, APD needed to receive CMS Medicaid waiver approval. APD does not expect to have approval by the end of the 2021-23 biennium. The expansion delay results in General Fund savings of \$2.2 million and \$38.6 million Federal Funds expenditure limitation.

APD also has adjustments related to the Spring 2023 caseload forecast. Nursing facility and In-Home Services caseload are forecasted to decrease by 0.5 percent and 1.6 percent respectively, while Community-Based Care caseloads are projected to increase 0.5 percent and In-Home Services decreasing 1.6 percent, resulting in a net decrease of \$2.2 million General Fund and \$5.8 million Federal Funds expenditure limitation.

The Healthier Oregon Program (HOP), which took effect on July 1, 2022, provides services including APD services, to Oregonians irrespective of citizenship status. The initial HOP forecast was based on estimates of non-citizen populations in Oregon who would qualify. This rebalance adjustment is based on the current rate of enrollment uptake, which is much slower than initial estimates. The change results in a reduction of \$5.2 million General Fund.

#### *Intellectual and Developmental Disabilities*

The Subcommittee recommended a decrease of \$54.1 million General Fund and an increase of \$29.0 million Federal Funds expenditure limitation. Similar to APD, the reduction to I/DD was due to unspent funds for the ARPA HCBS 10 percent spend plan. This resulted in a General Fund decrease of \$63.2 million and \$41.3 million in Federal Funds expenditure limitation.

The caseload for I/DD programs increased by 2 to 3 percent in the areas of Adult 24-hour residential, Children In-home Services, and Adult In-home Services. These increases were partially offset through savings in Children's 24-hour residential and Adult Foster Care services, which

declined 10 percent and 1.2 percent, respectively. The net impact from caseload changes resulted in an increase of \$11.6 million General Fund and \$22.6 million Federal Funds expenditure limitation. Cost per case changes in I/DD also resulted in a \$14.3 million increase to General Fund and \$27.2 million Federal Funds expenditure limitation. Increases to cost per case are primarily attributed to consumer choice, as more individuals access services from in-home provider agencies, rather than choosing to employ Personal Support Workers directly. In-home provider agencies are typically more costly for the state but reduce administrative and scheduling burden for individuals. Authorized hours or utilization also increased, resulting in higher cost per case. The increase in authorized hours is partly due to the temporary public health emergency provision, which allowed parents to serve as paid caregivers for children enrolled in I/DD.

I/DD also experienced a slower start to HOP, resulting in a reduction in General Fund. I/DD's HOP budget was reduced by \$1.5 million General Fund, aligning the program's budget more closely with trending actuals. I/DD also had two revenue changes with a decreased need for General Fund and corresponding increases to Federal Funds expenditure limitation. A correction was made to the estimate for the final quarter of enhanced FMAP due to the public health emergency, decreasing General Fund by \$3.1 million and increasing Federal Funds expenditure limitation by the same amount. The Department also conducted a review of I/DD expenditures throughout the 2021-23 biennium and determined more costs were eligible for Medicaid match. This "Participation Update" decreased General Fund by \$12.2 million and increased Federal Funds expenditure limitation by an equivalent amount. Finally, the recommended plan includes a one-time General Fund increase for I/DD of \$78,706 and \$114,376 Federal Funds to cover an extreme emergency overtime differential pilot for three months in the Stabilization and Crisis Unit.

### Child Welfare

The Subcommittee approved budget adjustments within Child Welfare to account for caseload changes and one-time program savings. The net impact resulted in a reduction of \$11.0 million General Fund, a decrease of \$169,988 Other Funds expenditure limitation, and a decrease of \$3.9 million Federal Funds expenditure limitation. Child Welfare's average monthly forecast for the 2021-23 biennium is 18,793 children, which is 0.9 percent lower than the previous forecast. The forecast for Foster Care and In-home supports are lower by 1.4 percent and 6.0 percent, respectively. Caseload changes resulted in a decrease of \$5.9 million General Fund, \$169,988 Other Funds expenditure limitation, and \$3.9 million Federal Funds expenditure limitation. Child Welfare also had program savings of \$5.1 million General Fund due to the application of one-time Federal Funds within the Strengthening, Preserving, and Reunifying Families program and savings related to the new Respite Program funded with the 2021-23 Legislatively Adopted Budget. The statewide Respite Program started in January 2023, although utilization is below initial projections.

### **Oregon Health Authority**

The recommended rebalance plan for OHA includes a net General Fund savings of \$138.5 million, a reduction of \$6.7 million Other Funds expenditure limitation and a reduction of \$350.7 million Federal Funds expenditure limitation, for a total funds reduction of \$495.9 million for the Spring 2023 rebalance.

### Health Systems Division

The rebalance includes a net General Fund decrease of \$118.4 million, an Other Funds expenditure limitation increase of \$8,617, and a Federal Funds expenditure limitation decrease of \$353.7 million to the Health Services Division (HSD).

- **Medicaid Cost Savings:** The Oregon Health Plan experienced \$130.2 million General Fund savings based on lower utilization of those added to Medicaid coverage during the public health emergency (PHE) combined with the federal requirement that no members be disenrolled until the end of the PHE. OHA has also received higher than anticipated federal match revenues from the Medicaid program for 2021-23 for its base federal match rate. These savings result in a net \$361 million reduction in Federal Funds expenditure limitation.
- **Certified Community Behavioral Health Centers (CCBHCs):** The CCBHC program saw a \$9.9 million General Fund and \$45 million Federal Funds savings as a result of under-utilization of wrap-around services in the 2021-23 biennium, largely as a result of one-time factors that took place during the COVID-19 public health emergency.
- **HB 4035 Bridge Plan:** House Bill 4035 (2022) established a \$120 million appropriation to cover 1) Medicaid redeterminations due to begin at the end of the PHE, 2) a newly established extension of coverage for those between 138-200 percent of the federal poverty level as means of bridging coverage gaps (known as the Bridge Plan) until a new solution could be initiated, and 3) a Basic Health Plan to cover a larger number of Oregonians with a greater array of services. Because of repeated extensions of the PHE, most of the need for the Bridge Plan is pushed into the 2023-25 biennium. As the 2021-23 biennium has progressed, un-utilized General Fund for the Bridge Plan has been returned by OHA, and in this rebalance the final \$2.2 million General Fund and \$3.3 million Federal Funds expenditure limitation is returned.
- **Revenue Updates:** The March 2023 state revenue forecast reflected an anticipated decrease in tobacco tax revenue, resulting in a \$2.2 million reduction in Other Funds limitation and a \$2.2 million General Fund increase to maintain services. The insurer's tax revenue forecast results in a \$2.2 million Other Funds increase and also contains a related General Fund decrease of \$1.8 million and a \$1.8 million Federal Funds expenditure limitation increase.
- **Medicaid Caseload:** The Spring 2023 Medicaid caseload forecast saw small increases in the categories of the Affordable Care Act and Children's Health Insurance Plan, resulting in a \$0.9 million General Fund increase and a \$24.8 million Federal Funds expenditure limitation increase. While the COVID-19 public health emergency was extended after the Fall 2022 caseload forecast and has now ended as of April 1, 2023, the effects on OHA's caseload are anticipated to be minimal as that forecast already accounted for almost all of the caseload growth expected to be experienced in 2021-23.
- **Healthier Oregon Program Transfer:** The OHA rebalance includes a net zero transfer of \$4.0 million General Fund for the Healthier Oregon Program (HOP) from the Central Services Division to HSD. Central Services is experiencing savings in the administrative and

outreach portions of the program and HSD is experiencing a growing caseload. The transfer will ensure the program stays within the \$100 million General Fund budget appropriated for House Bill 3352 in the 2021 session.

- **FamilyCare Settlement:** The State of Oregon entered into an agreement to settle litigation with the coordinated care organization FamilyCare in 2022. The agreement requires OHA to pay a total of \$7.5 million in General Fund to FamilyCare, of which \$1 million was to be paid out of the OHA's operating budget. The \$6.5 million General Fund increase allows OHA to pay the remaining amount due under the terms of the settlement.
- **Disproportionate Share Hospital (DSH) Increase:** The federal government allows states to leverage Federal Funds for hospitals that provide a disproportionate share of services to those that are low-income. By investing an additional \$15.5 million General Fund before the end of the 2021-23 biennium, Oregon can leverage a greater federal match before the enhanced match for the PHE ends. The investment includes a \$29.1 million increase in Federal Funds expenditure limitation to reflect federal revenues drawn down through this program. While not included in the agency's rebalance request, LFO is recommending this increase to fully leverage Oregon's available federal DSH allotment to support hospitals' costs for patient care.
- **Administrative Savings:** OHA anticipates \$3.4 million General Fund savings from vacant positions and other operational efficiencies in HSD before the end of the 2021-23 biennium.

#### Health Policy & Analytics

The Health Policy and Analytics (HP&A) division includes a \$12.8 million General Fund decrease in the recommended OHA Spring 2023 rebalance plan.

- **OSU Bridge Insulin Training Program:** Additional funding was provided to OHA in 2021, for the purpose of establishing the Oregon State University Bridge Insulin Training Program and to develop training related to pharmacists prescribing insulin. Enrollment in the program was less than originally anticipated and the resultant one-time savings is \$105,714 General Fund.
- **HB 4035 Redeterminations Saving:** HP&A identified \$12.7 million in General Fund savings in the budget established for Medicaid redeterminations through House Bill 4035 from the 2022 Session. The savings are primarily from the PHE extension and its impact on the timing for deliverables under the contract for the Oregon Health Insurance Marketplace processing and call center, as well as savings due to delays in staff recruitments.

#### Oregon State Hospital

The Oregon State Hospital (OSH) rebalance plan includes a \$6.7 million General Fund increase and a \$6.7 million Other Funds decrease to close out the biennium. OHA is projecting a \$30.9 million shortfall in Other Funds revenues from commercial insurance and Medicare reimbursement

based on the current mix of patients being treated at the hospital. This shortfall is partially offset by a projected underspend of OSH's budget by \$24.2 million General Fund, resulting in the \$6.7 million General Fund request.

Central Services and Statewide Allocations and Enterprise-wide Costs

The recommended rebalance plan for Central Services and Statewide Allocations and Enterprise-wide Costs (SAEC) divisions include a \$14 million General Fund decrease and a \$3 million Federal Funds increase.

- **Line of Credit Interest:** Due to biennial recurring cash flow concerns as a result of Other Funds reimbursement timing for Medicaid expenditures, OHA establishes a line of credit with Oregon State Treasury to cover operational costs through the end of each biennium. An initial \$1.5 million General Fund was approved in the early 2023 session omnibus budget rebalance bill (House Bill 5045), but with the increase in interest rates in the intervening months, OHA is requesting an additional \$2 million General Fund.
- **General Fund Program Carryover:** The Tribal Traditional Health Worker Training Program was established in the 2021-23 biennium with \$140,000 General Fund to facilitate the delivery of culturally responsive care to tribal community members. Due to the pandemic and delays with Human Resources classification reviews, OHA is realizing a savings in 2021-23 and separately requesting for these funds to be re-appropriated in the 2023-25 biennium. OHA was also to provide mini-grant allocations totaling \$300,000 General Fund specified in ORS 413.166 for the Race, Ethnicity, Language, and Disability (REALD) and Sexual Orientation or Gender Identity (SOGI ) system implementation. With delays in implementation, OHA does not yet know the full specifications that will be in the Request for Proposal. As a result, OHA is proposing this as a reduction in 2021-23 and also seeks for these funds to be re-appropriated in the 2023-25 biennium.
- **Other Program Savings and Limitation Needs:** Finally, both the Central Services and SAEC divisions realized one-time savings in the 2021-23 biennium totaling \$11.5 million and an additional \$4 million savings as a result of the net-zero shift for the Healthier Oregon program to HSD. The SAEC changes also result in additional Federal Funds expenditure limitation of \$3 million to cover available federal match.

The recommended rebalance plan for OHA also includes a number of net-zero technical adjustments between divisions to rebalance operating cost.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Human Services and Oregon Health Authority  
Mike Streepey - 971-283-1198 and Patrick Heath - 503-983-8670

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS (from 2021-23 LAB)									
Oregon Health Authority									
SCR 010-40 Central Services									
Personal Services	\$ (2,821,517)	\$ -	\$ -	\$ -	\$ -	\$ -	(2,821,517)	0	0.00
Services and Supplies	\$ (2,485,761)	\$ -	\$ -	\$ -	\$ -	\$ -	(2,485,761)		
SCR 010-50 SAEC									
Personal Services	\$ (1,547,349)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,547,349)	0	0.00
Services and Supplies	(3,141,642)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,141,642)		
Special Payments	(4,017,656)	\$ -	\$ -	\$ -	3,000,000	\$ -	(1,017,656)		
SCR 030-01 Health Systems Division									
Services and Supplies	\$ 3,055,719	\$ -	\$ -	\$ -	\$ -	\$ -	3,055,719		
Special Payments	\$ (121,406,811)	\$ -	\$ 8,617	\$ -	\$ (353,697,133)	\$ -	(475,095,327)		
SCR 030-02 Health Policy and Analytics									
Personal Services	\$ (1,024,179)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,024,179)	0	0.00
Services and Supplies	\$ (11,807,147)	\$ -	\$ -	\$ -	\$ -	\$ -	(11,807,147)		
SCR 030-060 Oregon State Hospital									
Services and Supplies	\$ 6,678,251	\$ -	\$ (6,678,251)	\$ -	\$ -	\$ -	-		
Department of Human Services									
SCR 010-40 - Central Services									
Services and Supplies	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	8,000,000		
SCR 060-01 - Self Sufficiency Programs									
Special Payments	\$ 7,053,076	\$ -	\$ (15,646)	\$ -	\$ -	\$ -	7,037,430		
SCR 060-08 - Aging and People with Disabilities									
Special Payments	\$ (41,021,547)	\$ -	\$ -	\$ -	\$ (91,001,900)	\$ -	(132,023,447)		
SCR 060-09 - Intellectual and Developmental Disabilities									
Personal Services	\$ 78,706	\$ -	\$ -	\$ -	\$ 114,379	\$ -	193,085	0	0.00
Services and Supplies	\$ (33,777,737)	\$ -	\$ -	\$ -	\$ (34,334,723)	\$ -	(68,112,460)		
Special Payments	\$ (20,364,360)	\$ -	\$ -	\$ -	\$ 63,182,108	\$ -	42,817,748		
SCR 060-10 - Child Welfare Programs									
Special Payments	\$ (11,022,962)	\$ -	\$ (169,988)	\$ -	\$ (3,854,006)	\$ -	(15,046,956)		
TOTAL ADJUSTMENTS	\$ (229,572,916)	\$ -	\$ (6,855,268)	\$ -	\$ (416,591,275)	\$ -	(653,019,459)	\$ -	\$ -
SUBCOMMITTEE RECOMMENDATION	\$ (229,572,916)	\$ -	\$ (6,855,268)	\$ -	\$ (416,591,275)	\$ -	(653,019,459)	\$ -	\$ -



## Legislative Fiscal Office

Oregon State Capitol  
900 Court Street NE, H-178  
Salem, Oregon 97301  
503-986-1828



## Oregon Legislative Emergency Board

Senator Rob Wagner, Co-Chair  
Representative Dan Rayfield, Co-Chair

### Certificate

November 8, 2023

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), (d); ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting on November 8, 2023, took the following actions:

**1. Department of Human Services**

Increased Federal Funds expenditure limitation established for the Department of Human Services by \$32,378,148 for final 2021-23 budget adjustments to cover expenses related to corrected Medicaid billings, and increased caseloads and information technology maintenance costs, per the attached table.

**2. Oregon Health Authority**

Increased the Other Funds expenditure limitation established for the Oregon Health Authority by section 7, chapter 668, Oregon Laws 2021, Public Employees' Benefit Board, by \$8,000,000 for the recording of final payments for state employee health care benefits in 2021-23.

**ATTACHMENT**  
**Item 1: Department of Human Services**

DEPARTMENT OF HUMAN SERVICES 2021-23 November 2023		
Division/Appropriation Reference	Fund Type	Adjustment to Leg Approved Budget
<b><u>Expenditure Limitation Adjustments:</u></b>		
<b>Central Services</b>		
Ch 606 3(1), OL 2021	Federal Funds	4,000,000
<b>Aging and People with Disabilities Programs</b>		
Ch 606 3(6), OL 2021	Federal Funds	25,952,734
<b>Intellectual/Developmental Disabilities Programs</b>		
Ch 606 3(7) OL 2021	Federal Funds	2,425,414
<b>Department Total</b>		<b>32,378,148</b>

**State of Oregon  
Legislative Fiscal Office**

Oregon State Capitol  
900 Court Street NE, H-178  
Salem, OR 97301  
503-986-1828



Amanda Beitel  
Legislative Fiscal Officer

Tom MacDonald  
Paul Siebert  
Deputy Legislative Fiscal Officers

September 27, 2023

To the Members of the Eighty-Second Oregon Legislative Assembly:

Following is the **2023-25 Budget Highlights** prepared by the Legislative Fiscal Office. This publication provides summary information on the legislatively adopted budget; program area and agency budget changes; the Emergency Fund; state bonding and capital construction; fee changes; budget notes; and information on other legislative actions affecting the budget for the 2023-25 biennium.

We hope you find this resource useful and invite you to contact the Legislative Fiscal Office if you have any questions.

Amanda Beitel  
Legislative Fiscal Officer

## HUMAN SERVICES

HUMAN SERVICES	2021-23 Legislatively Approved Budget*		2023-25 Legislatively Adopted Budget		Budget Increase (Decrease)			
	GF/LF	Total Funds	GF/LF	Total Funds	GF/LF	%Chg	Total Funds	%Chg
Commission for the Blind	5,988,243	26,683,768	7,829,032	27,820,809	1,840,789	30.7%	1,137,041	4.3%
Department of Human Services	4,470,148,002	18,367,609,060	5,705,675,225	18,544,991,162	1,235,527,223	27.6%	177,382,102	1.0%
Long Term Care Ombudsman	11,164,278	12,571,269	12,066,961	13,576,507	902,683	8.1%	1,005,238	8.0%
Oregon Health Authority	3,495,687,227	33,775,071,726	5,544,450,805	35,773,830,107	2,048,763,578	58.6%	1,998,758,381	5.9%
Psychiatric Security Review Board	4,082,379	4,082,379	4,392,585	4,392,585	310,206	7.6%	310,206	7.6%
<b>PROGRAM AREA TOTAL</b>	<b>7,987,070,129</b>	<b>52,186,018,202</b>	<b>11,274,414,608</b>	<b>54,364,611,170</b>	<b>3,287,344,479</b>	<b>41.2%</b>	<b>2,178,592,968</b>	<b>4.2%</b>
<b>Percent of State Budget</b>	<b>28.0%</b>	<b>41.5%</b>	<b>33.7%</b>	<b>44.8%</b>	<b>66.9%</b>		<b>-48.5%</b>	

\*includes Emergency Board and administrative actions through July 2023.

The agencies in the Human Services program area include the Commission for the Blind, Department of Human Services, Long Term Care Ombudsman, Oregon Health Authority, and Psychiatric Security Review Board. These agencies administer programs that provide cash and employment assistance, medical coverage, long term care, and other support to low-income individuals and people with disabilities. The agencies also administer programs that intervene in cases of child abuse and neglect; offer treatment and recovery services to persons with behavioral health issues; oversee the state's public health system; supervise placements for those who have been found guilty of committing a crime except for having a mental illness; and advocate for residents of long-term care facilities.

The 2023-25 legislatively adopted budget for the program area totals \$54.4 billion, which represents a \$2.2 billion, or 4.2%, increase from the 2021-23 legislatively approved budget. The General Fund and Lottery Funds budget totals \$11.3 billion, which is a \$3.3 billion, or 41.2%, increase from the 2021-23 legislatively approved budget.

Budget highlights for agencies in the program area are described below.

### Department of Human Services

- **Long Term Care - Community Based Care Provider Rates:** Increase of \$68.1 million General Fund and \$194.6 million total funds to make permanent one-time rate increases approved in 2021-23, and provide a 5% rate increase effective July 1, 2024, for assisted living facilities, residential care facilities, memory care-endorsed facilities, and in-home agencies.
- **Long Term Care - Nursing Facility Rates:** Increase of \$41 million General Fund and \$104.7 million total funds to adjust for increases in the cost of nursing facility care.
- **Intellectual/Developmental Disabilities Provider Rates:** Increase of \$27.5 million General Fund and \$79.3 million total funds to continue funding that was available for the temporary COVID-19 related 5% rate increase set to expire at the end of the 2021-23 for adult and child group homes, attendant care, adult supported living, day support activities, and employment services.
- **Behavior Rehabilitation Services (BRS) Rates:** Increase of \$9.7 million General Fund to support BRS rates, including the continuation of a pandemic-related rate increase and the cost of a new rate methodology.

- **Foster Care Provider Rates:** Increase of \$16.8 million General Fund to increase foster care reimbursement rates an average of \$241 per month.
- **Redeterminations:** \$30 million General fund and \$51.7 million total fund for the establishment of 300 permanent full-time positions (300.00 FTE) to support eligibility workload, including the backlog of redeterminations.
- **Food Supply Stabilization:** One-time increase of \$10 million General Fund for distribution through the statewide food bank network to fill the gap in food supplies resulting from reduced post-pandemic food donations.
- **Safe Drinking Water:** One-time increase of \$4 million General Fund for water delivery to residents in Morrow and Umatilla counties with limited access to safe drinking water because of groundwater contamination or other water issues.
- **Resiliency Hubs and Networks:** One-time increase of \$10.2 million General Fund and two positions {1.50 FTE} to provide grants, support, and technical assistance for Resiliency Hubs and Networks in Oregon, as required by HB 3409 (2023).
- **Youth Homelessness:** One-time increase of \$19.9 million General Fund and five limited duration positions {5.00 FTE} for services and assistance to youth experiencing homelessness.
- **Student Housing Support:** One-time increase of \$4.2 million General Fund and one limited duration position {1.00 FTE} to support work associated with the distribution of \$4 million in affordable housing support to low-income college students, as required by HB 3395 (2023).
- **Essential Worker Health Care Trust:** One-time increase of \$20 million General Fund and \$50 million total funds to supplement a prior investment in the Oregon Essential Workforce Health Care Program, which provides health insurance coverage for employees who work for participating long term care providers.
- **Clinical Education Grants and Job Training:** Increase of \$26.5 million General Fund for grants to expand clinical education slots at hospitals and health care facilities; fund on-the-job training through employers participating in a labor-management training trust; and support a task force and grants for nursing education programs.