



OREGON FOR ALL:

CREATING A PLACE WHERE EVERYONE CAN THRIVE

Oregon will emerge from these challenging times as a stronger, fairer, and more resilient state—one where no one lacks for basic needs, dismantling systemic racism is a collective commitment, and the economy raises all boats.

2020 has tested us in previously unimaginable ways: a global pandemic, people marching in the streets to demand an end to our long history of systemic racism, deepening political divisions, and worst-in-a-century wildfires. Oregonians' most vital needs—health, safety, education, housing, the ability to earn a living and support our families—have been challenged.

Through this all, our innovative, caring, and resilient state has been a port in the storm. Oregonians stepped up at every turn to protect their friends, families, and neighbors. Small businesses quickly and creatively adapted to the pandemic with take-out food, books, clothes, and groceries. Teachers rewrote curriculum and moved their classrooms online. Parents had to sustain their duties at work while simultaneously providing child care or remote learning for their kids. Seniors withstood the loneliness of not seeing family and those dear to them, while health care workers never stopped working to protect those in need and those most vulnerable to COVID-19. Firefighters and first responders risked their lives to protect people and property in the wake of a fiery windstorm that furiously burned our state.

While the storms quite literally raged on, Oregonians calmly and collectively steadied the ship.

In the worst of times, Oregonians showed their very best selves. The overwhelming majority—84 percent—of Oregonians wore masks to protect each other from COVID-19. They donated time,

money, and personal items to those who lost everything in the wildfires. And tens of thousands of Oregonians took to the streets to demand racial justice, and a society where Black Lives Matter. Oregon's democracy stood strong during turbulent times. Our tried and true vote-by-mail system not only withstood the tests of the pandemic and dramatic wildfire displacements, but safely and securely ensured that the voices of Oregonians were heard in turbulent political times.

We collectively mourn the losses of this year: from the pandemic, which has taken our dearest loved ones from us and forever changed the rituals of our daily lives, to Oregon's horrific wildfires, which decimated communities and the places we love and call home, to the untimely deaths of our Black and Brown neighbors across the country, which led thousands to echo the clarion call for racial justice. It is time. From these ashes we must rebuild. And as we do, we must ensure the future we build is a just one.

We must fight for an Oregon in which no one is left behind. We *can* create an Oregon where *everyone* has the opportunity to thrive and everyone's voice is heard.

The first step to creating this opportunity for all is rooted in the recognition that racism is endemic to our systems. Whether this fact is something you've known your entire life or one you're just beginning to learn about, the fact that racism and racial disparities impact every part of our

culture and our economy can no longer be denied. The pandemic and the fires have only exacerbated these existing disparities, disproportionately impacting Oregon's Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities. I will not allow these same communities to be left behind again and again.

This year, I convened the Racial Justice Council to have regular, ongoing conversations with leaders from Oregon's Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, immigrant, refugee, Native American, and Tribal communities. I consider myself a continual learner, and evolving our policies and practices are a way to show what we're learning. When you know better, you must do better. Actions matter, and this budget delivers on decisive investments to begin the process of dismantling systemic racism in Oregon.

Our state's—and our nation's—long history of racist policies will not be deconstructed in a day, or a year, or in one budget cycle or legislative session. But they can be broken down in the same manner they were built: brick by brick, through new policies and new practices backed by real investment.

We must take the lessons we learned from the last recession, from this pandemic, and from the wildfires, and ensure that this time we elevate the needs of our Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, immigrant, refugee, Native American, and Tribal communities. Oregon will recover from the pandemic and the wildfires, and as we do, our budgets, policy agenda, and priorities must reflect, support, and honor the communities who bore the brunt of the devastation. Our future must open doors to those who were shut out in the past. That's why racial justice is a centering principle of all my policy and budget decisions.

Oregon can't do any of this alone. The pandemic has led to a state budget shortfall that will require not only scrapping plans for long-needed investments, but also making small but difficult cuts in services and programs that affect Oregonians' lives daily. My mom taught me to squeeze every single bit of toothpaste

out of the tube, and that's exactly what this budget does. Oregon state government is maximizing the value of every taxpayer dollar—yet due to the extreme financial impacts of the pandemic, we need help.

People across the nation are facing a dire cliff in December when federal dollars from the Coronavirus Relief Fund run out and protections like paid sick leave and child care for displaced workers evaporate. Oregon businesses have seen the end of Paycheck Protection Program (PPP) loans and many await much-needed unemployment benefits. The homelessness crisis is on track to be exponentially worse should eviction protections as well as rent assistance expire. Many of the resources and funds Oregon is using to manage the pandemic and keep businesses open are also at risk. As we near the end of 2020, we are all desperate for some relief.

We need Congress to partner with us to provide this relief; to keep Oregonians on the Oregon Health Plan and support our hospitals during this public health crisis; to provide rent and mortgage assistance to keep a roof over Oregonians' heads; to keep the lights on in our Main Street small businesses; to keep up the Unemployment Insurance payments; to maintain infrastructure; to support our child care system so parents can go back to work; and to help us reopen our schools so our children can return to in-person learning. We are facing these issues in Oregon and across the nation, and only with the federal government providing assistance will we be able to manage the pandemic, rebuild fire impacted communities, and enable all Oregonians to move forward.

I am outlining a plan that calls for federal stimulus in Oregon that would address each of these dire needs. My plan scales up support for existing state programs that work and it adequately address the needs of Oregonians across the state, including:

- Funding for COVID-19 testing and health services and support for the Oregon Health Plan. OHA estimates \$252 million in resources will be needed over the next six months and an additional \$433 million are needed for July-December, 2021. In addition, Oregon needs an increase in the Federal Medical Assistance

Percentages (FMAP) by 12 percentage points to maintain funding for rising health care and long term care caseloads.

- \$350 million for rent forgiveness and additional funding for targeted mortgage relief. The National Council of State Housing Agencies commissioned a study into the expenses racked up by renters during the COVID-19 emergency eviction moratorium. In Oregon, the need is estimated at \$350 million in relief to landlords and renters. Targeted support for homeowners who will struggle with future mortgage payments because of the crisis should be included in this package.
- Additional \$600 payments in Federal Pandemic Unemployment Insurance to stabilize workers who will be laid off during COVID-19 closures this winter.
- Additional federal stimulus to help families that are facing new economic stresses due to the winter closures.
- Renewed Paycheck Protection Program to provide support to small businesses who are struggling to manage expenses during COVID-19 closures and restrictions.
- Additional child care support to help Oregonians get back to work. Oregon has lost half of its child care supply as providers struggle to remain open and compliant with COVID-19 requirements and families are unable to afford child care.
- Federal support to expand drug courts and rehabilitation services to continue criminal justice

and mandatory minimum reforms underway in Oregon.

- Funding for schools, child care, universities and community colleges that are working to reopen amid increasing challenges posed by COVID-19.
- Additional and flexible support for the Coronavirus Relief Fund for state, local, and governments, to continue to manage the COVID-19 emergency.
- Continued financial and technical support for fire-impacted communities across Oregon who need to rebuild from the Labor Day fires.

As I collaborate directly with Tribal Government on solutions for COVID-19 and wildfire costs and impacts, I want to acknowledge that Oregon is located on the traditional, ancestral, and unceded territory of the Burns Paiute, Coos, Umpqua, Siuslaw, Grand Ronde, Siletz, Umatilla, Warm Springs, Cow Creek, Coquille, and Klamath Peoples past, present, and future. I honor with gratitude the land itself and the people who have stewarded it throughout the generations. My acknowledgment calls on all of us to better preserve and protect the land we inhabit, as well as to care for the people who have inhabited this land since time immemorial, the soil we continue to sow, and the air we all breathe.

I saw firsthand how fire and smoke can so quickly and completely alter our landscapes, communities, even our air. Likewise, Oregon—and all of us who call this place home—has been changed by the voices calling for racial justice, by the pandemic, and by the wildfires. And while the immediate aftermath of a wildfire may look like ash and char, eventually new growth begins to sprout and take root on the forest floor. Some types of trees actually come back stronger after fires. My budget finds inspiration here—in regrowing an even stronger, more inclusive, and more resilient Oregon.

Kate Brown
Governor



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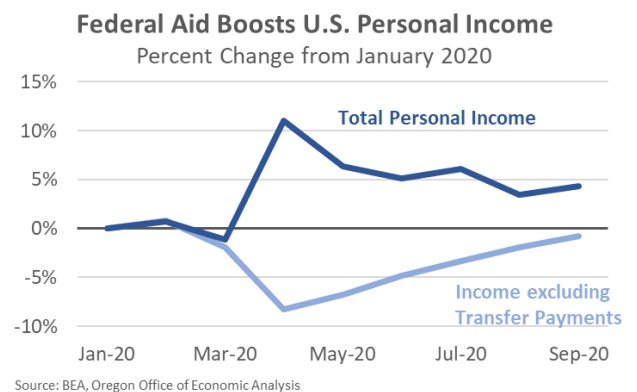
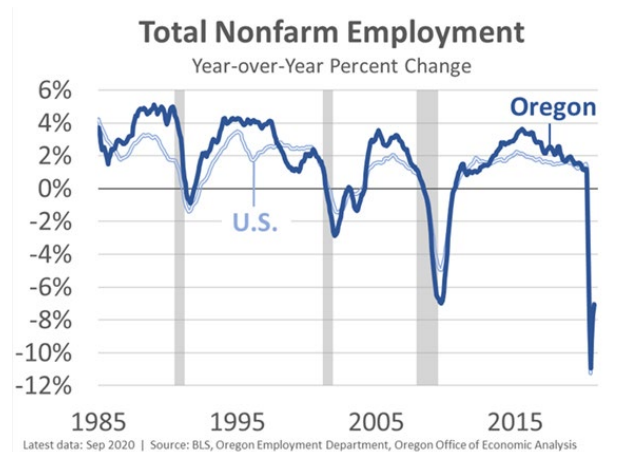
ECONOMIC AND REVENUE OUTLOOK FOR 2021-23

Recent Performance: Taking stock of 2020

Oregon's economy is suffering from whiplash as we head into the 2021-23 biennium. The economic shock associated with the COVID-19 outbreak has been unlike anything the regional economy has experienced before.

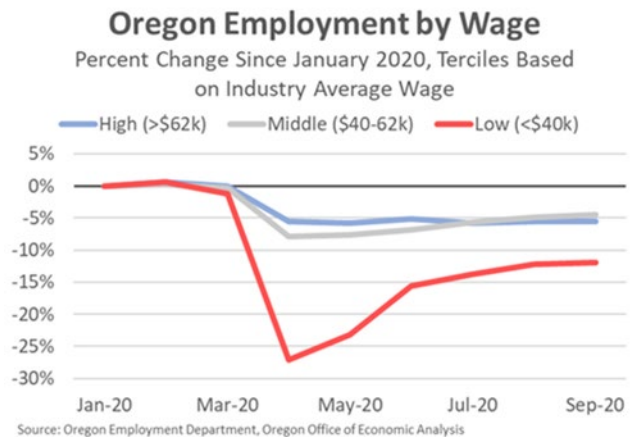
While less severe than was initially feared, the sudden stop in economic activity during the spring of 2020 was faster and deeper than any downturn since WWII. The regional jobs data has resembled what happens during natural disasters or labor strikes more than it has a traditional recession. After disasters or strikes, regional job markets often bounce back quickly as rebuilding efforts get under way or striking workers are brought back. This time around, it is unlikely we will fully recover right away, which will strain the 2021-23 budget.

Although we have a long way to go, the recovery has been encouraging to date. Despite severe job losses, average income levels have yet to fall. As a result, state government revenues have yet to take a significant hit, and the recovery in consumer spending has been surprisingly robust. Unfortunately, this strength is unlikely to persist.



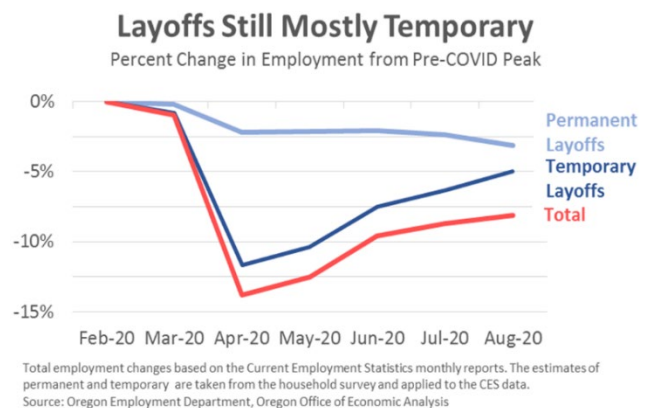
Part of the strength in income and spending can be tied to the massive federal aid package that injected \$14 billion into the Oregon economy over the summer months. If not for federal aid payments, household income would have fallen significantly.

In addition to federal aid, topline measures of income and spending have been supported by stability among households with high incomes. To date, this recession has disproportionately impacted workers with low incomes. Much of the economic impact of COVID-19 has fallen on front-facing retail and service firms that pay relatively low wages (e.g. leisure & hospitality, personal care, childcare).



Given that income inequality in the U.S. has become more extreme over time, job losses among workers with low incomes do not always translate into large changes in overall income, spending or savings data. Nevertheless, severe job losses among households with low wages will increase the need for a wide range of public services and aid programs in the 2021-23 biennium regardless of the speed of economic recovery.

Heading into the 2021-23 biennium, the damage of the recession will spread beyond households with low incomes. More industries are feeling the pain, and asset markets may not continue to post robust valuations. Now, jobs in middle- and high-wage industries are experiencing sizable job losses. Their decline of around 5 percent is more severe than what Oregon experienced in the 1973, 1990, and 2001 recessions. The recessionary shock is still reverberating through the economy, and layoffs in high-wage sectors are more likely to be permanent and not temporary.



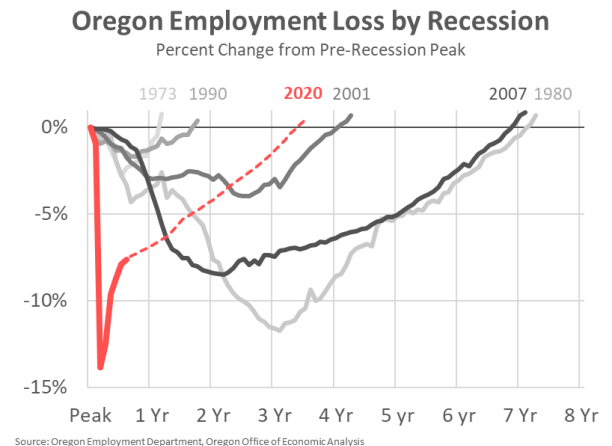
While the recovery has been surprisingly strong to date, Oregon still has 140,000 fewer jobs than before the pandemic began. Such a significant economic shock will eventually cause more households and businesses to fall under water, and state tax revenues to weaken. It takes time for losses to work their way downstream through the economy. It typically takes a couple of years before the job market bottoms out following a recessionary shock. This traditional recessionary dynamic is just getting started this time around. Permanent job losses are rising in Oregon, but are currently being offset by large numbers of temporarily unemployed workers returning to their jobs.

2021-23 Economic Outlook and Risks

In past cycles when Oregon has faced double-digit job losses and unemployment rates, it has taken around five years to return to peak employment levels once the recovery gets under way.

The baseline (most likely) economic outlook calls for Oregon’s labor market to return to health during the summer of 2023, just after the 2021-23 biennium comes to a close. This would be two years faster than what the state experienced coming out of the early 1980s recession and the Great Recession.

Several members of the Governor’s Council of Economic Advisors have argued that a solid economic foundation prior to the pandemic should aid in recovery, or at least not hinder it. Unlike past recessions, there are relatively few structural macroeconomic imbalances to overcome or work through. In past severe recessions the restructuring of the timber industry and the household debt overhang from the housing bubble slowed the pace of recovery. Something similar does not appear to be an issue today, likely leading to a quicker recovery in the years ahead. The one exception may be corporate debt.



Of course, given that the traditional recessionary dynamic is just getting started, headwinds could mount in the months ahead. Recessions accelerate structural changes in the economy through attrition as unprofitable firms are forced out of business. Given the nature of the pandemic, industries such as aircraft manufacturing, arts and entertainment venues, business travel and the like could become permanently smaller. Commercial real estate is also at risk given the ongoing shift away from brick-and-mortar retailers and a potential drop in demand for traditional office space and high rise apartments.

Mass layoffs at some of Oregon’s anchor employers are another potential cause for concern. Major recent job cuts have taken place among firms in the local semiconductor, transportation equipment, metals, food processing and apparel clusters. For now, few of these cuts look like a major threat to growth in the 2021-23 biennium, with the notable exception of those at transportation equipment manufacturers and the metal makers that supply them.

The data flow looks very healthy for now. The number of permanent layoffs in the economy remains high, but not yet as severe as seen in past cycles. And while we lack timely data on firm closures, the little bit of information we have is relatively encouraging. The number of Oregon businesses filing for bankruptcy has not increased, and actually declined so far this year. However that may in part reflect a socially distanced, slower moving judicial system. Furthermore, the declines in liquor license renewals and number of video lottery retailers reporting revenue are modest to date. So while there are business closures, and our office is expecting more in the months ahead in light of the funding from the Paycheck Protection Program running out, the impact so far is not as bad as feared.

While timely industry-level data is not available, the strength in new business applications is encouraging. While it will take time to replace the lost businesses from the pandemic and recession, start-up activity and entrepreneurship are not taking a similar hit.

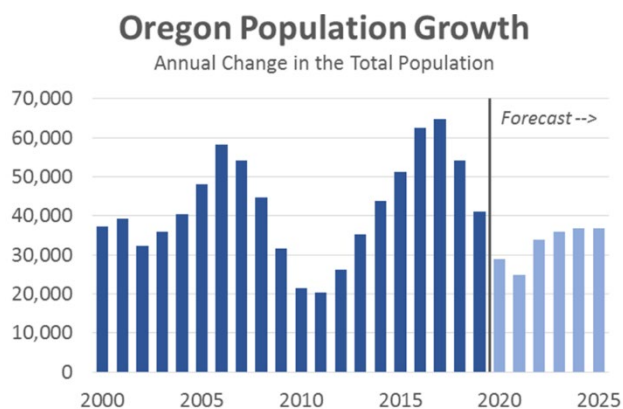
On the downside, the Governor’s Council of Economic Advisors remains deeply concerned about the state of the pandemic itself, how businesses and consumers respond, and the amount of permanent damage that accumulates during the recession and initial stages of recovery. The recent surge in new COVID-19 cases in Oregon is a key risk to the near-term outlook.



Even in the relatively healthy baseline outlook, economic growth is expected to slow noticeably through the winter. The combination of the easy reopening gains playing out, loss of federal support, and worries over the virus as we move indoors during the colder, wetter months will weigh on economic gains. However, once the pandemic is managed, brought under control, and some sort of medical treatment becomes available – our assumption remains mid to late 2021 although new vaccine trial results indicate it may be sooner – the recovery will accelerate and return to stronger growth. With any luck, stronger growth will kick in just as the new biennium gets under way.

That said, there remains considerable risk to the outlook, especially given the uncertainty about the path of the virus. Under the optimistic scenario, a medical treatment becomes available earlier in 2021, and the federal government provides further assistance to households and businesses in need. The amount of permanent damage is minimal and the economy returns to health in 2022. Conversely, the pessimistic scenario is a double-dip recession where the surging COVID-19 cases result in consumers pulling back on their spending over concerns of the virus. Additionally the lack of further federal assistance leads to more business closures and permanent layoffs, weighing on the recovery. In the pessimistic scenario, Oregon’s economy does not fully return to health until the middle of the decade.

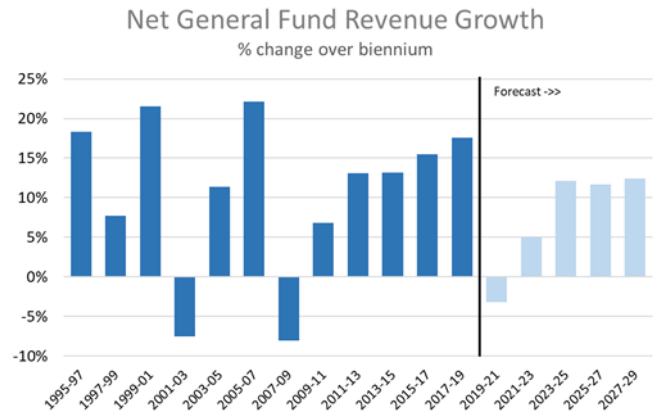
Over the extended forecast horizon, Oregon’s ability to attract and retain skilled, working-age households represents our primary comparative advantage relative to other states. To the extent the pandemic, wildfires, drought, or protests impact this advantage remains to be seen. Despite the recent string of bad press, Oregon is expected to remain attractive to migrants. Although the pandemic may change the relative desirability of different options within the state (urban vs rural, city center vs suburbs, detached single family vs multifamily), it would take a lot to offset the relative quality of life that most Oregonians enjoy.



2021-23 Revenue Outlook and Risks

Oregon's primary revenue sources are expected to post gains throughout the 2021-23 budget period. A growing economy typically leads to growing revenues. Even so, growth will be modest. The losses of jobs and business income due to the recession have yet to completely flow through to tax collections.

Oregon's General Fund Revenues are expected to grow by 5% over the 2021-23 budget period, surpassing \$22 billion for the first time. This growth is quite modest from an historical perspective, and not sufficient to keep up with the rising cost of providing public services. Should the baseline outlook come to pass, state resources will have remained roughly unchanged for three budget periods, while Oregon's population and prices will have continued to grow.



It is not unheard of for Oregon's tax revenues to remain flat for several years. The 1991 recession and recovery provides the most recent example. That said, the typical recession in Oregon has brought with it a much larger swing in revenue collections. Significant risk to the revenue outlook remains.

The primary source of risk to the revenue outlook is the persistence of the nationwide economic recovery. The path of the virus and success of the medical innovations and fiscal policies used to combat it are still unknown. A double-dip scenario remains possible.

Even if the economic recovery persists throughout 2021-23 as expected, downside risk to state revenue collections remains. Much of this risk involves the path of profits, capital gains and other nonwage forms of corporate and personal income. Such investment forms of income do not always move in step with the underlying economy.

Given that economic growth is expected to persist going forward, a consensus of forecasters expects profits and equity values to remain near the high levels where they are today. This assumption is key to the forecast of a relatively mild revenue downturn.

Oregon's General Fund Tax revenues fell sharply during each of the last two recessions as asset markets fell to earth along with business income. During the housing bust, taxable capital gains dropped from around \$10 billion to \$2 billion.

While the revenue outlook is uncertain, Oregon is in a better position than in the past to manage this risk. Encouragingly, Oregon has saved a larger amount of reserve funds than ever before. Automatic deposits into Oregon's Rainy Day Fund and Education Stability Fund throughout the long expansion have added up. Oregon's budget writers have never had access to significant reserve funds during past recessions. Although today's reserves will not cover all of the likely shortfall caused by a recession, they are large enough to ease much of the pain.

Economic Disparities in Oregon

The path and persistence of Oregon's economic recovery in 2021-23 is still very uncertain. The recession may technically be over, but permanent damage has been done. As is always the case, this damage will be disproportionately felt by Oregon's low-income households in rural areas and Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities.

Strong economies work wonders but they do not cure all ills. Disparities and inequities lessen during good economic times, but tend to widen during recessions. This section will focus on three main economic disparities: income, geographic, and racial and ethnic.

All recessions exacerbate economic disparities. Households with low incomes, rural areas that are under resourced and Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities face disproportionately negative impacts. A hot economy helps to bridge gaps. Goods, workers and space all become harder to find in boom times. As a result, households and businesses are forced to look to new suppliers, to new markets or areas, and employment opportunities increase. A wider range of Oregonians are able to get their foot in the door to prove their value to clients and employers.

Recessions Widen Disparities

The benefits of a healthy economy become obvious when looking at both regions of the state as well as racial and ethnic groups over time. Oregon's rural areas provide one example.

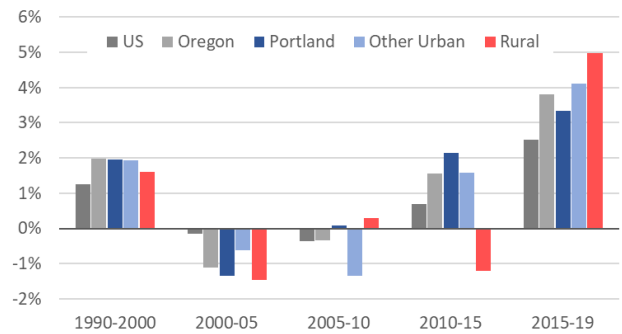
It should come as no surprise that Oregon's rural areas suffer disproportionate job losses during most recessions, and struggle during the early stages of economic recoveries. The manufacturing, agriculture and natural resource industries that many of Oregon's rural areas depend upon are boom-bust propositions by their nature.

Many of our rural areas also depend upon migration flows that can slow or reverse direction during recessions. Oregon's traditionally resource-dependent towns have been spared the mass exodus of population seen in industrial and agriculture regions elsewhere in the country. This is remarkable given that many of our communities saw an industrial collapse every bit as large as did towns in the rust and farm belts.

Once recoveries transition into mature economic expansions, things turn around. When the regional economy is running hot, Oregon's rural areas tend to grow faster than our urban areas and the gap between the two narrows. Since 2015, after adjusting for inflation, median household income in Oregon's rural areas has grown twice as fast as the U.S. average and one-third faster than in the Portland area.

Strong Economies Work Wonders

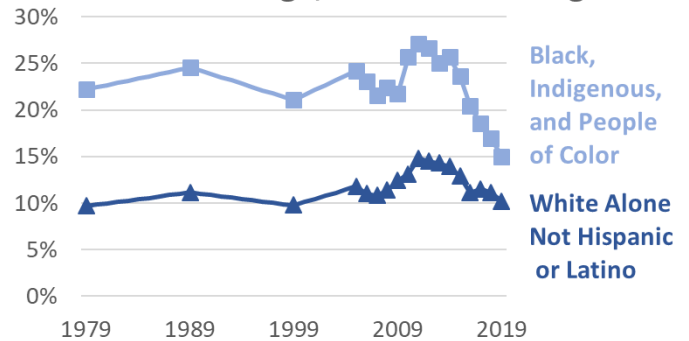
Annual Percent Change, Inflation-Adjusted Median HH Income



Rural estimates based on statewide figures excluding urban counties, using household-weighted medians. Inflation adjusted using PCE. | Data: 1990, 2000 Census, 2005-2019 ACS. Source: BEA, Census, Oregon Office of Economic Analysis

Similar to economic disparities across areas, gaps across races and ethnic groups narrow when the economy is strong. Following the longest economic expansion on record, poverty rates among Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities in Oregon reached new lows based on available data. Similarly, the gap in poverty rates between non-Hispanic white and households of Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American and Tribal communities in our state narrowed to the smallest it has been in at least 40 years.

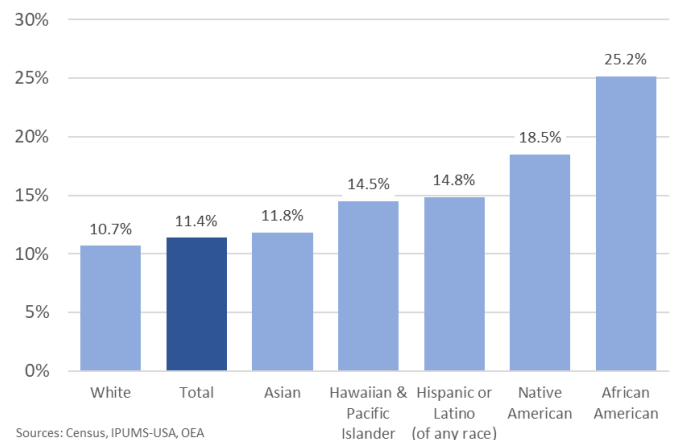
Oregon's Racial Poverty Gap Remains Large, But is Narrowing



Source: Census, IPUMS-USA, Oregon Office of Economic Analysis

Unfortunately, economic expansions do not last forever, and racial disparities are large. There is more work to be done to address racial inequities. Even after a decade of growth, poverty rates among Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities have only dropped to match the rate that non-Hispanic white, households faced at the worst of the Great Recession. All races except for whites exhibit above-average poverty rates and at rates disproportionate to their representation in the population of Oregon, with the highest rates reported among Native American and African American households.

2019 Oregon Poverty Rates by Race



Sources: Census, IPUMS-USA, OEA

This Recession Is Unique

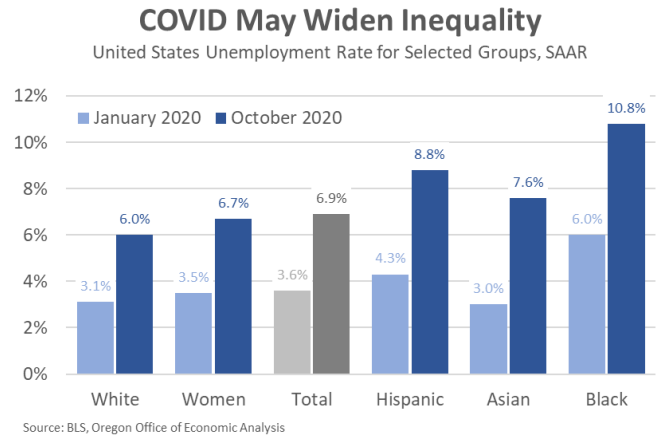
While all recessions exacerbate economic disparities, the unique nature of the pandemic-driven downturn threatens to erode equity more than usual during the 2021-23 biennium. In particular, women and communities of color are at risk of slipping further behind this cycle.

Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities across the country are suffering from above-average COVID-19 infection rates, and are more likely to see worse health outcomes after becoming infected. This will no doubt lead to worse economic outcomes as well. It will be some time before widening economic disparities become evident in the Oregon data, but bigger gaps are already evident at the U.S. level.

U.S. unemployment rates have risen sharply this year for workers of all races and ethnicities.

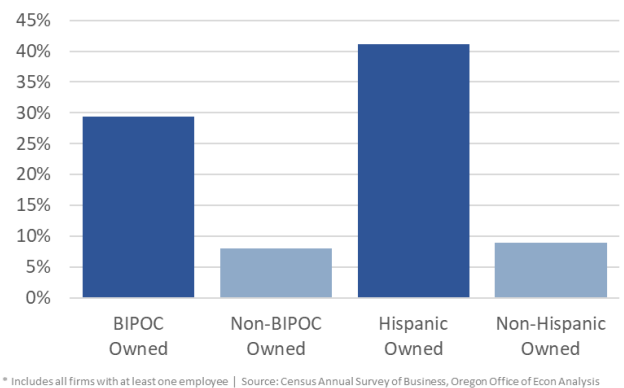
However, the largest percentage point increases have been seen among workers from Black, Indigenous, Hispanic, Asian, Pacific Islander, Native American, and Tribal communities. Some of the industries that have been directly affected by social distancing and exposure risk employ a large number of workers from Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American and Tribal communities. Although 2020 regional employment data is not yet available by race and ethnicity, the industry mix of Hispanic workers in Oregon is particularly worrisome given the nature of the COVID-19 recession. Hispanic workers are heavily represented among leisure & hospitality, agriculture and food manufacturing industries.

Workers from Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, Tribal, and linguistically diverse communities as well as rural communities are not the only ones being disproportionately impacted by the nature of the recession. Business owners from these communities are being hit hard as well. With many businesses in front-facing service industries, sales have suffered due to concerns about COVID-19. Nowhere is this more clear than in the food service and accommodation industry which is home to many Black, Indigenous, and People of Color (BIPOC)-owned businesses. Making matters worse, a large number of these businesses were left out of federal business aid programs which largely relied on existing banking relationships for administering the programs.



Accommodation & Food Service Firms

% share of total payrolls*, 2017

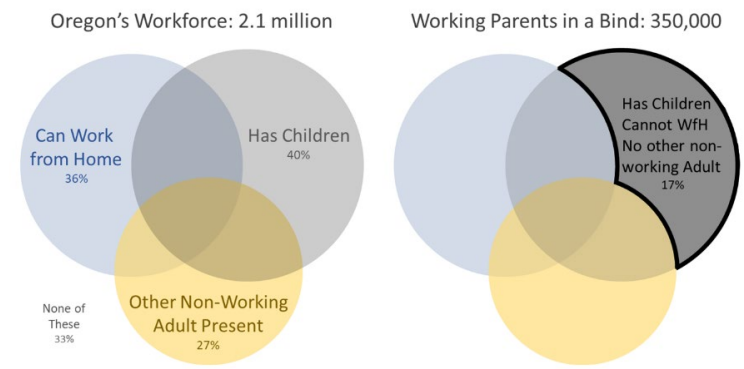


Across racial and ethnic groups, women have fared worse in the labor market than have men in recent months. There is very little difference in how much unemployment rates have risen for men and women.

However, this is due in part to the fact that 700,000 more women than men have left the labor force so far this year. Women are participating in the labor market more than a generation or two ago, but still bear the brunt of childcare duties in many households.

One out of six Oregonians in the labor force fits the following description: They have kids, work in an occupation that cannot be done remotely, and do not have another non-working adult present in the household. In other words these 350,000 or so Oregonians are in a bind. They face the tradeoff between going to work or taking care of their children, or at least scrambling to find childcare.

COVID Challenges Working Oregon Parents



Data: 2018 ACS | Source: IPUMS-USA, Univ of Chicago, Oregon Office of Economic Analysis

Inequities in access to technology threaten to set children back who do not live in households with high incomes. Although internet access is a problem for households with low and middle incomes of all races and ethnicities, households headed by Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities are less likely to have high speed internet at home compared with their white, non-Hispanic neighbors. Households with incomes above \$100,000 a year tend to have similar rates of high speed internet at home regardless of geography, race or ethnicity.

Kids with Internet at Home

Share of Portland area household with children that have a high speed internet connection at home
Race and Ethnicity based on the characteristics of the householder

| Household Income | All | White, Non-Hispanic | | American Indian or Alaska Native | | | Other and 2 or More Races | |
|------------------|------------|---------------------|------------|----------------------------------|------------|------------|---------------------------|------------|
| | | Hispanic | BIPOC | Alaska Native | Asian | Black | Hispanic | More Races |
| <\$25k | 71% | 89% | 53% | 100% | 75% | 59% | 47% | 94% |
| \$25-50k | 74% | 83% | 61% | 74% | 62% | 63% | 58% | 59% |
| \$50-75k | 82% | 88% | 73% | 78% | 77% | 87% | 65% | 72% |
| \$75-100k | 84% | 90% | 69% | 100% | 83% | 71% | 57% | 79% |
| \$100-150k | 91% | 91% | 90% | 100% | 90% | 100% | 85% | 87% |
| >\$150k | 97% | 97% | 98% | 100% | 97% | 100% | 100% | 96% |
| Total | 87% | 92% | 77% | 91% | 87% | 75% | 66% | 80% |

Geography: Clackamas, Multnomah, and Washington Counties

Data: 2018 American Community Survey | Source: IPUMS-USA, Oregon Office of Economic Analysis

Bridging the Gap: Investment and Capital

Again, strong economies work wonders but cannot eliminate disparities altogether. Investments in human and physical capital pay dividends over time, similar to saving for college or retirement. The further a household is left behind, the harder it is to catch up. It often takes generations. Persistent inequality has led to many gaps in wealth and capital that will be difficult to bridge. This section highlights three of these gaps: homeownership, access to technology and educational attainment.

As with Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities' households with low incomes, inequities in access to technology also threaten to hold back growth in rural areas of the state. Significantly more Oregonians work from home than in the typical state. In fact, Oregon ranks second behind Colorado when looking across the country. This trend is led by scenic destination areas like Bend and Hood River. However, even most of Oregon's rural areas see relatively high rates of working from home.

To the extent that rural areas see any sort of increase in COVID-19-related migration, it would be beneficial to the long-run outlook. Many who are working from home are diversifying our regional economies. Outside of the Portland area, those working from home tend to be concentrated in occupations that aren't as prevalent locally as they are nationally. In essence these workers are voting with their feet, saying they want to live in our communities. However it is harder to find a job in their chosen field, so they are making it work by bringing their job with them, or starting their own business. This increase in economic diversification should make our regional economies more resilient and better able to withstand different types of recessions over time. Of course, access to reliable internet service is necessary for any of this to occur.

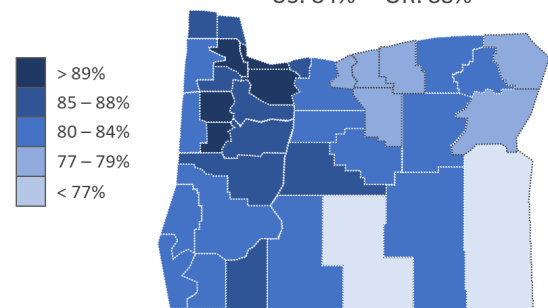
Although remote learning creates a new twist, access to education, training and capital have always been central to bridging economic disparities. Investments in education and training boost lifetime earning potential (although pay disparities remain), and are associated with a range of benefits that money can't buy.

Educational attainment has been rising in recent decades for all Oregonians. These gains are relatively consistent across different racial or ethnic groups. Despite recent gains, large gaps remain in rates of educational attainment across races and ethnicities. In particular, Hispanic and Native American/Alaska Native populations earn college degrees at much lower rates than do other groups.

Oregon Broadband Access

Share of Households with Computer & Broadband Subscription

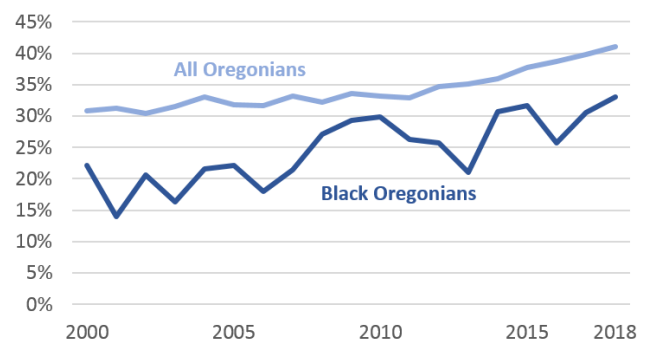
US: 84% OR: 88%



Data: 2014-2018 American Community Survey
Source: Census, Oregon Office of Economic Analysis

Prime-Age College Graduates

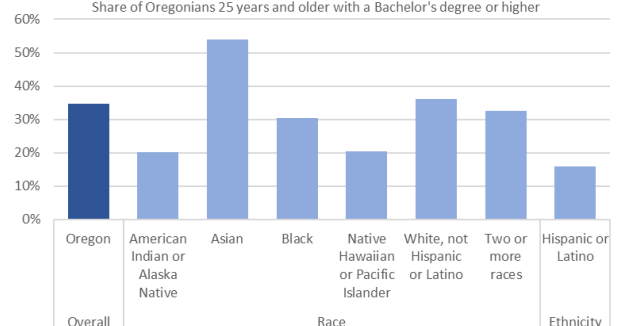
Share of 25-54 Year Old Oregonians with a College Degree



Source: IPUMS-USA, Oregon Office of Economic Analysis

Educational Attainment in Oregon

Share of Oregonians 25 years and older with a Bachelor's degree or higher

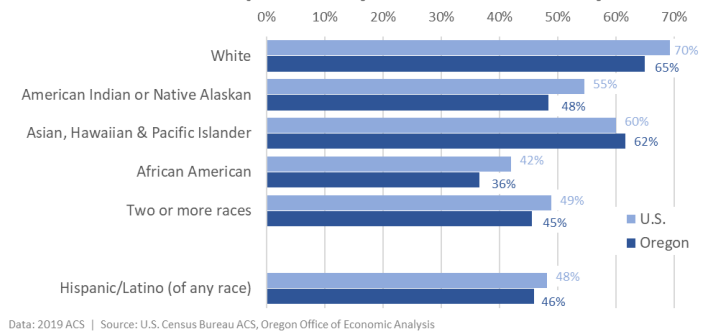


Data: 2019 ACS | Source: Census, Oregon Office of Economic Analysis

Access to capital also represents a barrier to overcoming economic inequality. There is truth to the cliché that it takes money to make money. Households invest in a wide range of assets, but for the vast majority, homeownership represents the largest generator of wealth over their lifetime. All racial groups in Oregon with the exception of Asian households own homes at lower rates than do their counterparts in other states. In Oregon, our metropolitan and rural areas alike are facing an affordability crisis.

Homeownership rates are particularly low among Black Oregonians.

Homeownership Rates by Race and Ethnicity



Demographic Change

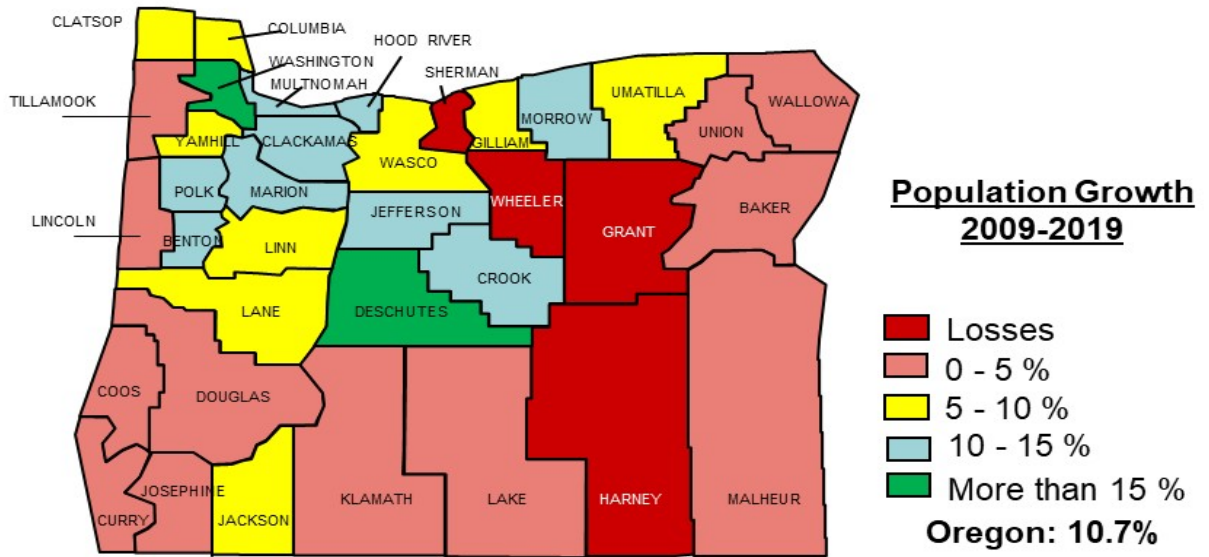
Oregon’s population was showing very strong to moderate growth until the COVID-19 pandemic hit. Oregon’s annual population growth rate has been slowing down since the high of 1.6 percent in 2017. The rate was down to 1.0 percent in 2019 and is expected to be 0.6 percent in 2021 due to the current pandemic. Based on the current forecast, Oregon’s population of 4.2 million in 2019 will reach 4.6 million in the year 2029 with an average annual rate of growth of 0.8 percent.

Oregon’s population growth changes with its economic and employment outlook. After an economic and population boom in the 1990’s, two severe recessions during the decade preceding the 2010 Census curtailed population gains and probably cost Oregon one additional seat in the U.S. House of Representatives. The population growth during the decade of 2000 to 2010 was 12.0 percent, down from 20.4 percent growth in the previous decade. Oregon’s rankings among all 50 states in terms of decennial growth rate dropped from 11th fastest between 1990 and 2000 to 18th between 2000 and 2010. In 2019, just before the pandemic, Oregon’s population growth ranked 13th highest in the nation. The decennial population growth rate during the most recent census decade was historically the second lowest in Oregon since 1900. 2020 has proven to be a challenging year for a decennial census. Achieving a fair, complete, and accurate count was especially challenging in 2020 as one barrier after another arose in Oregon – including the unusual politicization of the census by the current presidential administration, an ever-changing census operations’ timeline, flooding, wildfires, and a global pandemic. Barring any timeline adjustments, results of the 2020 Census enumeration will be available in early 2021.

GEOGRAPHIC VARIATIONS

The figure below shows a decade of population change by county between 2009 and 2019. Overall, Oregon’s population grew 11 percent during this period. However, there are large variations by region and county. Both Deschutes and Washington counties experienced exceptionally high growth rates relative to the rest of the state, although not from a historical perspective where growth was stronger in decades past.

Population Growth By County, 2009-2019



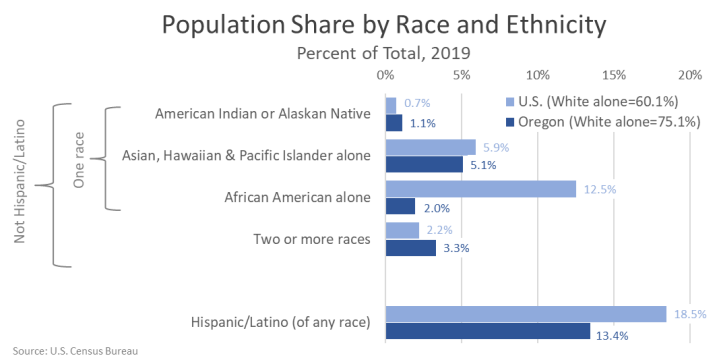
Source: Population Research Center, PSU

Office of Economic Analysis

The moderately growing counties (between 10 and 15 percent increase) were Hood River, Morrow, Clackamas, Multnomah, Crook, Marion, Polk, Benton, and Jefferson. The slow growing counties (between 5 and 10 percent increase) were Yamhill, Jackson, Linn, Wasco, Lane, Umatilla, Columbia, Gilliam, and Clatsop. The counties with very slow growth (between 0 and 5 percent) were Tillamook, Lincoln, Josephine, Union, Douglas, Baker, Klamath, Malheur, Curry, Lake, Willowa, and Coos. Four counties losing population (negative growth) were Sherman, Wheeler, Harney, and Grant. Population growth by county reflects the local economic environment and demographic characteristics of the residents. In general, counties in the upper Willamette Valley and Central Oregon experienced the fastest population growth and the counties in the south and the east experienced relatively slow growth.

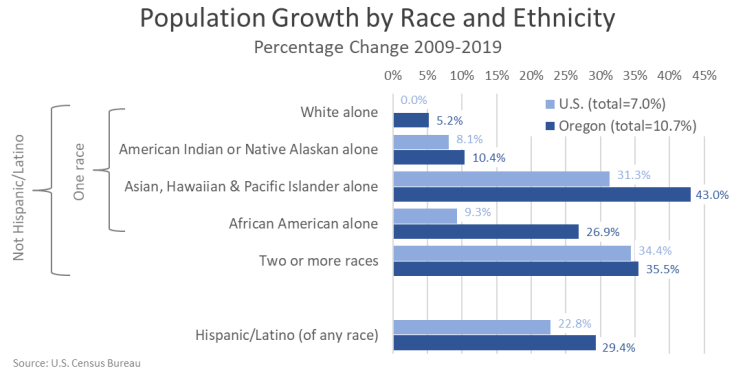
RACIAL AND ETHNIC COMPOSITION

When surveyed by Census takers, an overwhelming majority of Oregon's population identify themselves as white; nevertheless, Oregon has become more racially and ethnically diverse. An estimated 86.7 percent of Oregon's population was in the white racial group in 2019. Each of the other racial groups individually accounted for five percent or less of the population.



Oregon remains less racially diverse than the nation as a whole, but we are making up ground. The population of white Oregonians grew at a significantly slower rate than did the population of every other racial group over the past decade. An estimated 75.1 percent of Oregonians were non-Hispanic white in 2019, down from 83.9 percent in the 2000 Census.

Not only are Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American and Tribal members accounting for a bigger share of Oregon’s population, Oregonians are accounting for a bigger share of communities of color nationwide. Over the past decade, every racial group saw faster population growth in Oregon than in the average state.



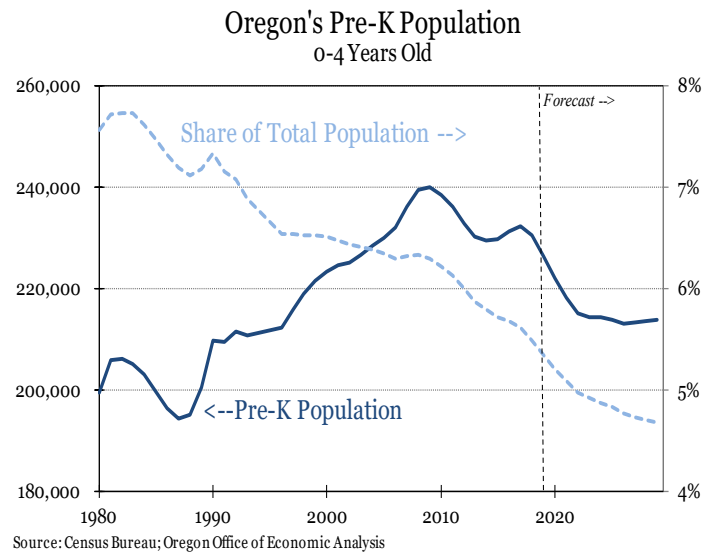
Oregon’s Hispanic population is growing rapidly as well. The Hispanic or Latino/a/x ethnic group, which can be of any race, reached 13.4 percent of Oregon’s population in 2019. The Hispanic population increased from 112,707 in 1990 to 450,062 in the 2010 Census count. This ethnic group is estimated to have grown to 566,847 in 2019.

CHANGE IN AGE STRUCTURE

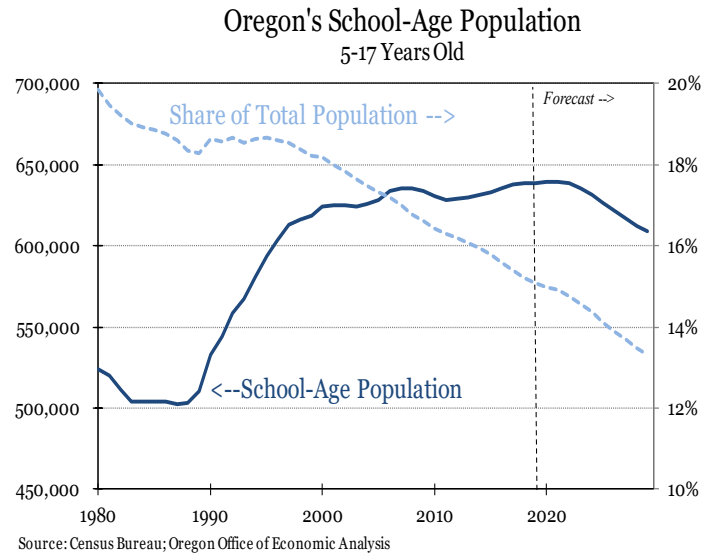
The figures below show that population growth differs by age group with budgetary implications.

CHILDREN

- Under five years. The size of this age group directly affects demand for childcare, Head Start, and Temporary Assistance for Needy Families (TANF). Between 2021 and 2023 the number of children under age five will decrease by 1.7 percent. The growth in this cohort was negative or slow in the recent past mainly due to the decline in the annual number of births associated with an increasing tendency towards smaller family-size and slowdown in the net in-migration of children and young adults at the early stage of family formation.

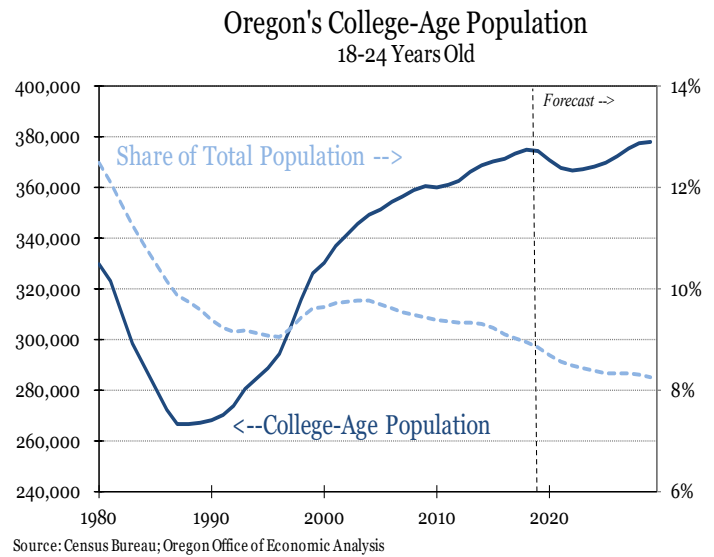


- School age. The children in the five to 17 year age group drive demand for K-12 public school enrollment. Nearly 90 percent of five to 17 year-olds are enrolled in public schools. After growing rapidly during the early 1990's, population growth in this age group has slowed or turned negative for nearly two decades and will continue this trend in the near future. After several years of negative growth, the growth in the number of school-age children turned slow but positive starting in 2012. However, this group of Oregon's population will have a steady declining trend starting in 2022. Between 2021 and 2023, the number of school-age children is expected to decline by 0.6 percent. The share of school-age children in the total population declined from 19.9 percent in 1980 to 15 percent in 2020.

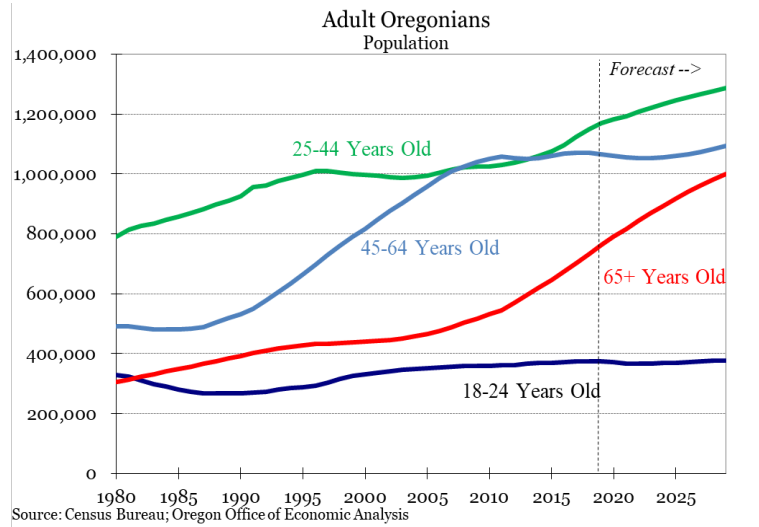


ADULTS

- Ages 18 to 24. This age group drives demand for post-secondary education and entry-level jobs. Nearly 72 percent of all undergraduate students in Oregon public universities are 18 to 24 years old. Although the population in this age group has shown very small change, college enrollment in general is associated with competing opportunities. Enrollment increased in the past at a much faster rate than the 18-24 age population due to the lack of competing employment opportunities. Also, males in this age group are the population at risk of criminality with the highest arrest rate of all adults. Consequently, population in this age group is a major factor in forecasting demand for prison and jail beds and probation services. The growth in this population group, however, has slowed and will continue to taper off as the “baby-boom-echo” cohort exits this age group. This population group is expected to decline in the years 2020 and 2021 mainly because of the impact of current pandemic. Between 2021 and 2023, this population will remain virtually unchanged.



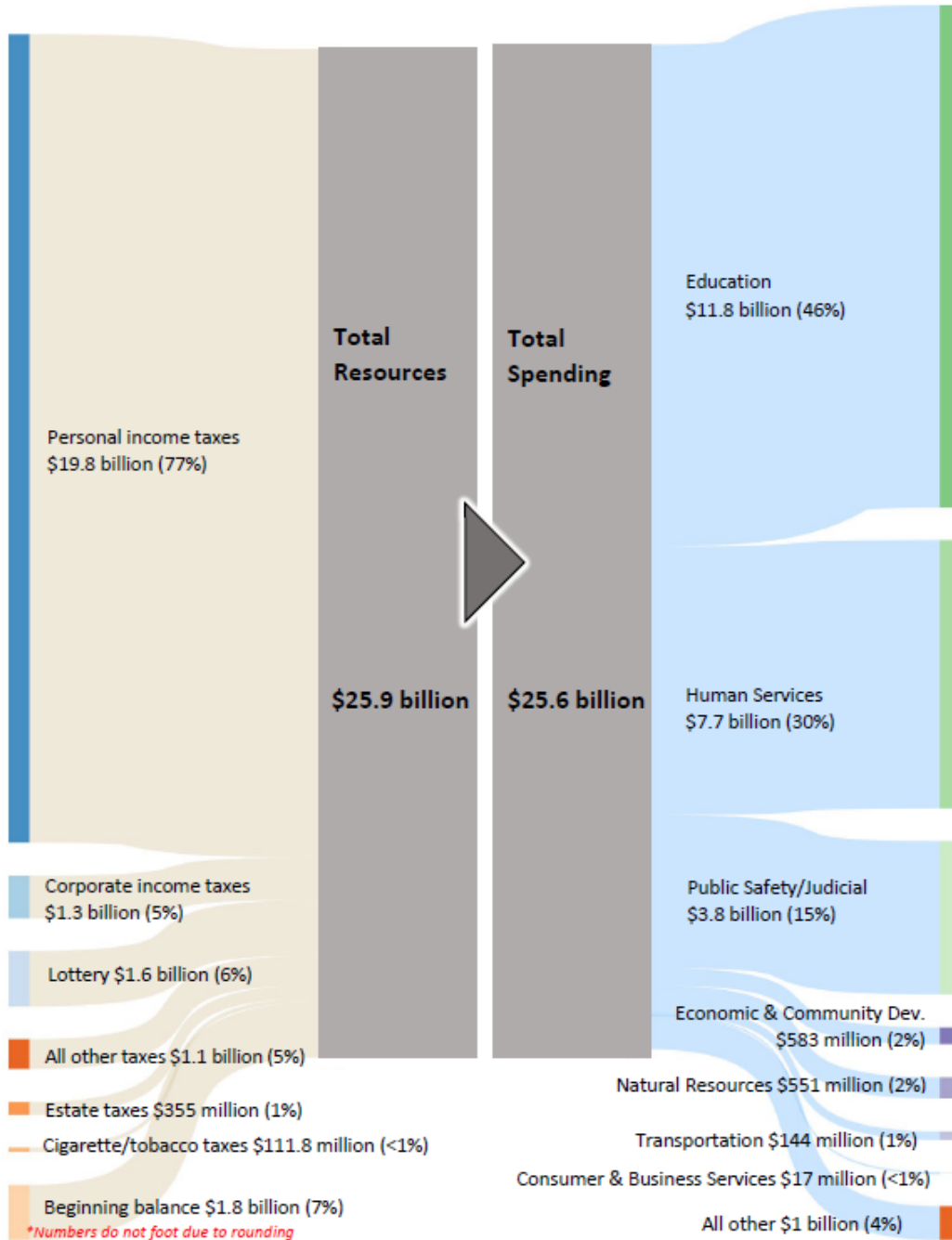
- Ages 25 to 64. Working-age adults comprise 53 percent of the total population. The nature of this group is heavily influenced by baby-boomers. The working-age population is the major contributor to the state's tax revenue and puts very little direct pressure on state services. However, younger adults need entry-level jobs and older adults require continued training in a changing technological environment. All of them need affordable housing, and especially young adults at the beginning stage of their family formation, need childcare, and schools for their young children. Overall, this population group will grow by 1.1 percent between 2021 and 2023, with older working age adults 45 to 64 virtually unchanged as the baby-boomers continue to mature out of this age category.



OLDER ADULTS

- Ages 65 and over. Since 1950, Oregon's older adult population has more than tripled, while the total population has nearly doubled. Growth in this group was slow between 1995 and 2002, largely due to the depression era birth-cohort reaching retirement age. However, the pace of growing trend has picked up since then and will continue its faster pace of growth. Beginning in 2011, this population group has consistently exceed a three percent annual growth rate. The older adult population accounts for over 18.0 percent of the total population. Starting in 2023, there will be more seniors than the number of children under the age of 18. Between 2021 and 2023, the combined older adult population will grow by 6.4 percent. However, the number of people aged 75 to 84 will increase by a larger 15.7 percent during this biennium as the early baby boomers enter and depression era cohort exit this age group, far exceeding the state's overall growth of 1.6 percent and will grow at the fastest pace of all age groups. During the same period, the number of peopled aged 85 plus will increase by 4.5 percent. The growth in seniors is the product of life-time of favorable migration into Oregon and continued improvement in life expectancy. The people aged 65-74 require relatively little public assistance, while persons aged 85 and over tend to require more public assistance. Many members of the senior population require health care, pension support, and special housing. They are highly dependent on state long-term care services. Different age groups of the senior population will manifest the effects of people born during the depression era and baby boom period.

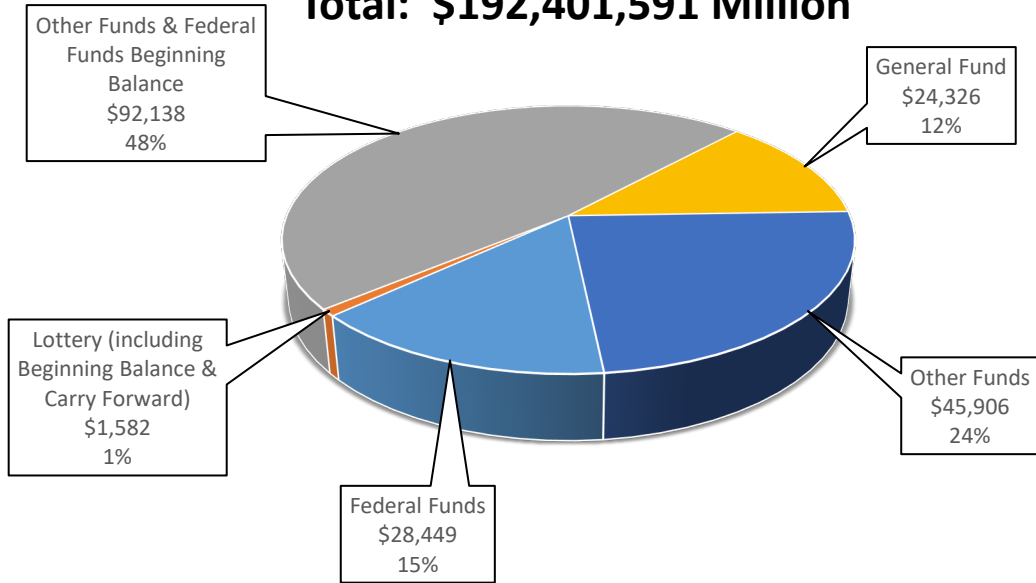
2021-23 General Fund/Lottery Funds Budget



2021-23 All Funds Budget

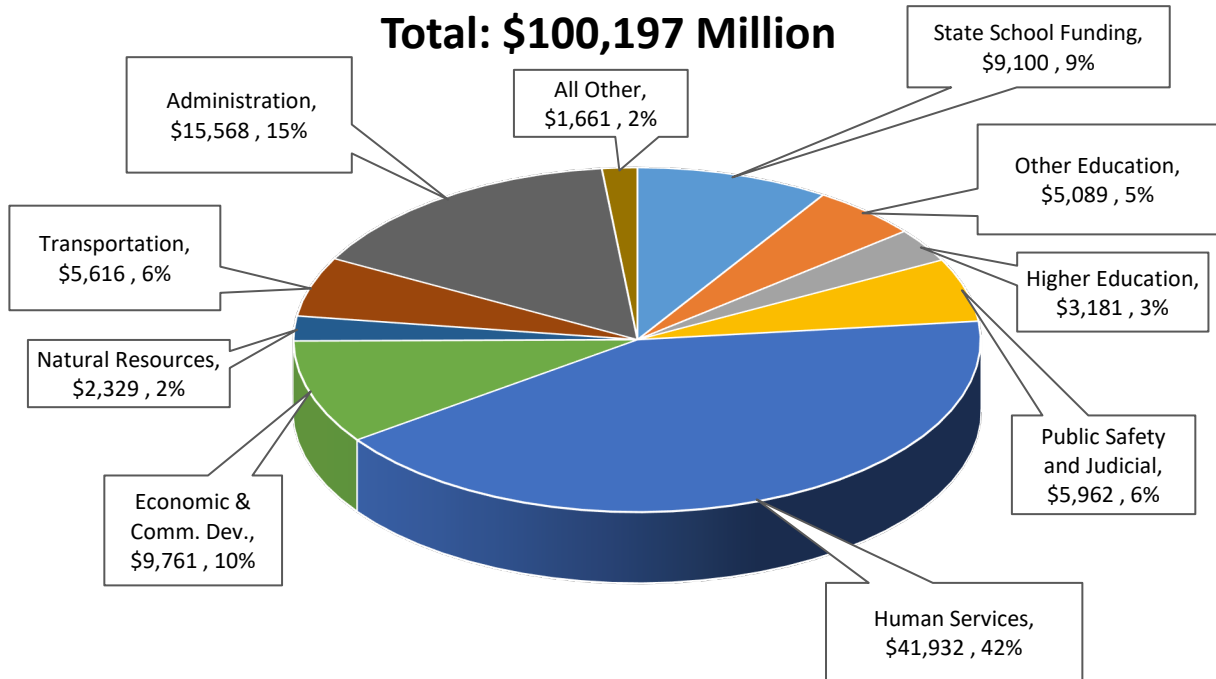
Resources

Total: \$192,401,591 Million

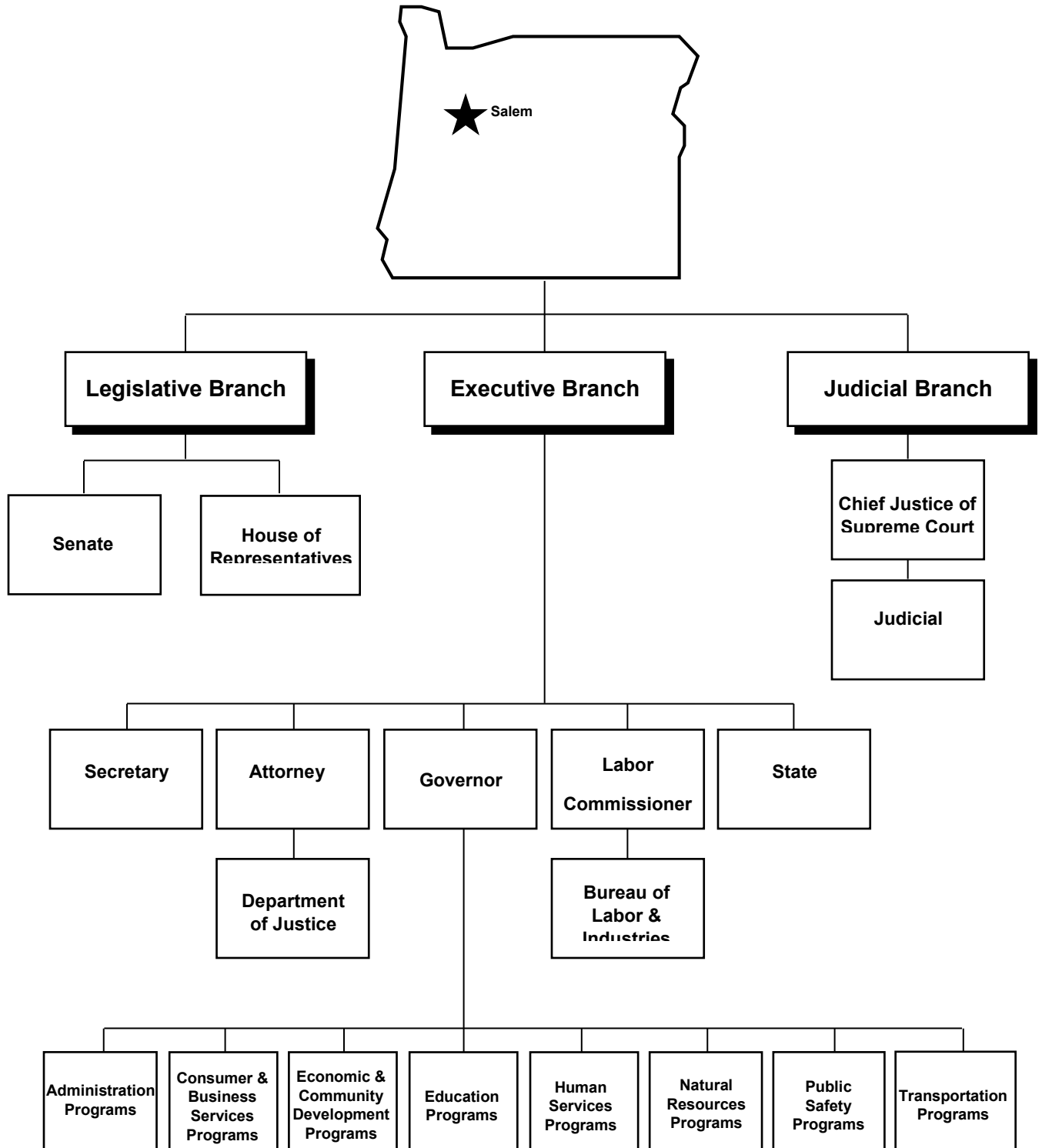


Expenditures

Total: \$100,197 Million



STATE OF OREGON ORGANIZATION CHART



EDUCATION

Program Area and Agency Information



EDUCATION AGENCIES

Education Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|-------------------------|--------------------------------|------------------------------|
| General Fund | \$10,317,382,996 | \$10,802,030,740 | \$10,946,393,398 |
| Lottery Funds | 629,494,414 | 675,267,820 | 854,562,417 |
| Other Funds | 1,030,503,237 | 2,471,515,731 | 3,502,536,338 |
| Federal Funds | 1,006,194,901 | 1,237,006,817 | 1,307,453,827 |
| Other Funds (Nonlimited) | 357,638,271 | 348,609,912 | 302,310,818 |
| Federal Funds (Nonlimited) | 401,942,199 | 431,402,823 | 456,209,132 |
| Total Funds | \$13,743,156,018 | \$15,965,833,843 | \$17,369,465,930 |
| Positions | 747 | 867 | 893 |
| Full-time Equivalent | 699.48 | 815.42 | 866.56 |

OVERVIEW

Oregonians are investing more today to provide for the needs of children, especially those who face the most barriers to accessing quality education, than at any time in our state’s history. The value we place on education continues to be a marker of who we are as Oregonians. It is fundamental to transforming the lives of every Oregonian and breaking the cycle of intergenerational poverty. However, Oregon’s investments in its educational system remain below the level necessary to ensure everyone has access to high-quality education from birth to postsecondary education and to address a legacy of both systemic racism and disinvestment in education that remains as a barrier to opportunity.

Continuing to prioritize and expand investments targeted at improving educational access and outcomes for Oregon’s Black, Indigenous, Latino, Latina, and Latinx, Asian, Pacific Islander, Tribal students, students of color and other students experiencing marginalization is a critical investment in our communities, our economic growth and our future as a state. Education – prenatally and beyond – is inextricably linked with economic mobility, health and wellness, and quality of life for every Oregonian and every family.

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

disproportionately impacted by COVID-19 and it is more important than ever that we invest in the healthy development of young children and their families.

Oregon needs skilled workers to contribute to our state's economic vitality and to reduce poverty across our rural and urban communities. Research is clear that high school graduates – and especially those who go on to complete a postsecondary degree – are more likely to obtain a good job, less likely to live in poverty, less likely to have children who also live in poverty, and more likely to be in good health compared to those who don't have the chance to reach these levels of educational attainment. Even as the economic outcomes of education are a means to quantify benefits to our communities as a whole, we know educational opportunity is something every student deserves.

The novel coronavirus, or COVID-19 pandemic, has had an unprecedented impact on Oregonians and a disproportionate impact on Oregon's communities of color and Tribal communities. The emergency closure of schools, higher education institutions, and child care facilities has served as a compelling reminder of just how critical Oregon's education system is for the functioning of the economy, our families, students, and society at large. The daily rhythms of the education system – as well as the care, connection, and relationships forged in our classrooms and places of learning – are interconnected and are woven into the very fabric of our most fundamental public institutions and ways of life.

Oregon's education system provides a foundation for responding to the individual needs of our children and students, and the collective needs of our communities in critical response to our current public health crisis and resulting economic uncertainty. It is through partnerships with community-based, culturally specific organizations and entities that span education, health, social services, housing, and workforce that our state can holistically and comprehensively support students in these uncertain times and reinforce them and their resilience in continuing to pursue pathways toward a high school degree, job training, completion of postsecondary degree, and a career.

The necessary shift to distance learning during the pandemic has accentuated both the adaptability and resiliency of Oregon's students and educational system. It has also resulted in more students becoming disconnected from learning, placed more demands on families with disproportionate impacts falling on women, people of color, and tribal members in the workforce, stretched the capacity of existing care givers, and accentuated the already limited supply of affordable child care across Oregon.

These and other effects of the pandemic on top of the persistent gaps in opportunity further the deep and underlying systemic inequities that place a high school diploma, post-secondary education, career and technical training, and employment out of reach for too many Oregonians, especially Oregonians of color and Tribal communities.

In 2019, the Governor and Legislature made historic investments in our education system with the passage of the Student Success Act. The state's newly enacted Corporate Activity Tax (CAT) will be fully phased-in for the 2021-23 biennium, generating over \$1,100 million a year in new revenue to help expand and strengthen current programs, including the State School Fund, High

School Success Grants, Early Intervention/Early Childhood Education and Early Learning programs, as well as create possibilities for new initiatives to close the opportunity gap, diversify the education workforce and foster professional development opportunities for the early childhood education workforce.

Given the focus and impact of the Student Success Act (SSA) in addressing disparities in opportunity, the Governor's budget fully funds the SSA, including the Student Investment Account, as the foundational commitment to educational equity with a critical set of investments that can help to ensure an equitable COVID-19 recovery. The Student Investment Account serves as the primary mechanism to help meet student mental or behavioral health needs; improve academic achievement and reduce academic disparities for students who have been historically underserved in our public schools. Specifically, this includes children and youth of color, and those navigating poverty, homelessness and foster care; for children and youth from tribal communities, emerging bilingual students, students with disabilities, and other students that have historically experienced disparities in education. The Governor's budget proposal funds the Student Investment Account at \$778.8 million, providing support for these targeted purposes that has not been realized prior to the Student Success Act.

Oregon's graduation outcomes have steadily trended upward over the last several years, reaching 80 percent of students graduating within four years in 2018-19 school year. This is a significant improvement from a decade earlier in which the percentage of students graduating hovered between 66-69 percent from 2008-2013. Despite these improvements, significant support needs to be sustained for students with disabilities, emerging bilingual students, American Indian/Alaska Native, Latino, Latina, Latinx and Black/African American students achieve their high school diploma. Through added support from the Student Success Act, Oregon has recently made progress in student achievement through the African American Education Plan grants, Latino/a/x State Plan, and American Indian/Alaska Native State Education Plan grants. With these additional resources, the educational system is just beginning to ensure those who face an opportunity gap are supported to achieve their full potential.

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

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

learning system is essential for ensuring all children enter kindergarten ready to learn. The Early Learning Division is overseen by the Early Learning System Director and coordinated by the Early Learning Council. Both the System Director and the Council are appointed by the Governor to create a unified system of early childhood services directed to children from birth to age six. The Council provides policy direction to meet early learning goals statewide through its 2019 strategic plan, *Raise Up Oregon*, including recommendations to streamline state programs supporting children and families across Oregon.

- The Youth Development Council, also housed within the Department of Education, was established to create a coordinated system for services to school age children and youth up to age 20 that will support academic success and reduce criminal involvement. The Council oversees a continuum of programs and services for youth while taking on the responsibilities of Juvenile Justice Advisory Committee, the Juvenile Crime Prevention Advisory Committee and state efforts to prevent and intervene with gang violence across Oregon.
- The Higher Education Coordinating Commission (HECC) is responsible for developing goals and a strategic plan for the state’s post-secondary education system, implementing accountability measures for achieving those goals, developing a finance model for a consolidated post-secondary education budget, and promoting policies addressing access to post-secondary education, student success and completion, and improved coordination of educational services. The HECC budget consists primarily of state funding for community colleges, public universities, Oregon Health and Science University (OHSU) programs, the Oregon Opportunity Grant program, the Oregon Promise program, and debt service on bonds issued to finance college and university capital projects.
- The Educator Advancement Council oversees regional networks led by educators to provide high-quality, culturally responsive professional learning for teachers and administrators. In tandem with the Teacher Standards and Practices Commission which oversees educator preparation programs and licenses caring, competent and skilled educators. The Council is building partnerships and pathways to grow the number of educators who are racially, ethnically and linguistically diverse serving students in our public schools

GOVERNOR’S BUDGET

The 2021-23 Governor’s Budget for the Education Program Area is \$17,369.5 million total funds and 893 positions. This includes \$10,946.4 million General Fund, \$854.6million Lottery Funds, and \$102.1 million marijuana tax revenue. General Fund and Lottery Funds have grown by a combined 2.8 percent from the 2019-21 Legislatively Approved Budget, and total funds have increased by 8.1 percent.

The Governor’s Budget prioritizes investments in early learning, racial justice and equity, school funding, supports for distance learning, supports to expand instructional standards and assessment tools, school facility improvements and broadband connectivity, and the full-implementation of the Student Success Act. Key elements of the Governor’s Budget include:

- *Early Care and Education*. The Governor’s Budget proposes \$109.0 million in new investments from General Fund and Student Success Act resources to support a total of

8,000 new preschool and early care and education slots and associated supports in high quality programs to serve 31 percent more children and families. This funding will help early learning educators receive a living wage, ensure more children living in poverty between ages of 0-5 receive high-quality and early learning experiences, expand parenting education and parent-child interaction and kindergarten readiness, as well as support the capacity of culturally-specific organizations to meet the early learning needs of their communities. In addition, the Governor's investment plan proposes funding for a new Tribal Learning Hub to support children and families of the nine federally recognized tribes located within Oregon's borders. The Governor's budget also funds child care licensing and expanded background checks for license-exempt child care providers, additional staffing for licensing, mental health consultation within child care and preschool settings throughout the state, and facilitates Student Success Act enhancements for early care and education workforce development.

- *School Funding.* The Governor's Budget proposes \$9,100.0 million for the State School Fund. State resources within this amount include General Fund, Lottery Funds, Corporate Activity Taxes, Marijuana and other miscellaneous funds. This funding plan also relies on \$215.0 million from Education Stability Fund reserves to maintain the overall funding level of the State School Fund. The State School Fund includes \$5 million in extended stabilization funds for school districts critically impacted by wildfire. The budget also includes full funding of the High School Graduation and College and Career Readiness Fund at \$318.0 million or an average of \$860 per student annually.
- *Culturally-Responsive Support for Educators.* The budget utilizes one-time resources within the Educator Advancement Fund to support a statewide Anti-Racist Leadership Initiative and Indigenous Education Institute to support culturally-responsive, anti-racist practices and policies in schools and to diversify the educator workforce.
- *Distance Learning and Teaching Innovations.* The budget includes \$14.1 million to support the Comprehensive Distance Learning model being implemented by schools. The funding will support the Digital Learning and Teaching Innovations Program, and to assist with the expansion of Oregon Open Learning.
- *STEM for Diverse Learners.* The Governor's Budget includes an investment of \$5.4 million to enhance Science, Technology, Engineering and Math Education (STEM) partnerships and grants to improve access for diverse learners and students who have been historically underserved to STEM education and career pathways.
- *Instructional Support.* The Governor's investment plan includes targeted investments to support and expand instructional standards for social-emotional learning, ethnic studies, world languages, and the arts as well as formative and interim assessment tools to enhance teaching and learning.
- *School Capital Construction.* The Governor's Budget includes \$138.2 million in bond funding to continue the state's capital improvement matching program for school districts. The budget also proposes enhancing the transfer from the State School Fund to the Office of School Facilities to establish a statewide facility assessment program for school facilities to more effectively target resources where they are needed most. The budget also includes \$5.5

million for deferred maintenance projects at the Oregon School for the Deaf and \$17.7 million for the Connecting Oregon Schools program to leverage federal funds to expand broadband connectivity for schools.

- *Diversity, Equity, and Inclusion (DEI)*. The Governor’s Budget enhances the Higher Education Coordinating Council’s diversity, equity, and inclusion (DEI) staff by providing additional positions to enhance DEI efforts and to operationalize the equity lens, provide outreach, community engagement, dedicated tribal consultation, and eliminate systemic racism in agency policies and practices.
- *Health Insurance Benefits for part-time faculty at higher education institutions*. The Governor’s Budget invests \$10.0 million General Fund for health care for part-time faculty at public institutions who provide instruction at multiple institutions and who are eligible for health care benefits.
- *The Compact of Free Association (COFA) Student Tuition Equity*. The Governor’s budget provides \$4.0 million General Fund for tuition equity for students from the Compact of Free Association (COFA).
- *Equity Programs for Student Access to Higher Education*. The Governor’s Budget provides \$5 million General Fund in grants (\$1 million each) to programs and non-profit organizations serving students of color and student with low-incomes in their readiness for college, including mentoring and support to obtain a high school diploma and successfully transitioning to and completing a postsecondary credential or degree.
- *Financial Aid Management Information System (FAMIS)*. The Governor’s Budget provides the agency with resources necessary to replace its aging Financial Aid Management Information System (FAMIS).
- *Student Pathways Transfer Portal*. The Governor’s Budget provides the resources necessary to implement technology and systems to support a transfer portal that will provide a streamlined student transfer pathways from community colleges to public universities.
- *Oregon Youth Employment Program*. The Governor’s Budget invests in youth by providing additional resources to the Oregon Youth Employment Program, which will provide an estimated 1,500 youth with eight weeks of work experience being paid at least at minimum wage.
- *Capital Construction*. The Governor’s Budget includes \$309.5 million in project costs for six university projects and for the Public Universities Capital Improvement & Renewal fund. The Public Universities Capital Improvement & Renewal Fund is to receive \$80.0 million. For community college capital projects, the Governor’s Budget includes \$32.5 million for five new projects.
- *Alternative Pathways to Licensure for Teachers*. The Governor’s Budget provides resources for the Teachers Standards and Practices Commission to support non-traditional pathways for community college students, community members, classified school employees, and professionals considering teaching as a career to earn professional licensure. An additional

\$0.2 million General Fund is included to require Educator Preparation Programs (EPPs) to include specific training in supporting diverse student and the state's American Indian/Alaska Native, Black, and Latino/a/x Student Plans. The EPPs will include specific training in trauma informed practices and student social-emotional support, including anti-bias training.

Oregon Department of Education

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$8,381,344,703 | \$8,617,962,824 | \$8,662,014,428 |
| Lottery Funds | 536,371,121 | 530,839,727 | 702,094,815 |
| Other Funds | 466,801,420 | 2,268,672,735 | 3,058,469,880 |
| Federal Funds | 924,418,235 | 1,109,446,757 | 1,179,256,033 |
| Other Funds (Nonlimited) | 121,368,526 | 120,364,721 | 137,133,538 |
| Federal Funds (Nonlimited) | 395,057,409 | 407,115,946 | 435,672,830 |
| Total Funds | \$10,825,361,414 | \$13,054,402,710 | \$14,174,641,524 |
| Positions | 586 | 693 | 724 |
| Full-time Equivalent | 553.49 | 653.30 | 705.87 |

OVERVIEW

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

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

The Department supports the Early Learning Council and the Early Learning System Director in carrying out their responsibilities to provide and coordinate early care and education services for children birth to five, including preschool, childcare licensing and regulation, and voluntary home visiting. The Department also supports the Youth Development Council and Youth Development Director in carrying out their responsibilities administering funding to community and school-

based programs focused on reengaging youth ages 6-24 who are not enrolled in school or participating in the workforce, including career development and juvenile crime prevention programs.

The agency contracts for compensatory education programs. Through Regional Programs, the Department provides special education services to children with disabilities, such as autism, hearing impairments and vision impairments. It also provides direct educational services at the School for the Deaf, and it contracts for most educational services at the MacLaren school, work-study camps and other Oregon Youth Authority correctional facilities. The emergency closure of schools earlier this year required educators, school leaders, students, and families to quickly pivot to distance learning. Changes to the instructional model, due to social distancing, has required the Agency to provide dual-levels of guidance, support, standards, and an overall framework by which schools can operate fully reopened, partially reopened, or remote. The Governor's Budget acknowledges these complexities and makes targeted investments to support the continuity of learning across the student population.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Education is \$14,174.6 million total funds. This is an 8.6 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 724 positions, an increase of 31 positions from the 2019-21 Legislatively Approved Budget.

The State School Fund budget is \$9,100.0 million total funds. The Governor's Budget utilizes \$215.0 million from the Education Stability Fund to ensure this level of funding for the State School Fund. The budget prioritizes current programs and invests in:

- Preschool expansion to increase access and enhance the quality of early care and education;
- The creation of a targeted Mental Health Consultation model to support early care and education providers and reduce suspension and expulsion in birth to five programs;
- The State School Fund and full funding of the High School Graduation and College and Career Readiness Fund;
- The Educator Advancement Fund and a new statewide Anti-Racist Leadership Initiative and Indigenous Education Institute to support culturally-responsive, anti-racist practices and policies in schools and to diversify the educator workforce;
- Expanding or enhancing various equity initiatives within the Student Success Act;
- Career and Technical Education and Science, Technology, Engineering and Math (STEM) for diverse learners and students who have been historically underserved;
- Supporting and expanding instructional standards for social-emotional learning, ethnic studies, world languages and the arts;
- Resources for educators and schools for teaching innovations in distance learning;
- Formative and interim assessment tools to enhance teaching and learning;
- Capital funding to expand broadband connectivity for school districts; and
- New school construction and facility improvement funding to enhance learning, health and

safety through state matching capital funds, supported in conjunction with a new statewide school facility assessment program.

The Governor’s Recommended Budget expands early childhood services to increase the supply and affordability of high-quality preschool and increases funding for the State School Fund. It provides funding to enhance education workforce diversification, strengthens distance learning and teaching innovation supports, and implements the full phase-in of the Student Success Act, including an expansion of programs designed to close the opportunity gap for students who have been historically underserved, namely Oregon’s Black, Indigenous, Latino, Latina, and Latinx, Asian, Pacific Islander, Tribal, students of color and other marginalized students.

The Governor’s Recommended Budget, continues to move the dial on the historic investments made in 2019 with the passage of the Student Success Act. Under the Governor’s spending plan, the Department of Education’s K-12, Early Learning, and Youth Development Grant in Aid budget will increase by a combined \$859.8 million or 25.8 percent compared to the 2019-21 Legislatively Approved Budget. Further details on these new investments are provided in the corresponding program summaries that follow.

REVENUE SUMMARY

In prior biennia, the Department relied primarily on state General Fund and Lottery Funds. With the passage of the Student Success Act in 2019, the Department now has an additional source of ongoing, dedicated revenue from the Corporate Activity Tax (CAT). In November 2020, the Office of Economic Analysis projected the Department will receive \$2,202.1 million in 2021-23 from the CAT, which includes funding for both the Student Success Act and the State School Fund, representing a substantial investment in education as the tax is fully phased-in for the 2021-23 biennium. A summary table of the change in Student Success Act funding in 2021-23 according to the Governor’s investment plan is below.

| | Student Investment Account | Statewide Education Initiatives Account | Early Learning Account | Student Success Act Total |
|---|---|--|-----------------------------------|--------------------------------------|
| Change in Student Success Act Spending | | | | |
| 2019-2021 Legislatively Approved Budget* | \$472.7 | \$265.1 | \$171.1 | \$908.9 |
| 2021-2023 Governor's Recommended Budget | \$778.8 | \$401.8 | \$400.6 | \$1,581.2 |
| Difference | \$306.1 | \$136.7 | \$229.5 | \$672.3 |

Dollars are in millions

*The 2019-21 Legislatively Approved Budget does not reflect changes made during the August 2020 Special Session.

While the Student Success Act provides a sizeable bolster to the state’s P-20 education budget, the General Fund still accounts for 61.1 percent of the Department’s total budget, with the majority of the General Fund flowing to the State School Fund. The Department also receives Lottery Funds to support the State School Fund and to pay the principal and interest on certain education bonds. A portion of the earnings on Lottery Funds in the Education Stability Fund are also used to pay the debt service on bonds. Other Funds revenues come from a variety of sources including fees and grants. Federal Funds come primarily from the U.S. Department of Education, mainly through the

Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act, plus from over 20 separate federal grants to provide educational services to Oregon's elementary and secondary students. Federal Funds are also received from the U.S. Department of Agriculture for Child Nutrition Programs and Child Care Development Fund.

AGENCY PROGRAMS

SCHOOL FUNDING

The State School Fund (SSF) supports the education of more than 575,000 Oregon children in kindergarten through the 12th grade by distributing monthly payments to 197 school districts and 19 education service districts. State resources from General Fund, Lottery Funds and Corporate Activity Tax provide about two-thirds of the revenue distributed through the SSF funding formula. Local property taxes make up the bulk of the remaining one-third. Together, these moneys pay for public school districts' general operating expenses, student transportation costs and other specific purposes. In addition to the SSF revenue, public school districts also receive certain categorical grants and other revenues that, in total, add nearly 25 percent more to schools' budgets.

The Governor's Budget proposes \$9,100 million for the State School Fund account. State resources within this amount include General Fund, Lottery Funds, Corporate Activity Taxes, Marijuana and other miscellaneous funds. This includes \$7,627.6 million General Fund, \$659.5 million in Corporate Activity Taxes, \$702.1 million Lottery Funds and \$110.2 million in Marijuana taxes and \$0.6 million in Timber taxes. The Governor's Budget also relies on \$215.0 million from Education Stability Fund reserves for the overall funding level of the State School Fund. These resources are Lottery Funds and are reflected within the Lottery Funds total.

The proposed budget is 1.1 percent more than 2019-21 Legislatively Approved Budget and exceeds the \$8,997.5 million Current Service Level budget. The Current Service Level reflects a 6.0 percent reduction in Public Employee Retirement System (PERS) rates for school district employers in accordance with preliminary rates released in the spring; this reduction is in part a result of the 2019 PERS reforms. While still a decrease from current PERS rates, the Governor's budget supports an increase from Current Service Level of \$51.3 million to account for final net PERS rates released in the fall that will remain effective for the 2021-23 biennium. State School Fund local government revenues are projected to increase by \$303.1 million in 2021-23, an increase of 3.3 and 3.0 percent in 2022 and 2023, respectively. Under the Governor's proposal, total resources for the State School Fund, including state and local funds, increase 3.0 percent in 2021-23 from 2019-21.

COMMON SCHOOL FUND

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

The State Treasurer and the Oregon Investment Council invest the Common School Fund. The State Land Board distributes a portion of the funds twice per year to the Department of Education, which in turn distributes the funds to school districts. The Common School Fund revenues are considered local revenues. The Governor's Budget assumes distributions totaling \$133.1 million; this represents an increase of 14.5 percent from the 2019-21 Legislatively Approved Budget. There are no positions in this program.

HIGH SCHOOL GRADUATION AND COLLEGE AND CAREER READINESS FUND

The High School Graduation and College and Career Readiness Fund was established to create or expand programs in Oregon high schools focused on dropout prevention, Career Technical Education (CTE) and college-level experiences for students. The Governor's Budget maintains the expanded level of support for the High School Success Fund that began in 2019-21 with the Student Success Act, increasing total support to \$318.0 million. This is an increase of \$14.8 million or 4.9 percent from the 2019-21 Legislatively Approved Budget. This will provide an average of \$860 per student annually, enhancing the level of support for local programs.

EDUCATOR ADVANCEMENT FUND

The Educator Advancement Fund, established in 2017, replaces the Network for Quality Teaching and Learning and competitive grant programs. The Educator Advancement Council (EAC) distributes moneys through the Educator Advancement Fund in coordination with all education state agencies to educator networks based on local need and educator voice to develop systems for supporting educators. This includes career pathways to meet educator workforce needs, supports and mentoring for novice educators, coaching for career advancement and retention, and culturally responsive professional learning. The EAC also strives to align early learning professional development efforts with K-12 and address issues related to educator workforce supply and demand. The Educator Advancement Fund is funded through a \$38.8 million transfer from the State School Fund. Additionally, with the full implementation of the Student Success Act, there is \$31.3 million in Educator Professional Development funds in the Department's Grant in Aid budget that will enhance the Council's ability to strengthen the educator workforce and reduce systemic barriers that have limited educator diversification in the past to achieve the goals of the Educator Equity Act.

The Governor's Budget builds on this work through a proposal to utilize \$11.5 million of one-time available resources in the Educator Advancement Fund to support an Indigenous Education Institute that will directly impact Indigenous and non-Indigenous students, educators, leaders, and community members and also accelerate the broader efforts of the Educator Equity Act to diversify the educator workforce. The Governor's spending proposal also includes \$2.5 million for an Anti-Racist Leadership Initiative grant program to provide technical assistance to Regional Education Networks established by the EAC. The two proposals for the Educator Advancement Fund include funding for three positions to support these initiatives.

GRANT IN AID

The Department administers over 70 K-12 Grant In Aid (GIA) programs that are grouped into the following seven categories:

- *Student Achievement Grants* includes grants for targeted programs, supports and interventions in schools to improve high school graduation outcomes. This includes the High School Graduation and College and Career Readiness Fund and the Student Success Act's Student Investment Account. The Student Investment Account is used for grants to all 197 school districts in Oregon to help meet student mental and behavioral needs; and increase academic achievement and reducing academic disparities for student populations historically underserved by the educational system. The Governor's Budget eliminates General Fund support for Physical Education grants and reduces funding for Accelerated Learning Opportunities due to budget constraints.
- *District Capacity and Technical Assistance* – Grants and programs that increase school district capacity through technical assistance and overall school system supports. This includes funding for Education Service Districts.
- *STEM and CTE programs* – Career Technical Education (CTE) and Science, Technology, Engineering and Math Education (STEM) programs provide high school and community college students with career-focused, industry-aligned academic and technical knowledge and skills, personalized career development and organized transitions to post-secondary education, employment, industry apprenticeships and training. The Governor's Budget includes an investment of \$5.4 million to enhance STEM partnerships and grants to improve access for diverse learners and students who have been historically underserved. The Legislature made a number of budget adjustments to CTE and STEM programs in the August 2020 Special Session that were intended to be permanent. Many of the budget changes were due to funding constraints and overlapping goals between individual grant programs and the High School Success grant program. The Governor's Budget continues these reductions, and eliminates state funding for Student Leadership Centers.
- *Child Nutrition* – Children who are experiencing poverty and show up to school hungry are at higher risk for developmental and academic problems, frequent illness and nutritional inadequacies. The Department's Child Nutrition Programs provide funding for nutritious meals and snacks to eligible participants in schools and community-based programs, increase fresh fruit and vegetable consumption in areas where people with low income live, and encourage wellness activities related to nutrition and physical activity. The majority of funding for nutritional programs is federal, although the Student Success Act also includes \$84.3 million for the Hunger Free Schools Program Grants in 2021-23. Due to General Fund constraints, the Governor's spending plan eliminates the Farm to School program and related Operations costs.
- *Educator Effectiveness and Professional Development* – Grants and programs that focus on providing culturally responsive professional development and best practices for school educators and administrators.
- *Closing the Achievement Gap* – This set of programs invests in students from communities that have been historically marginalized and have faced institutional barriers, including students of color, children from households with low-income, and English Language Learners. The Governor's budget includes additional Student Success Act funding for the Latinx Student Success grant program and new support for LGBTQ Student Success grants. Federal Funding

for English language learners, Title 1 low income, migrant education and 21 Century Community Learning Centers also support closing the opportunity gap.

- *Special Education* – The Department and school districts have a duty to ensure that students with disabilities receive a free, appropriate public education in the least restrictive environment. Special education has a broad range of programs and services offered by districts and the state for students with disabilities. School districts receive funds for special education primarily from the State School Fund (SSF) and federal Individuals with Disability Education Act funds. Regional programs receive funds from the Department of Education and the Individuals with Disability Education Act funds from school districts.

Early Intervention (EI) serves infants and toddlers while Early Childhood Special Education (ECSE) serves children age three to kindergarten who have disabilities or developmental delays. Early Intervention/Early Childhood Special Education (EI/ECSE) services include coordinated health and educational services such as physical and cognitive therapies. With the full phase-in of the Student Success Act, an additional \$64.2 million will be invested in EI/ECSE in 2021-23 to substantially raising the level of service provided to infants and children ages 0-5 identified with a disability or delay.

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

The largest federal grants administered by the Department come from the U.S. Departments of Education and Agriculture and are distributed primarily to local education programs. Federal K-12 Grant in Aid totals \$1.3 billion with over \$1.0 billion attributable to just three areas: nutrition, Individuals with Disabilities Act (IDEA) grants and Low Income Title I, Part A support, which provides federal financial assistance to local educational agencies for children from families with low-income. In addition to federal grant funds, the Department will also distribute about \$513.5 million in state General Fund to local education programs – not including the State School Fund, as well as \$1.2 billion from the two Student Success Act accounts that target K-12. The largest K-12 Grant in Aid program funded through the SSA is the Student Investment Account, which is funded at \$778.8 million under the Governor’s plan. The Governor’s Budget of \$3,318.0 million is a 21.1 percent increase from the 2019-21 Legislatively Approved Budget. The increase is mostly due to the full phase-in of the Student Success Act.

SCHOOL FOR THE DEAF

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

The Governor’s Budget is \$20.6 million total funds, which is 7.5 percent more than the 2019-21 Legislatively Approved Budget. The budget includes 82 positions, unchanged from 2019-21.

EARLY LEARNING DIVISION

The Early Learning Division was established in the Department of Education to provide a unified system of early care and education services for children from birth to age six, overseen by the Early Learning System Director. The Early Learning Council was created as part of the cradle to career education system with a focus on efforts to consolidate and coordinate state and federally funded early care and education programs and services. Together, the Early Learning Council and the Early Learning Division are charged with achieving Oregon's three early learning system goals: 1) Children arrive at kindergarten ready to succeed, 2) Children live in healthy, stable, and attached families; 3) The Early Learning System is aligned, coordinated, and family-centered.

The Governor's Budget for the Early Learning Division is \$846.1 million total funds, which is 48.4 percent greater than the 2019-21 Legislatively Approved Budget. The substantial increase is primarily due to the full phase-in of the Student Success Act, as well as additional General Fund resources.

The Governor's Budget proposes \$109.0 million in new investments from General Fund and Student Success Act resources to support a total of 8,000 new preschool and early care and education slots and associated supports in high quality programs to serve 31 percent more children and families. This funding will help early learning educators to receive a living wage, ensure more children living in poverty between ages 0-5 receive high-quality and early learning experiences, expand parenting education and parent-child interaction and kindergarten readiness, as well as support the capacity of culturally-specific organizations to meet the early learning needs of their communities.

In addition, the Governor's budget includes funding for a new Tribal Learning Hub to support children and families of the nine federally recognized tribes located within Oregon's borders. The Governor's budget also funds child care licensing and expanded background checks for license-exempt child care providers, additional staffing for licensing, mental health consultation within child care and pre-school settings throughout the state, and facilitates Student Success Act enhancements for early care and education workforce development.

- *Preschool Promise* – Preschool Promise is a publicly funded, high quality preschool program for children ages 3 to 4 from families whose incomes are at or below 200 percent of the Federal Poverty Level. This program started in the 2015-17 biennium and was expanded from 1,300 children served to 3,300 children with the investments made in the Student Success Act. Preschool Promise now serves at least 10 percent of 3 and 4 year olds in families between 100 and 200 percent of the Federal Poverty Level in every Early Learning Hub region and 41 percent of all eligible children and families across the state. The Governor's Budget expands access to another 3,670 Oregon children, which will allow services to reach 55 percent of all eligible children and families.
- *Oregon Pre-Kindergarten and Early Head Start* - the Oregon Pre-Kindergarten (OPK) is inclusive of Early Head Start and provides infant-toddler and preschool education, child health and nutrition, and family support services throughout the state to children and their families from prenatal to five years. The program serves children from 0-5 and their families who live at

or below the federal poverty level, children in foster care, and children experiencing homelessness. OPK is modeled after and designed to work side by side with the federal Head Start program. The Student Success Act allowed for 2,400 slots to go from half-day to full day, and 1,200 new slots for infants and toddlers. With OPK expansion under the Student Success Act, the program will serve at minimum 7,700 children aged three to five in program year 2020-21. An additional, 4,470 children will be served with federal Head Start funds for a total of 12,170 children served in 2020-21. Through the Governor's Budget, additional funding is planned for 2,415 new slots per year for children to be served through OPK and 185 slots per year for infants and toddlers in Early Head Start.

- The Governor's Budget expands the newly created *Early Childhood Equity Fund*, which provides culturally responsive early childhood services and supports to children and families who have been traditionally underserved to improve kindergarten readiness. The organizations participating in the program must be a culturally specific or operate a culturally specific early learning program. The full phase-in of the Student Success Act increased the Equity Fund budget to \$20.9 million, and the Governor's Budget includes an additional funding to support 1,116 more slots per year.
- *Early Learning Hubs* – The sixteen regional hubs throughout the state are intended to meet the same goals shared by the Early Learning Council and Early Learning Division. Hubs strive to achieve these goals by aligning and coordinating early learning services to meet the needs of families within their community and by administering state-funded programs that will ensure young children and their families are successful. This system of partnerships ensures that early learning services, including enrollment across services, are coordinated regionally. The budget for Hubs was reduced by the Legislature in the August 2020 Special Session, and the Governor's Budget continues this reduction. The Hub network is expanded to support the addition of a new Tribal Learning Hub to meet the unique needs of children and families from the nine tribes federally recognized within Oregon's borders.
- *Kindergarten Readiness Partnership and Innovation Fund* – This fund was established in 2013 to provide local communities with competitive, flexible grants for promising models for early learning/K-12 education across the state. Additionally, this grant program is helping to build a body of evidence that Oregon can use to create models for improving alignment between its early learning and K-12 education systems and will begin to focus on the needs of culturally specific and sustaining kindergarten readiness experiences. This grant program is maintained at the current level of service.

YOUTH DEVELOPMENT DIVISION

The Youth Development Division supports the Youth Development Council, which was established to develop and administer comprehensive youth support and reengagement programs that improve educational outcomes for youth through age 24 who are at risk. The Division administers grants and community investments to support drop-out prevention, graduation readiness, youth workforce development and successful transitions to postsecondary education and training. It also implements the Juvenile Crime Prevention and Youth Investment – Title XX programs for prevention and intervention services related to the reduction of gang violence and gang

involvement. The Governor’s Budget is \$29.9 million total funds, which is a 21.2 percent increase from the 2019-21 Legislatively Adopted Budget. This substantial increase is largely due to the full phase-in of the Student Success Act. In addition, these programs utilize local funding and community donations.

CAPITAL BONDING – SCHOOL FACILITIES

This program includes bond proceeds from the Oregon School Capital Improvement Matching Program. The Legislature created this program in 2015 to encourage passage of school bond levies. The program provides matching grants to school districts for capital costs including construction, improvement, remodeling, equipment purchase and maintenance and repair of facilities. It also allows for assessments and long-range planning of district facilities and for hardship grants. Sixty percent of the grants awarded under the program are based on a priority list and forty percent are on a first-come first-served basis. Prior to receiving a grant under this program, a district must prepare and submit a facilities assessment and a long-rang facilities plan. Districts must match the state grants with funds from local voter approved bonds and grants are capped at \$8.0 million. The grants are funded with Article XI-P general obligation bonds. Over the last three biennia, the Department has received a total of \$353.3 million in XI-P bonding authority to provide up to \$350 million in state matching grants through the program. Since the inception of the program, there have been 68 school districts that have sought approval from voters for local bond financing using the incentive of an actual state match commitment. Of these 68 school districts, 45 passed their local bonds, representing a success rate of slightly over 66 percent.

Capital bond financing is also used for Oregon School for the Deaf capital and deferred maintenance projects. The Governor’s Budget includes \$5.5 million for ADA improvements, an updated fire alarm system and energy efficient window upgrades.

The Governor’s Budget for Capital Bonding is \$331.4 million total funds, an increase of 30.0 percent over the 2019-21 Legislatively Approved Budget. This includes \$170 million in Other Funds limitation required to expend carryover XI-P bond proceeds from prior biennia bond sales for grants awarded to school districts in 2017-19 and 2019-21. School districts claim awarded funds as their projects are completed, and have up to six years to fully expend the funds that have already been committed. The Governor’s Budget also includes \$17.5 million in capital funding to leverage federal matching funds for the Connecting Oregon Schools program to expand broadband connectivity for schools.

DEBT SERVICE

This budget area accounts for debt service costs related to bonds issued by the state on behalf of the agency and school districts, as well as the Oregon School for the Deaf. Almost all the General Fund debt service funding in 2021-23 represents the amount required to pay the Article XI-P general obligation bonds issued for Oregon School Capital Improvement Matching Program.

OPERATIONS

Operations includes the State Board of Education, the Office of the Director, seven different Offices with specific functional and programmatic responsibility, two semi-independent divisions and the

Educator Advancement Council. The Department's primary customers are Oregon's 197 school districts, 19 education service districts (ESDs), and over 1,200 schools, as well as their students, teachers, administrators, and other staff. In addition, ODE, through the Early Learning and Youth Development divisions, partners' with a combination of non-profit and community based service organizations to deliver early care and education services and programs for youth at risk. The Operations program includes functions and activities, which support the various programs within the agency. Examples include basic business services (budget, accounting, human resources, and information technology), research and data analysis, technical assistance for academic progress standards and assessments, oversight of special education (including early intervention, early childhood special education, Individuals with Disabilities Education Act, and the school for the Deaf).

- The Governor's Budget for Operations is \$296.3 million total funds. The total funds budget is a 13.0 percent increase from the 2019-21 Legislatively Approved Budget. The budget supports 642 positions. The Governor's Budget includes staffing for the full implementation of the Student Success Act with positions to support development of the Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Two-Spirit, Intersex, Asexual, Plus (LGBTQ2SIA+) student success plan, expansion of the Latinx Student Success Plan, new and expanded instructional standards, the Indigenous Education Institute, distance learning initiatives, formative assessments and a statewide facility assessment program. Within the Early Learning Division, the Governor's Budget includes staffing for preschool expansion, the creation of a new Tribal Learning Hub, policy and research oversight, as well as licensing and background checks within the Office of Child Care.

Higher Education Coordinating Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$1,934,338,293 | \$2,184,067,916 | \$2,280,815,034 |
| Lottery Funds | 93,123,293 | 144,428,093 | 152,467,602 |
| Other Funds | 557,045,467 | 193,536,425 | 433,737,029 |
| Federal Funds | 81,776,666 | 127,560,060 | 128,197,794 |
| Other Funds (Nonlimited) | 236,269,745 | 228,245,191 | 165,177,280 |
| Federal Funds (Nonlimited) | 6,884,790 | 24,286,877 | 20,536,302 |
| Total Funds | \$2,909,438,254 | \$2,902,124,562 | \$3,180,931,041 |
| Positions | 134 | 148 | 139 |
| Full-time Equivalent | 120.28 | 137.37 | 131.19 |

OVERVIEW

The Higher Education Coordinating Commission (HECC) sets state policy and funding strategies, administers numerous programs, and manages approximately three billion dollars of public funding for postsecondary education. Led by its 14-member voluntary commission, HECC determines state funding allocations to public institutions, approves new degree and certificate programs, licenses, and authorizes private post-secondary institutions, makes budget and policy recommendations to the Governor and Legislature, collects and reports postsecondary data, administers state financial aid and other access programs, and undertakes a variety of other reporting and oversight responsibilities assigned by state law. However, its primary focus is strategic planning for the postsecondary education system in the state.

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

GOVERNOR'S BUDGET

The Governor's Budget for the HECC is \$3,180.9 million total funds, a 9.6 percent increase from the 2019-21 Legislatively Approved Budget. General Funds and Lottery Funds total \$2,433.3 million, a 4.5 percent increase from LAB. The Governor's Budget enhances the agency's diversity, equity, and inclusion (DEI) staff by providing additional positions to enhance DEI efforts and to operationalize the equity lens, provide outreach, community engagement, dedicated tribal consultation, and eliminate systemic racism in agency policies and practices. The Governor's

Budget also provides the agency with resources necessary to replace its aging Financial Aid Management Information System (FAMIS), provide \$32.5 million in bond proceeds for Community College Capital projects and \$309.4 million in bond proceeds for Public University Capital projects. For the Community Colleges program, the budget provides the necessary resources to implement technology and systems to support a transfer portal to provide a streamlined student transfer pathway.

The Governor's Budget invests in youth by providing additional resources to the Oregon Youth Employment Program, which will provide an estimated 1,500 youth with eight weeks of work experience being paid at least at minimum wage. The Governor's Budget also invests \$10.0 million General Fund for health care for part-time faculty at public institutions who provide instruction at multiple institutions and who are eligible for health care benefits, \$4.0 million General Fund for tuition equity for students from the Compact of Free Association (COFA); and \$5 million General Fund in grants (\$1 million each) to the following programs/organizations:

- ASPIRE (Access to Student Assistance Programs in Reach of Everyone), which is the state of Oregon's mentoring program to help students access education and training beyond high school.
- AVID (Advancement Via Individual Determination): A nonprofit that partners with K-12 schools on equitable, student-centered approaches to preparing students for college and career.
- The BUILD EXITO Directors Fund: a non-profit that supports scholarship and research in scientific fields by providing mentorship and instruction to undergraduate students from communities who have been historically underrepresented.
- College Possible: a non-profit that supports college admission for students from low-income backgrounds through an intensive curriculum of coaching and peer support.
- The Oregon TRIO Association: a non-profit focused on promoting educational equity by increasing access for the number of students with low-income and who have been traditionally underserved in higher education.

With respect to Debt Service, the budget provides General Fund and Lottery Funds debt service for previously approved projects for the public universities, community colleges, and the Oregon Health and Science University. The amount is \$324.5 million in 2021-23, an 18 percent increase from 2019-21. The growth in General Fund and Lottery Fund debt costs, which totaled \$49.3 million, places increasing constraints on the state's ability to fund institutional operations and student financial aid.

REVENUE SUMMARY

Approximately 71.7 percent of HECC's budget is funded with General Fund. This includes all or most of the cost of agency operations, support for community colleges and public universities, the Opportunity Grant and Oregon Promise programs, workforce initiatives, and debt service.

Lottery Funds, which make up approximately five percent of HECC's budget, pays for debt service, the Outdoor Schools Program, and Opportunity Grants.

HECC receives a variety of federal grant funds. The Workforce Innovation and Opportunity Act (formerly the Workforce Investment Act) provides the largest source of funds under a variety of programs: Title IB supporting youth, adult, and dislocated worker training programs through the state's One Stop Centers; Title II funding adult basic education programs; and National Emergency Grants offering training and reemployment services to workers in areas facing large layoffs. Other federal grant programs include Perkins Grants for career and technical education transferred from the Oregon Department of Education, Bureau of Land Management grants for youth employment opportunities through the Oregon Youth Conservation Corps (OYC), and federal funding for Oregon Volunteers, which is the state based AmeriCorps program.

The Degree Authorization, Private Careers Schools, and General Education Development (GED) programs are authorized to charge fees to authorize post-secondary institutions, license private career schools, and administer GED tests.

HECC administers about 600 different public and private scholarships. Administrative fees are charged to donors and granting agencies to cover the cost of operating the programs.

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

AGENCY PROGRAMS

DIRECTORS OFFICE

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

The Governor's budget for this program is \$22.7 million General Fund, including 13 positions. This represents a significant increase over the 2019-21 budget in part due to a fund shift of positions and services and supplies on to General Fund in order to comply with the U.S. Department of Labor's approved Indirect Rate Model, and the additional investments included in the budget.

CENTRAL OPERATIONS

Central Operations provides centralized business services and support to HECC. It includes the operations of Information Technology, Contracts and Procurement, Fiscal and Budget, Project Management, and Facilities Management Services.

The Governor’s Budget for this program is \$18.8 million total funds, including 33 positions. This represents a significant increase over the 2019-21 budget in part due to a fund shift of positions and services and supplies on to General Fund in order to comply with the U.S. Department of Labor’s approved Indirect Rate Model, the investment in replacing the FAMIS system, and providing the Department with additional funds related to an increase in its rent from moving to a privately owned building.

RESEARCH AND DATA

The Office of Research and Data is responsible for providing education research and analytic services to support the Commission’s efforts to achieve 40-40-20 and equity in Oregon education, and to track progress in achieving all of the Commission’s strategic goals. The Office includes both the Postsecondary Research and Data team and the Oregon Longitudinal Data Collaborative (OLDC).

The Governor’s Budget for this program is \$5.8 million total funds, including 12 positions. This represents a 21.6 percent decrease from the 2019-21 Legislatively Approved Budget due to the elimination of several vacant positions within the OLDC program.

ACADEMIC POLICY AND AUTHORIZATION

The Office of Academic Policy and Authorization manages two primary areas of work: 1) the quality, integrity, and diversity of private postsecondary programs in Oregon, for the benefit of students and consumers, and 2) public university academic policy. The units of this program include:

Office of Degree Authorization (ODA) – Authorizes private degree-granting institution and distance education providers. Each biennia, ODA re-authorizes more than 20 in-state degree granting, private institutions and more than 45 out-of-state degree granting institutions (a mix of public and private). When a school closes, ODA manages the transition of transcripts to a custodial institution or takes ownership. ODA is responsible for student and consumer protection from diploma mills and unauthorized schools.

Private Career Schools (PCS) – Licenses and provides technical assistance to private career and trade schools. PCS is also responsible for student and consumer protection from diploma mills and unlicensed career schools and investigates student complaints. There are approximately 185 private career schools in Oregon, the largest contingent of which are “personal care” training schools, including barbering and cosmetology schools. PCS is advised by a public advisory board. When a school closes, PCS makes sure the transition is as orderly as possible, to assure student interests are protected, including appropriate refunds from the school or the state-administered Tuition Protection Fund.

Public University Academic Policy Coordination (PUAPC) – Coordinates policy related to Oregon’s seven public universities. It leads HECC’s response to legislation related to Oregon public university policies, student success, student services, and academic programs. This program assists in fostering pathways to success for students of public universities, related to post-secondary pathways and transitions, academic program approvals, degree completion initiatives, and university evaluations.

The Governor's Budget for this program is \$4.4 million total funds, including 13 positions. This represents a 4.1 percent increase from the 2019-21 Legislatively Approved Budget maintaining existing program.

POST-SECONDARY FINANCE AND CAPITAL

The Office of Post-Secondary Finance and Capital provides fiscal coordination to Oregon's public post-secondary institutions, including the management of the Community College Support Fund, the Public University Support Fund, the funds for Public University State Programs, and the funds for Statewide Public Service Programs. The office also manages capital investments, fiscal reporting and analysis, capital bond funding administration and the allocation of state funding to public post-secondary institutions in Oregon.

The Governor's Budget for this program is \$6.8 million total funds, including five positions. This represents a significant increase over the 2019-21 Legislatively Approved Budget due to budgeting costs of issuance for bond sales within this program.

COMMUNITY COLLEGES

The Community Colleges program provides coordination and resources related to Oregon's 17 community colleges and adult basic skills providers. The division also provides statewide administration related to Career and Technical Education (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, GED testing and high school equivalency, English Language Learners.

The Governor's Budget for this program is \$22.4 million total funds, including 16 positions. This represents a 0.8 percent increase from the 2019-21 Legislatively Approved Budget, with an investment in the development of a new transfer portal aimed at streamlining transfer pathways for students from community colleges to public universities.

WORKFORCE INVESTMENTS

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

The Governor's Budget for this program is \$163.1 million total funds, including 23 positions. This represents a 13.3 percent increase from the 2019-21 Legislatively Approved Budget, with an \$11.7 million investment in the Oregon Youth Employment Program to expand youth workforce readiness and training, including summer jobs, paid internships, pre-apprenticeships, and job

shadows for youth from communities of color, rural communities, and those historically underrepresented in specific fields and occupations.

OFFICE OF STUDENT ACCESS AND COMPLETION

The Office of Student Access and Completion (OSAC) administers a variety of state, federal, and privately funded financial aid programs for the benefit of Oregonians attending institutions of postsecondary education. Financial aid programs include the Oregon Opportunity Grant, the Oregon Promise program, an Oregon National Guard Scholarship program (created during the 2018 Legislative Session), and over 600 private scholarships. OSAC also administers student outreach programs, such as Oregon ASPIRE, which matches trained and supportive adult volunteer mentors in more than 150 middle schools, high schools, and community-based organizations to help students develop plans to meet educational goals beyond high school. The program contains the following scholarship programs:

Privately Funded Scholarship Programs – This program administers more than 600 individual privately funded scholarship programs. Applicants apply for numerous scholarships by using one common electronic application at www.OregonStudentAid.Gov. OSAC works in partnership with the Oregon Community Foundation, private individuals, employers, banks, and membership organizations to coordinate the award of scholarships through this electronic application process.

Oregon Opportunity Grant (OOG) – A completely state-funded program, established in 1971, it is the largest and oldest state-funded, need-based grant program. Each year the program assists around 40,000 Oregon residents with low incomes who are enrolled in an undergraduate program, paying for a portion of their college expenses at an Oregon community college, Oregon public university, or Oregon-based private nonprofit 4-year institutions. Students may receive the grant for the equivalent of 12 quarters or eight semesters at full-time enrollment; grants are prorated for partial-year or half time enrollment. Students must maintain satisfactory academic progress and meet all federal Title IV eligibility requirements. In 2018-19, 32,794 students received OOG funds, totaling more than \$74.6 million. In 2015, legislation passed requiring OSAC to prioritize OOG awards according to financial need, using a student's Expected Family Contribution as the key indicator of the student's financial need. The program does not fully meet the needs of students who are eligible in Oregon.

Oregon Promise – Another completely state funded grant program, created in 2015, to help cover most tuition costs at any Oregon community college for recent high school graduates and GED® test graduates. These funds are available to a student until the student has attempted a total of 90 college credits. There is no limit on the number of years or terms the student can receive the grant, provided the 90 credits limit has not been met. To qualify, a student must be an Oregon resident and enroll at least half time at an Oregon community college within six months of graduation. Additional eligibility criteria, include filling out a FAFSA or ORSAA and having a cumulative high school GPA of 2.5 or a GED® score of 145 or higher. In 2018-19, nearly 10,500 eligible student received Oregon Promise grants totaling \$17.7 million.

Oregon National Guard State Tuition Assistance – This program was created by the Legislature in 2018. The program provides funding for tuition at Oregon community colleges and public universities for current members of the Oregon National Guard. The program is designed as a “last dollar” program, which means the award calculations first consider all other federal and state grant aid and federal/military tuition assistance the member may be eligible to receive.

Oregon Student Child Care Grant – This program assists student-parents who are enrolled in postsecondary education with child care to support their children’s development while allowing the parents to progress academically. Priority is given to prior-year recipients who have not exhausted their maximum eligibility. In 2018-19, there were approximately 400 eligible applicants, with only 86 student-parents receiving an award.

The Governor’s budget for this program is \$239.2 million total funds, including 24 positions. This represents a 4.0 percent increase from the 2019-21 Legislatively Approved Budget. The budget maintains the Oregon Opportunity Grant and Oregon Promise at Current Service Level and provides an additional \$1.0 million General Fund for grants in the program.

STATE SUPPORT TO COMMUNITY COLLEGES

This program contains the state funding for direct state investment in the operations of Oregon’s 17 community colleges. Most of the funding in this unit is directed towards the Community College Support Fund (CCSF), the state’s contribution to college operations and student support. A small amount of timber tax revenue is received by the agency and transferred to the colleges.

The Governor’s Budget is \$645.8 million General Fund and \$70,563 Other Funds. The Community College Support Fund, which constitutes the majority of this program unit, is \$640.9 million and unchanged from the 2019-21 Legislatively Approved Budget. The remaining programs in this unit, which include support for the Sabin-Schellenberg and Margaret Carter skills centers, grants to colleges to support students who are first generation and historically underserved, and funding for Career Technical Education and Science, Technology, Engineering, Arts and Mathematics (STEAM) programs, are also funded at the 2019-21 Legislatively Approved budget level.

PUBLIC UNIVERSITY OPERATIONS AND STUDENT SUPPORT

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

The Governor’s Budget is \$836.9 million General Fund, unchanged from the 2019-21 LAB.

PUBLIC UNIVERSITY STATE PROGRAMS

This program unit includes legislatively established programs with a research, public service, or economic development focus. The Governor’s Budget is \$47.8 million General Fund, which is 6.3

percent higher than the 2019-21 Legislatively Approved Budget.

The regular Public University State Programs are funded at the 2019-21 Legislatively Approved Budget level, but the Governor's Budget moved \$2.8 million General Fund for the Veterinary Diagnostic Lab out of the Public University Support Fund and added it to this program.

STATEWIDE PUBLIC SERVICES

This program unit includes the Oregon State University (OSU) Agricultural Experiment Station, the OSU Extension Service, and the Forest Research Laboratory.

- *Agricultural Experiment Station* - conducts research to solve problems and generate innovations in the agricultural, biological, social, and environmental sciences for the social, economic, and environmental benefit of Oregonians.
- *OSU Extension Service* - The Extension Service is the educational outreach arm of Oregon State University (OSU). Extension faculty on campus and in county offices throughout the state work with researchers and an extensive network of volunteers to develop and deliver educational programs. The Oregon Outdoor School program is also funded in this program.
- *Forest Research Laboratory* – The Forest Research Laboratory, located at OSU, conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources. In addition to research in campus laboratories and university forests, studies are conducted cooperatively, in public and private forests and in laboratories and manufacturing facilities, throughout Oregon and the world.

The Governor's Budget is \$193.0 total funds. This is a 2.2 percent increase from the 2019-21 Legislatively Approved Budget (LAB). While the Statewide Services programs, including Outdoor School, are funded at 2019-21 LAB levels, the additional funding comes from moving funding for building maintenance of statewide public services facilities (\$4.1 million General Fund) from the Public University Support Fund to this program.

SPORTS ACTION LOTTERY

The Sports Lottery program is funded with a statutorily dedicated one percent of net lottery proceeds; where 88 percent of Sports Lottery revenues, not to exceed \$8,000,000 annually (adjusted annually per the Consumer Price Index), are allocated to intercollegiate athletics, with at least 50 percent supporting women's athletics and no more than 30 percent supporting revenue-producing programs. The remaining 12 percent, not to exceed \$1,090,909 annually, is used for graduate student scholarships, awarded based on need and academic merit equally. Of the athletic funds, 70 percent are used for non-revenue producing sports, and at least 50 percent must be used for women's athletics. If revenues exceed the annual caps, the remaining funds are to be transferred to the Oregon Opportunity Grant program.

The Governor's Budget is \$15.1 Lottery Funds. This is a 7.3 percent increase from the 2019-21 Legislatively Approved Budget and is equal to the amount in the December 2020 Economic Forecast.

OREGON HEALTH AND SCIENCE UNIVERSITY

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

The Governor's Budget is \$79.2 million General Fund, unchanged from the 2019-21 Legislatively Approved Budget. This includes \$66.8 million for education and rural programs, \$8.0 million for the CDRC, \$2.5 million for the Oregon Poison Center, and \$2.0 million for the OCID.

PUBLIC UNIVERSITY DEBT SERVICE

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

The Governor's Budget is \$226.8 million General Fund, \$36.9 million Lottery Funds, and \$430.2 million total funds. Combined, General Fund and Lottery Fund debt service is increased by 17.1 percent from the 2019-21 Legislatively Approved Budget. Bonds to finance new public university capital projects will not be sold until late in the biennium, delaying debt service payments until the 2023-25 biennium.

Community College Debt Service

Debt service on Article XI-G general obligation bonds and lottery-backed bonds sold for community college projects is budgeted in this program unit. The debt service on Article XI-G bonds is paid with General Fund. Lottery Funds pay the debt service on lottery-backed bonds.

The Governor's Budget is \$37.2 million General Fund and \$13.4 million Lottery Funds. When combined, this is 25.3 percent greater than the 2019-21 Legislatively Approved Budget. Bonds to finance new community college capital projects will not be sold until late in the biennium, delaying debt service payments until 2023-25.

OHSU Debt Service

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

The Governor's Budget is \$57.1 million total funds, which is an 8.0 percent decrease from the 2019-21 Legislatively Approved Budget.

Public University Capital Construction

This program unit includes state funding for capital projects for public universities. The Governor's Budget includes \$309.4 million in project costs for six university projects and for the Public Universities Capital Improvement & Renewal fund. The Public Universities Capital Improvement & Renewal Fund is to receive \$80.0 million.

The six university projects are a mix of Article XI-G and XI-Q bond sales. The following XI-G projects are approved:

- Eastern Oregon University - Inlow Hall Renovation Phase II (\$564,900)
- Oregon State University - Cascades Phase II Remediation & Campus Infrastructure (\$835,000)
- Oregon State University - Cordley Hall Renovation Phase II (\$25,000,000)
- Portland State University - Gateway Center Reuse and Extension (\$5,000,000)
- University of Oregon - Heritage Building Renovation (\$5,850,000)

The following XI-Q projects are approved:

- EOU - Inlow Hall Renovation Phase II (\$17,700,000)
- Oregon State University - Cascades Phase II Remediation & Campus Infrastructure (\$15,830,000)
- Oregon State University - Cordley Hall Renovation Phase II (\$61,000,000)
- Portland State University - Gateway Center Reuse and Extension (\$45,000,000)
- University of Oregon - Heritage Building Renovation (\$52,650,000)

Community College Capital Construction

This program unit includes state funding for capital projects for community colleges. The Governor's Budget includes \$32.5 million in project costs for five new projects. These projects will be funded with proceeds from the sale of Article XI-G bonds, which are repaid with General Fund, beginning in the 2023-25 biennium.

The following XI-G projects are approved:

- Chemeketa Community College - Building 7 Remodel (\$8,000,000)
- Klamath Community College - Childcare Resource Learning Center (\$1,500,000)
- Linn-Benton Community College - Agricultural Center (\$8,000,000)
- Rogue Community College - Transportation Technology Center (\$7,000,000)
- Tillamook Bay Community College - Classroom/Office Building & Renovations (\$8,000,000)

Teacher Standards and Practices Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$1,700,000 | \$0 | \$3,563,936 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 6,656,350 | 9,306,571 | 10,329,429 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$8,356,350 | \$9,306,571 | \$13,893,365 |
| Positions | 27 | 26 | 30 |
| Full-time Equivalent | 25.71 | 24.75 | 29.50 |

OVERVIEW

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

- Establishing rules and standards for issuing licenses, registrations, and certifications to educators, administrators, school counselors, school psychologists, school nurses, and charter schools;
- Maintaining and enforcing professional standards and proper assignment of licensed educators; and
- Approving standards for approval for educator preparation providers and programs.

In addition, the Teachers Standards and Practices Commission is a participating agency in the Educator Advancement Council, the intergovernmental entity charged with supporting professional learning for teachers and administrators and increasing the diversity of Oregon’s educator workforce.

GOVERNOR’S BUDGET

The Governor’s Budget for the Teacher Standards and Practices Commission is \$13.9 million Total Funds and supports 30 positions. The budget adjusts existing staffing, establishes new fees, and increases existing fees to address workload increases and provide the agency with more stable funding through the 2021-23 biennium. The Governor’s Budget includes a General Fund investment to implement a new program to support nontraditional pathways to licensure as well as support to require anti-bias, equity-driven instruction training for all educators, as recommended by the Racial Justice Council.

REVENUE SUMMARY

The Commission is primarily funded by Other Funds received from application fees, initial licenses, renewal licenses, and delinquent fees. A new General Fund appropriation in the Governor’s Budget supports the Alternative Licensure Pathways program and support for requiring anti-bias, equity-driven instruction educator training.

AGENCY PROGRAMS

General Program

The General Program includes four subprograms: Licensure, Accreditation (of institutions, which offer educator degrees), Professional Practices, and Operations. Most of the work focuses on licensure, while Professional Practices focuses on ethical, criminal, or professional improprieties. The budget for the Agency’s General Program is \$8.9 million and 24 positions.

The proposed new fees and fee increases within this program address the need to fund existing workload and provide the Agency with stable funding through the 2027-29 biennium. The budget also supports an investment in developing a new web-based licensing system, which will be funded by charging application fees.

Teacher Education Program Accreditation

The Teacher Education Program Accreditation program was established in 2015 under Senate Bill 78 and provides grants to teachers for the direct costs associated with obtaining national board certification. The budget for this program is \$1.4 million and one position.

Alternative Licensure Pathways

This is a new budget structure set up to implement programs recommended by the Governor’s Racial Justice Council to implement a Non-traditional Pathways to Licensure program. This program will provide non-traditional pathways for community college students, community members, classified school employees, and professionals considering teaching as a career to earn professional licensure. Additionally, \$0.2 million General Fund is being invested to require Educator Preparation Programs to include specific training in supporting students from diverse backgrounds and the state’s American Indian/Alaska Native, Black, and Latino/a/x Student Plans. The programs will include specific training in trauma informed practices and student social-emotional support, including anti-bias training.

This program is entirely funded with General Fund. The budget for this program is \$3.6 million, including five positions.

HUMAN SERVICES

Program Area and Agency Information



HUMAN SERVICES AGENCIES

Human Services Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|-------------------------|--------------------------------|------------------------------|
| General Fund | \$5,304,913,972 | \$6,597,015,131 | \$7,669,486,678 |
| Lottery Funds | 12,464,286 | 17,093,071 | 17,080,260 |
| Other Funds | 7,499,304,610 | 8,321,775,009 | 9,509,077,436 |
| Federal Funds | 16,845,664,507 | 18,793,774,682 | 21,617,391,842 |
| Other Funds (Nonlimited) | 28,363,870 | 261,929,902 | 40,000,000 |
| Federal Funds (Nonlimited) | 1,929,899,741 | 2,045,541,592 | 3,078,597,178 |
| Total Funds | \$31,620,610,986 | \$36,037,129,387 | \$41,931,633,394 |
| Positions | 13,347 | 13,843 | 14,428 |
| Full-time Equivalent | 12,974.23 | 13,673.29 | 14,300.10 |

OVERVIEW

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

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

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s Budget for the Human Services Program Area agencies is \$41,931.6 million total funds, including \$7,669.5 million General Fund. This is a 16.4 percent total funds increase from the 2019-21 Legislatively Approved Budget.

The Governor’s Budget prioritizes investments in racial justice and equity, improvements in behavioral health services, expansions in Oregon’s Child Welfare programs and protections for people at risk for COVID-19. Key elements of the Governor’s Budget include:

Commitment to Racial Justice and Equity. The Governor convened the Racial Justice Council,

which included stakeholders and community leaders across Oregon tasked with providing recommendations on prioritizing initiatives that increase racial justice and equity. As a result of this process, a number of investments were included in the budget. Approximately 24 positions focusing on diversity, equity, and inclusion have been added to agencies within the Human Services Program Area. Specific investments that advance health equity include establishing an Indian Managed Care entity, supporting a legislative concept that allows the Oregon Health Plan to reimburse traditional tribal health practices, expanding health care coverage for uninsured Oregonians, continuing to pay for medical and extend dental coverage for the Compact of Free Association residents, and supporting behavioral health and medical workforce diversification initiatives. Other investments include funding extended case management and employment supports services for refugees settling in Oregon, as well as the expansion of sexual assault and domestic violence programs for survivors through Oregon's nine federally recognized tribes and culturally specific providers. The budget also includes a Special Purpose Appropriation of \$20 million for non-state employee collective bargaining for child care workers, home care workers, personal support workers, and adult foster homes.

Expanding Behavioral Health Services. The budget recognizes the enormous need for behavioral health services and includes significant funding for substance use disorder treatment services, crisis intervention services and peer support services to help Oregonians recover from the disease of substance use disorders. In addition, the budget makes investments in residential services for young adults, for peer respite care, to increase fee-for-service rates for behavioral health services including treatment for co-occurring behavioral health and substance use disorders, for psychiatric residential treatment facilities, and to support the Alcohol and Drug Policy Commission's strategic plan. Due to Measure 110, which decriminalizes possession of drugs and uses Marijuana Tax revenues to support drug treatment services, additional General Fund has been added to replace the projected loss of marijuana revenues in Oregon Health Authority programs relying on Marijuana Tax revenues. The budget includes the implementation of Measure 109, which legalized psilocybin for medicinal use as a potential treatment for behavioral health disorders.

Sustainably Funding Health Care. The Governor's Budget addresses the challenges of appropriately, sustainably, and equitably funding the Oregon Health Plan for 1.4 million Oregonians. Without strong cost controls, health care costs will surpass the growth in available state revenue. Because of this, the Governor's Budget maintains Oregon's place as a leader in holding costs below national trends by capping annual cost growth for the Oregon Health Plan, Public Employees' Benefit Board and Oregon Educators Benefit Board.

Protecting Oregon's Children. This budget provides resources to protect Oregon's children by increasing funding in the Child Welfare program to fund staffing, expand training capacity, create infrastructure for the Family Preservation and Prevention Program, establish an effective respite care program, and support the Governor's Child Foster Care Advocacy Commission. The budget also invests in crisis and transition services and interdisciplinary assessment teams for children and families involved in the child welfare system.

Investments in services for seniors. The Governor's investments include enhancing the ability and capacity to respond to COVID-19, providing incentives and supports for the caregiver workforce,

and providing funding for technology supports for seniors in congregate living settings. Specifically, this includes funding for six infectious disease specialist positions to provide technical assistance on infectious disease prevention and response to senior congregate care settings, an initiative to retain essential health care workers by improving access to quality health care benefits for caregivers, training and apprenticeship programs for Certified Nursing Assistants, and virtual visits and technology supports to improve care and socialization for seniors.

Serving individuals with disabilities in the community. All persons with developmental disabilities are served in the community through both the Department of Human Services and the Oregon Commission for the Blind. Within the Intellectual and Developmental Disabilities program in the Department of Human Services, the Governor's investments include funding to transition from the old provider rate structure and current assessment instruments to the new service groups based on the Oregon Needs Assessment and new rate model payment categories. The budget maintains support for the programs serving individuals with intellectual and developmental disabilities by protecting current eligibility criteria and service levels

Commission for the Blind

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$3,486,160 | \$6,634,036 | \$5,368,120 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,436,725 | 1,560,451 | 1,022,642 |
| Federal Funds | 16,456,334 | 15,955,857 | 16,856,449 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$21,379,219 | \$24,150,344 | \$23,247,211 |
| Positions | 67 | 68 | 68 |
| Full-time Equivalent | 65.00 | 66.00 | 65.42 |

OVERVIEW

The Oregon Commission for the Blind (OCB) was established in 1937, as a state agency to provide services to Oregon's citizens who experience vision loss and need specialized training and support to live full and productive lives. The mission of OCB is to empower Oregonians who are blind to fully engage in life. The Commission is composed of seven members appointed by the Governor, of which four members must be Oregonians who are legally blind. The other members represent employers, labor, optometrists, ophthalmologists, or educators of the blind.

The Commission provides vocational rehabilitation services, independent living services, vendor management training, and assistance for licensed managers who are blind. The Commission operates five main programs:

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

GOVERNOR'S BUDGET

The Governor's Budget for the Commission for the Blind is \$23.2 million total funds. This is a 3.7 percent decrease from the 2019-21 Legislatively Approved Budget (LAB). The budget includes 68 positions, which represents no change from 2019-21 LAB. The Governor's Budget supports a shift in funding for Pre-Employment Transition Services from Other Funds to General Fund to match their federal award and continues a limited duration position to support implementation of the Vocational Rehabilitation case management modernization project.

REVENUE SUMMARY

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

AGENCY PROGRAMS

Administrative Services

The Administrative Services program unit provides leadership, fiscal services, and data processing to support the direct service operations in the Agency's other four program units. It includes the director's office, fiscal operations, and data processing activities. The director's office supports the Commission and is responsible for strategic planning and direction. It also supports liaison activities with various stakeholders including the vision-impaired community, policymakers, federal officials, partner businesses, and social support agencies. Fiscal operations includes budget and accounting, payroll and benefits functions, cash management, receivables, purchasing, and payables and general ledger accounting. This unit also performs tasks associated with federal grant management, monitoring, and reporting. The Governor's Budget for this program is \$4.4 million total funds and 18 positions.

Rehabilitative Services

The primary function of the Rehabilitation Services program is to develop and support Oregonians with vision loss to help achieve successful employment outcomes. The vocational rehabilitation activities support the development of a dynamic, resilient workforce by helping Oregonians who are blind gain and retain employment. The Rehabilitation Services program unit also operates a Summer Work Experience Program for pre-employment transition students to gain work skills and provide an opportunity for students to have an independent living experience. The Governor's Budget for this program is \$12.3 million total funds and includes 25 positions.

Business Enterprises

The Business Enterprises (BE) program trains, licenses and supports individuals who are legally blind in operating food service and vending in public buildings. This program is operated under the federal Randolph-Shepherd Act. The program contracts with public agencies and then sub-

contracts with licensed managers who are blind to provide services desired by facilities. Licensed blind managers run the day- to-day operations and retain the majority of the profits they generate. The budget for this program is \$1.6 million total funds and includes five positions.

Orientation Center for the Blind

The Orientation and Career Center for the Blind provides skills training for newly blind adults to remain as independent as possible. The center's training facility is located in Portland, and individuals are referred by Vocational Rehabilitation Counselors. Assessment and training include adaptive technology, adjustment to blindness, Braille reading and writing, low vision aids and techniques, orientation and mobility. The Governor's Budget supports current operations and includes \$2.9 million total funds and 10 positions.

Independent Living Services

The Independent Living Services program provides training and resources to individuals who are blind so they can live life fully independent and continue to be active in their community. The staff in the Independent Living Services program teaches Oregonians who are blind or visually impaired the skills they need to live safely and independently. Specialized rehabilitation teachers provide individualized assessments and consultation to determine the scope of the teaching services required. The teachers also provide in home instruction on skill areas such as orientation and mobility (cane travel indoors and outdoors), meal preparation, bill paying, medication management, reading, writing, etc. This program results in individuals with vision impairments needing less or no additional services/supports. The Governor's Budget supports current operations and includes \$1.9 million total funds and 10 positions.

Department of Human Services

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$3,184,660,160 | \$3,855,078,525 | \$4,497,036,224 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 539,735,821 | 673,915,109 | 669,370,817 |
| Federal Funds | 5,238,750,230 | 6,094,787,849 | 6,524,724,562 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 1,855,270,592 | 1,939,345,331 | 2,975,868,127 |
| Total Funds | \$10,818,416,803 | \$12,563,126,814 | \$14,666,999,730 |
| Positions | 9,047 | 9,444 | 9,898 |
| Full-time Equivalent | 8,747.82 | 9,324.14 | 9,819.55 |

OVERVIEW

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

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

GOVERNOR'S BUDGET

The Governor's Budget for the Department is \$14,667.0 million total funds, including \$4,497.0 million General Fund and 9,898 positions. This is a 16.8 percent total funds increase and a 16.7 percent General Fund increase from the 2019-21 Legislatively Approved Budget. This budget maintains and enhances the programs providing services for Oregonians and families in need.

In Child Welfare, the Governor's Budget maintains funding for core services and adds General Fund investments to allow the agency to further implement recommendations made by Alvarez and Marsal. Alvarez and Marsal is the contractor hired as a result of the Governor's Executive Order 19-03 to provide recommendations on how to improve Oregon's Child Welfare system. The budget provides additional resources to the Child Welfare program to fund staffing, expand training capacity, create infrastructure for the Family Preservation and Prevention Program, establish an effective respite care program, and support the Governor's Child Foster Care Advocacy Commission.

The Governor has prioritized investments that promote racial justice and equity. The budget invests in four initiatives to promote diversity, equity, and inclusion within the agency and with the public. The four initiatives include rebranding the agency (including the Oregon Trail card); providing greater language access within the Office of Developmental Disabilities Services; increasing staffing capacity for equity expertise; and implementing strategies within the Office of Equity and Multicultural Services that promote racial equity, such as training, employee resource groups, and investments in Community Based Organizations. The budget also includes an investment to provide extended case management and employment support services for refugees settling in Oregon. Finally, a significant investment has been made to expand sexual assault and domestic violence programs for survivors through Oregon's nine federally recognized tribes and culturally specific providers.

The budget continues both the Adult and People with Disabilities (APD) and Intellectual and Developmental Disabilities (I/DD) programs' focus on prevention and community based care as an ongoing priority. Within APD, the budget funds the changes in costs per case, caseload changes and maintains rate increases that occurred in 2019-21 for providers caring for people needing services. Within I/DD, these changes are also funded, along with additional resources to transition from the old provider rate structure and current assessment instruments, to the new service groups based on the Oregon Needs Assessment (ONA) and new rate model payment categories. This investment also provides funding for better wages for the direct care workforce that deliver services to individuals with intellectual and developmental disabilities. Within APD, the budget also funds maintenance and operations for the Provider Time Capture project, which supports electronic visitation verification for In-Home care providers in both APD and the Oregon Health Authority.

Other General Fund investments made in the Governor's Budget include providing ongoing resources for maintenance and operations costs related to the Integrated Eligibility (ONE) system. The ONE system will streamline eligibility processing for the Temporary Assistance to Needy Families (TANF), Employment Related Daycare (ERDC), Supplemental Nutrition Assistance Program (SNAP), and Medicaid programs.

REVENUE SUMMARY

The federal government is a major partner in funding Human Services programs. Over 64 percent of the Department's budget (including SNAP payments) is federally funded. As a result, the state's ability to provide program services is greatly influenced by Federal Funds availability and by the rules guiding the use of those funds. In addition, the rate of federal revenue matching for many programs is tied to the Federal Medical Assistance Percentage (FMAP) rate, which changes annually and is completely out of the control of state policy. This greatly impacts the amount of General Fund appropriated to maintain programs. For 2021-23, the FMAP adjustment is not working to the state's advantage. The federal matching rate will decrease from 61.25 percent in 2019-21 to 60.25 percent next biennium. This is projected to increase General Fund costs by approximately \$90.0 million in the Department's budget. These figures do not include the COVID-19 related supplemental FMAP rate granted for the 2019-21 biennium due to the federal public health emergency declaration. The Governor's budget assumes this supplemental FMAP rate continues through the first quarter (July 2021 - September 2021) of the 2021-23 biennium,

which provides an additional 6.2 percent federal match on state funds. This assumption results in a shift of \$53.4 million from General Fund to Federal Funds. The changes in the base FMAP, combined with one quarter of enhanced FMAP in 2021-23, results in a net increase of \$36.6 million General Fund.

AGENCY PROGRAMS

Child Welfare Programs

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

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

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

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

Child Welfare Program Delivery and Design is the field structure that supports the safety of children across Oregon who are abused or neglected. There are over 1,640 child welfare caseworkers across Oregon responding to reports of abuse and neglect and nearly 46,600 cases were assessed in the 2019 federal fiscal year. The foster care system serves almost 10,900 children annually who have experienced abuse or neglect. The program also finalizes over 700 adoptions a year to assist with creating a permanent home for children in foster care. This structure is administered in the central office in Salem to support field staff through technical support, policy and standards, evaluation, analysis, and parameters program areas in Child Welfare.

The 2021-23 Governor's Budget is \$1,473.9 million total funds (\$889.9 million General Fund). The budget maintains funding for core services and staffing and invests General Fund to fund

permanent staffing positions, expand training capacity, create infrastructure for the Family Preservation and Prevention Program, establish an effective respite care program, and support the Governor's Child Foster Care Advocacy Commission. The budget funds 3,398 positions.

Self-Sufficiency

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

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

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

The program is primarily supported by Federal Funds, however it also has General Fund and some Other Funds. The major source of Other Funds is federal Childcare and Development Fund dollars transferred from the Department of Education for the Employment Related Day Care (ERDC) program. SNAP benefits are the single largest source and use of Federal Funds in Self-Sufficiency programs. SNAP benefits are projected at \$3.0 billion for the 2021-23 biennium. Projected SNAP benefits increased over 53 percent when compared to the 2019-21 biennium, primarily due to the impact of the COVID-19 pandemic. Federal Funds also help pay for program administrative costs, on a 50 percent state/50 percent federal basis. Other Federal Funds come from capped or formula-based block grants, payments for partial reimbursement of eligible state costs and miscellaneous grants for specific amounts and purposes.

At \$4,155.1 million total funds (\$480.5 million General Fund), the Governor's Budget maintains current eligibility, timeline and benefit standards for Self-Sufficiency programs. If caseloads increase significantly, additional funding may be necessary to continue services at current eligibility and benefit levels. The budget makes a significant investment in services to assist sexual assault and domestic violence survivors and provides funding for extended case management and employment service supports for refugees. In the 2021-23 biennium, the budget funds 2,600 positions.

Vocational Rehabilitation Services

Vocational Rehabilitation (VR) Services assists Oregonians with disabilities to achieve and

maintain employment and independence. VR helps Oregonians with disabilities gain employment through a variety of services. VR employees provide direct services through a network of local offices across Oregon and partners with and supports Tribal VR programs in several areas of the state.

General Fund supports 24 percent of this budget; Other Funds, nine percent; and Federal Funds, 67 percent. Section 110 of the Rehabilitation Act of 1973 (Basic 110 Grant) provides federal support for vocational rehabilitative services. This grant is distributed to states based upon population and per capita income. The grant requires a state match, at a 21.3 percent state to 78.7 percent federal rate. Rehabilitative services revenue also includes federal Rehabilitation Act funds for Supported Employment and staff training and for Independent Living Rehabilitation.

The 2021-23 Governor's Budget is \$121.2 million total funds (\$29.2 million General Fund) and funds 249 positions.

Aging and People with Disabilities

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

Within APD, caseloads and the costs related to the complexity of patient acuity within the caseload continue to increase. As such, the budget funds rate increases that have occurred in the 2019-21 biennium and those specific rate increases as required by statute. Although not included in the Department's budget, the Governor's Budget includes a \$20 million Special Purpose Appropriation to the Emergency Board to cover bargained compensation changes for non-state employees, including those providing APD-related services. The Governor's Budget protects current eligibility criteria and service levels by continuing to support optimal staffing levels for both Area Agencies on Aging and state staff. The budget does continue a reduction made by the Legislature in the August 2020 Special Session, by removing funding for vacant field staff positions. The Governor's plan also provides funding for maintenance and operations for the Provider Time Capture project, which supports electronic visitation verification for In-Home care providers in both APD and the Oregon Health Authority. This is an important tool used to meet federal and state requirements and enhance efficiency and internal controls for the workforce that serves Oregon's older adults and people with disabilities.

Due to the disproportionate impact of COVID-19 on people served by APD, several initiatives have been included in the Governor's Budget to enhance the Department's capacity to respond to the pandemic, to deliver incentives and supports for the caregiver workforce, and increase funding for technology enhancements for seniors in congregate living settings. Specifically, this includes funding for six infectious disease specialist positions to provide technical assistance on infectious disease prevention and response to senior congregate care settings, an initiative to retain essential health care workers by improving access to quality health care benefits for caregivers, training and apprenticeship programs for Certified Nursing Assistants, and virtual visits and technology supports to improve care and socialization for seniors.

The 2021-23 Governor's Budget for the Aging and People with Disabilities program is \$4,344.9 million total funds, a 10.1 percent increase from the 2019-21 Legislatively Approved Budget. The budget funds 1,692 positions.

Intellectual/Developmental Disabilities

The Intellectual/Developmental Disabilities (I/DD) program provides services to cover a lifetime of support to Oregonians with intellectual/developmental disabilities. I/DD's mission is to help individuals be fully engaged in life and, at the same time, address critical health and safety needs. The program supports individuals with intellectual and developmental disabilities and their families within communities by promoting and providing services that are person-centered, self-directed, flexible, community inclusive, and culturally appropriate. The state, counties, brokerages, providers, families, and self-advocates are all critical parts of Oregon's Developmental Disabilities service system that focuses on individuals with I/DD living in the community and having the best quality of life at any age. Oregon no longer has an institutional facility for persons with developmental disabilities, so all people are served in the community. Currently, the I/DD program provides home and community based supports to over 26,000 adults and children living with intellectual and developmental disabilities. The majority of individuals with intellectual/developmental disabilities in Oregon, approximately 75 percent, are served in their own home or their family's home.

Oregon home and community-based services for people with Intellectual and Developmental Disabilities are provided under several Medicaid authorities including Community First Choice Option, also known as the K-Plan; and five federal 1915c waiver programs. Supports provided under the K-Plan are services such as attendant services that support individuals in accomplishing Activities of Daily Living and Instrumental Activities of Daily Living, relief care, behavioral support services, transportation, environmental modifications, and assistive technology and devices. By moving most services to the K-Plan, most of the caps on services and limits on eligibility for services for those with I/DD were removed based on federal requirements to gain a six percent increased Federal participation rate in those programs.

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

The Governor's Budget protects current eligibility criteria and service levels for individuals in need of I/DD services. The budget also includes a \$34.4 million General Fund investment to transition from the old provider rate structure and current assessment instruments, to the new service groups based on the Oregon Needs Assessment and new rate model payment categories. This investment will allow the I/DD service delivery system to move to an updated and transparent rate model and use of a single validated assessment instrument. The proposal will also increase provider capacity to recruit and retain a skilled workforce by supporting the wages of direct support professionals.

The 2021-23 Governor's Budget for the Intellectual and Developmental Disability program is \$3,589.3 million total funds, a 16.4 percent increase from the 2019-21 Legislatively Approved Budget. The budget funds 917 positions.

Central Services

Central Services includes functions directly related to policy and programs in the Department. Central Services includes: the Office of the Director and Policy including the Chief of Staff, Tribal Affairs, the Deputy Director, the Office of the Chief Financial Officer and the Office of the Chief Administrative Officer. Central Services also includes the Office of Equity and Multicultural Services, the Office of Human Resources, the Department's Budget, Planning and Analysis Office, the Public Affairs Office (which includes Legislative Relations and Communications), the Office of Program Integrity, the Office of Reporting Research, Analytics and Implementation, the Office of Business Information Services, the Office of Information Support Services and the Integrated Eligibility and Medicaid Eligibility ONE Project Office. These offices provide essential business supports to programs in achieving the Department and its programs' mission, vision and outcomes. The budget is 49 percent General Fund, 1 percent Other Funds and 50 percent Federal Funds; the funding mix is dependent on the services provided. Federal funding is subject to a federally approved cost allocation plan that charges programs for the services received.

The 2021-23 Governor's Budget for Central Services is \$222.4 million total funds, a 19.1 percent decrease from the 2019-21 Legislatively Approved Budget. The budget funds 362 positions.

Shared Services

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

The Department's Shared Services budget includes Shared Services Administration, which includes the following: Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; the Background Check Unit; Office of Facilities Management; Office of Imaging and Records Management; Office of Contracts and Procurement; Office of Training and

Investigation Services; Internal Audit and Consulting Unit; Office of Payment Accuracy and Recovery; and the Office of Publications and Creative Services. Funding for Shared Services is included in the Shared Services Special Payments portion of the Statewide and Enterprise-wide Costs budget.

The Shared Services program provides critical business and administrative supports necessary to achieve the mission of both the Department and OHA. The 2021-23 Governor's Budget is \$157.0 million Other Funds, a 6.5 percent increase from the 2019-21 Legislatively Approved Budget. It funds 680 positions.

Statewide Assessments and Enterprise-wide Costs (SAEC)

The budget for Statewide Assessments and Enterprise-wide Costs (SAEC) contains statewide assessments including various Department of Administrative Services' assessments/charges (e.g., Risk Management, Chief Financial Office), Central Government Services Charges, Oregon State Library and Secretary of State audits. It also includes the budgets for rent, debt service and computer replacements. The budget includes the funding for Shared Services, which are made through a Special Payment to Shared Services to cover Shared Services costs (including General Fund, Other Funds and Federal Funds). The 2021-23 recommended budget is 55 percent General Fund, 8 percent Other Funds and 37 percent Federal Funds; the funding mix depends on specific assessments or charges and the cost allocation methodology. Federal funding is subject to a federally approved cost allocation plan.

The 2021-23 Governor's Budget for SAEC is \$603.2 million total funds, a 15.2 percent increase from the 2019-21 Legislatively Approved Budget.

Oregon Health Authority

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$2,107,755,471 | \$2,724,376,308 | \$3,153,348,633 |
| Lottery Funds | 12,464,286 | 17,093,071 | 17,080,260 |
| Other Funds | 6,957,456,229 | 7,645,454,433 | 8,837,829,761 |
| Federal Funds | 11,590,457,943 | 12,683,030,976 | 15,075,810,831 |
| Other Funds (Nonlimited) | 28,363,870 | 261,929,902 | 40,000,000 |
| Federal Funds (Nonlimited) | 74,629,149 | 106,196,261 | 102,729,051 |
| Total Funds | \$20,771,126,948 | \$23,438,080,951 | \$27,226,798,536 |
| Positions | 4,195 | 4,290 | 4,415 |
| Full-time Equivalent | 4,124.91 | 4,243.01 | 4,368.63 |

OVERVIEW

The Governor's Budget for the Oregon Health Authority (OHA) invests significant resources in continuing to address health inequities in Oregon and meeting the needs of Oregonians experiencing mental health and substance use disorders, all while maintaining services for Oregonians. OHA's mission is to improve the health of all Oregonians, increase the quality of health care services provided, and contain the growth of health care costs.

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

- Approximately 1,400,000 individuals receive health care coverage through the Oregon Health Plan, PEBB and OEBB;
- Over 50,000 Oregonians receive behavioral health support and treatment services through local community mental health and substance use disorder programs;
- Approximately 600 individuals at a time receive 24-hour psychiatric care through the Oregon State Hospital system; and
- Every Oregonian benefits from disease prevention and wellness services provided by the Public Health Division.

GOVERNOR'S BUDGET

The 2021-23 Governor's Budget for OHA totals \$27,226.8 million, which represents a 16.2 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund budget is \$3,153.3 million and represents a 15.8 percent increase from 2019-21. The budget supports

4,415 positions. In putting together the 2021-23 Governor’s Budget, the Governor recognized the need to address historic and ongoing racial injustices in Oregon’s health care system. To do this, the Governor requested the advice from groups of stakeholders and community leaders participating in the Racial Justice Council (RJC), which included a specific focus on health equity. The RJC’s short-term recommendations are included in the Governor’s Budget, representing the start of a longer-term investment needed to ensure health equity for all Oregonians.

The need for investments in health equity were highlighted by the experience Oregon has had in the last eight months of COVID-19. The COVID-19 pandemic immediately exacerbated widespread existing health inequities borne by systemic racism and oppression. COVID-19 has disproportionately impacted communities of color, low wage workers and individuals in congregate settings like correctional facilities and long-term care facilities. The response to the COVID-19 pandemic has highlighted systemic gaps in the public health system, specifically around the need to center health equity and improve language access and cultural responsiveness.

The Governor also sought to improve the behavioral health services Oregonians receive through her 2021-23 budget. The Governor convened a group of stakeholders to form the Behavioral Health Advisory Council (BHAC) to advise her on improving access to effective behavioral health services and create a behavioral health system that is simpler to access, more responsive, and leads to meaningful improvements in their lives. Recommendations from the BHAC, as vetted by the RJC Health Equity Committee, as well the passage of Measure 110 (decriminalizing drug possession and increasing substance use treatment funding), informed the Governor’s investments in behavioral health.

The Governor’s Budget for OHA continues the state’s commitment to ensuring that Oregonians have access to affordable health care coverage as a foundational element of reducing health disparities. The budget continues Oregon’s commitment to improving critical health care outcomes through strategic investments and cost savings measures—all while preserving health care benefits, sustaining the Oregon Health Plan, and holding the state’s health care programs to high standards.

Health Equity

The Governor’s Budget makes significant investments in achieving health equity in Oregon through expanding coverage, improving access to health care, making significant investments in public health, and establishing stronger infrastructure for future investments in equity.

Improved Access to Care:

- Community Partners and Outreach Oregon Health Plan Navigation – The Governor’s Budget invests \$16.3 million to assist Oregon Health Plan members with how to access care through expansion of the Community Partners Outreach Program.
- Indian Managed Care Entity – The Governor’s Budget invests \$12.1 million in establishing a

managed care entity requested by Oregon's tribal governments to improve care management for tribal members.

- Fee for Service Improvements and Service Coordination – The Governor's Budget invests \$29.5 million to provide care coordination fee-for-service members of the Oregon Health Plan and to increase provider rates for services in order to increase member access.
- Reproductive Health Reimbursement – The Governor's Budget invests \$2.0 million to increase rates for reproductive health providers by 10 percent and to increase the professional service fee reimbursement they receive to ensure access to high quality essential services.
- Tribal Traditional Health Workers – The Governor's Budget supports a legislative concept to create a Traditional Health Worker category for Indian Health Care Providers and recognize traditional tribal-based health practices as services the Oregon Health Plan will reimburse.

Coverage Expansion:

- Cover All People – The Governor's Budget invests \$10 million to create a pilot medical assistance program to expand coverage for Oregonians who are undocumented and uninsured as well as young adults who have aged out of the Cover All Kids program.
- Compact of Free Association (COFA) Medical and Dental Coverage – The Governor's Budget invests \$2.6 million to continue providing assistance to COFA residents with low income living in Oregon, a population allowed to work, study and reside in the United States but prohibited from enrolling in Medicaid. This program supports premium assistance and out of pocket expenses for health insurance for Oregon's COFA residents with low income and adds \$1.1 million for dental coverage for this population.
- Public Option – The Governor's Budget supports development of a policy framework for a public option for Oregonians, which would increase affordable health care coverage. The budget includes \$200,000 to continue planning to establish a public option.
- Oregon Health Insurance Marketplace – The Governor's Budget supports the transfer of the Oregon Health Insurance Marketplace to the Oregon Health Authority from the Department of Consumer and Business Services as a step towards further aligning publicly financed health care activities in the state.

Public Health:

- Public Health Modernization – The Governor's Budget invests \$30.0 million in core public health capacity for local public health authorities, tribal governments, and community-based organizations to help modernize the state's public health system.
- Tobacco Use Cessation – In addition to increasing the price of cigarettes and vaping products, the passage of Measure 108 provided \$40.3 million in additional funds to support

public health interventions to prevent tobacco use and to encourage people to quit smoking. Ten percent of funds provided by Measure 108 will go to tribal health providers, urban Indian health programs, regional health equity coalitions, culturally specific and community-specific health programs and state and local public health programs that address prevention and cessation of tobacco and nicotine use.

- Tobacco Retail Licensure – The Governor’s Budget supports a legislative concept to provide for statewide licensure of tobacco retailers, reducing the potential for underage sales.

Equity Infrastructure:

- Workforce Diversification – The Governor’s Budget invests \$27.7 million in incentives to diversify Oregon’s behavioral health and medical workforces so they better reflect the communities they are serving.
- Office of Equity and Inclusion – The Governor’s Budget invests \$3.4 million to expand OHA’s Office of Equity and Inclusion, adding 17 new positions to further the implementation of OHA’s 10-year plan to eliminate health disparities and to increase community engagement with communities of color, people with disabilities, LGBTQ communities, immigrants, and Tribes.
- Regional Health Equity Coalition Expansion – The Governor’s Budget includes \$3.4 million to increase funding for Regional Health Equity Coalitions and to add coalitions to areas of the state that are not currently covered by one.
- REALD Data – The Governor’s Budget invests \$2.4 million in the infrastructure needed to collect Race, Ethnicity, Language, and Disability data (REAL D) to allow for better monitoring of health equity outcomes.
- Sexual Orientation / Gender Identity (SOGI) Data Collection – The Governor’s Budget invests \$5.0 million in beginning efforts to collect sexual orientation and gender identity data to allow for better monitoring of health equity outcomes and funds regional community based training and technical assistance programs for providers.

Behavioral Health / Substance Use Disorders

- Substance Use Disorder 1115 Waiver – The Governor’s Budget invests \$118.0 million in substance use disorder treatment services, crisis intervention services and peer support services to help Oregonians recover from the disease of substance use disorder.
- Measure 110 – The Governor’s Budget invests \$112.6 million to implement Measure 110, which decriminalizes possession of drugs and uses Marijuana Tax revenues to support drug treatment services. The Governor’s Budget proposes to delay implementing the financial portions of this measure until July 1, 2022. Reduced Marijuana Tax revenues for OHA’s current behavioral health services were backfilled with General Fund.

- Community Behavioral Health Services – The Governor’s Budget includes \$29.5 million to expand residential services for young adults, for peer respite care, to increase fee-for-service rates for behavioral health services including for treatment for co-occurring behavioral health and substance use disorders, for psychiatric residential treatment facilities, and to support the Alcohol and Drug Policy Commission’s strategic plan. The Governor’s Budget also invests \$22.5 million in community-based services and care coordination designed to reduce the influx of people from the criminal justice system into the Oregon State Hospital (people committed to the hospital on Aid and Assist orders).
- Services Targeted to Child Welfare – The Governor’s Budget invests \$1.3 million in crisis and transition services and \$5.7 million in interdisciplinary assessment teams for children and families involved in the child welfare system.
- Measure 109 – The Governor’s Budget invests \$5.6 million to begin implementing Measure 109, which legalized psilocybin for medicinal use as a potential treatment for behavioral health disorders.

Sustainable Funding

- Value Based Payments – The Governor’s Budget invests \$1.5 million to promote the adoption of value-based payments in Oregon and includes savings of \$12 million General Fund associated with the adoption of value-based payments by hospitals. PEBB and OEBB will also seek to adopt value-based payment methodologies that will address the cost and quality of the health care provided to members.
- Aligning Purchasing Power – The Governor’s Budget invests \$1.6 million for staff and contracts needed to increase public sector participation in plans offered by PEBB and OEBB, increasing the plan’s bargaining power.
- Pharmacy Omnibus – The Governor’s Budget invests \$0.8 million for staff to coordinate pharmacy purchasing among public sector purchasers in Oregon and in other states.

REVENUE SUMMARY

The General Fund supports 11.6 percent of OHA’s budget. Approximately 55.7 percent of the budget is supported with Federal Funds, of which a significant portion represents federal Medicaid dollars matched with state funds. Federal Medicaid reimbursement is based on the Federal Medical Assistance Percentage (FMAP) rate. Decreases in the FMAP rate in 2021-23 shifts costs to the state by an additional \$230.6 million in Medicaid expenses compared to 2019-21. The Governor’s Budget assumes the COVID-19 federal public health emergency, and the associated increase in the FMAP rate, will be extended until the third quarter of calendar year 2021, resulting in additional caseload costs and additional federal FMAP revenues. Other important Federal Funds includes revenue for the Women, Infants, and Children program, mental health and substance abuse block grants and various federal grants supporting the Public Health Division. The Governor’s Budget does not include any additional federal stimulus funds for OHA but assumes that additional federal stimulus will cover the cost of continuing

OHA's COVID-19 response.

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

AGENCY PROGRAMS

Health Systems Division

The Health Systems Division supports the triple aim of better health, better care, and lower costs through administration of the Medicaid program and non-Medicaid behavioral health services to improve the long-term health outcomes for Oregonians. The Division's budget includes the Medicaid, Non-Medicaid, and Program Support and Administration programs.

Medicaid: OHA is the state designated agency responsible for Medicaid, which is jointly funded by states and the federal government. Most of the state's Medicaid coverage is provided through a managed care delivery system in the Oregon Health Plan, which provides comprehensive physical, behavioral and oral health care coverage to adults with low income and children. In 2021-23, an average of approximately 1.2 million individuals across several caseload categories are projected to receive Medicaid coverage in Oregon.

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

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

OHA's Non-Medicaid Behavioral Health programs has received scrutiny from the United States Department of Justice (USDOJ) Civil Rights Division. Oregon reached an agreement with USDOJ in 2012, requiring the state to provide individuals with serious and persistent mental illness, with the services necessary to help them live in the most integrated setting appropriate to their needs. Oregon has met most of the terms of the initial agreement and the subsequent Oregon Performance Plan (2016) but will continue its efforts via a quality improvement plan

now in place. USDOJ has continued to follow up on the state's progress and to request information and program modifications.

The overall Health Systems Division budget, including Medicaid, Non-Medicaid Behavioral Health, and related administration, totals \$20,687.9 million, which represents a 19.7 percent increase from the 2019-21 Legislatively Approved Budget. The recommended General Fund budget is \$2,022.5 million, which represents a 10.6 percent increase from 2019-21. The increased level of funding is primarily a result of increased caseload as well as investments for coverage expansion, Measure 110 implementation, the creation of an Indian managed care entity, increasing fee for service rates, implementing the SUD 1115 waiver, and expanding community mental health services. The budget also includes the following to reduce costs: eliminates the Graduate Medical Education Program, reduces hospital reimbursement rates for DRG hospitals from 80 percent of Medicare to 76 percent of Medicare, reduces inflation built into CCO rates from 3.4 percent per year to 2.9 percent, reduces the CCO quality pool from 4.25 percent to 3.5 percent, repurposes hospital tax funds used for a supplemental payment program, eliminates inflation on community mental health programs, reduces flexible community mental health funds by 50 percent, increases the hospital assessment on A&B hospitals to 6 percent, and assumes value-based payment savings of one percent for hospital spending in OHP, resulting in combined General Fund savings of \$197.7 million.

Health Policy and Analytics

Health Policy and Analytics (HPA) Division provides policy support, technical assistance and access to health information statistics and tools to all organizations and providers participating in Oregon's health system transformation. The key functions of HPA are: Health Policy; Clinical Improvement Services; Health Analytics; Health Information Technology; Business Support; and PEBB and OEBC, which are operationally situated in HPA but have separate budget structures.

The Division is largely supported by federal Medicaid dollars matched with General Fund. The program also receives Federal Funds from the Health Resources and Services Administration Primary Care grant. HPA receives Other Funds revenue from various grants and fees. The Governor's Budget for HPA totals \$176.7 million, which represents a 9.1 percent decrease from the 2019-21 Legislatively Approved Budget, primarily as the result of the expiration of federal grants for healthcare technology. The General Fund budget is \$83.6 million, which represents a 70.7 percent increase from 2019-21. Significant investments in the Governor's Budget include incentives to increase the diversity of the behavioral health and medical workforce, to continue planning for a public option or Medicaid buy-in program, to establish a statewide value-based payment program, to transfer the Oregon Health Insurance Marketplace and the COFA migrant Premium Assistance Program, and to increase staffing to coordinate pharmacy purchasing power across state agencies and in collaboration with other states.

Public Employees' Benefit Board (PEBB)

PEBB designs, contracts for, and administers health plans, group insurance policies, and flexible spending accounts for state and university employees and their dependents, for approximately

140,000 Oregonians. In 2006, PEBB moved toward self-insurance, which gives the Board more flexibility in plan design to meet specific goals, which contributes to the Board's success in keeping premium increases low.

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

Similar to the Oregon Health Plan, a key part of PEBB's strategy to improve health outcomes and bend the cost curve relates to promoting the coordinated care model (CCM) through the use of patient-centered primary care homes, which focus on primary care and prevention. CCM plans provide an opportunity for reducing utilization of unnecessary services, improving coordination of disease management across providers, and using innovative reimbursement models. PEBB will also continue its work to adopt value-based payment methodologies aimed at addressing both cost and quality of care provided to members of those systems.

The Governor's Budget for PEBB is \$2,311.9 million, which represents a 9.2 percent increase from the 2019-21 Legislatively Approved Budget. The budget invests in a project to replace the legacy benefit management systems of both PEBB and OEGB with a modern solution and in a joint effort with OEGB to increase public sector participation in PEBB and OEGB plans.

Oregon Educators Benefit Board (OEGB)

OEGB designs and administers medical, dental, vision, and other benefits for approximately 150,000 employees, retirees and their family members in Oregon's K-12 school districts, education service districts, and community colleges. OEGB's goal is to provide high-quality benefits for its members at the lowest possible cost, and to work collaboratively with members, entities and insurance carriers to further advance the triple aim of health care. As with PEBB and the Oregon Health Plan, OEGB limits annual premium increases to no more than 3.4 percent per member per year.

OEGB has controlled costs by using value-based payment models, offering its members a wide-range of plans, and—much like PEBB—encouraging the migration from preferred provider organization plans to coordinated care model plans. The OEGB budget is funded entirely by Other Funds revenue from members' premium payments. The Governor's Budget for OEGB is \$1,875.3 million, which represents a 7.8 percent increase from the 2019-21 Legislatively Approved Budget. Similar to PEBB, the budget invests in a project to replace the PEBB and OEGB benefit management systems and in a joint effort with PEBB to increase public sector participation in PEBB and OEGB plans.

Public Health Division

The Public Health Division promotes health and prevents the leading causes of death, disease and injury in Oregon. Public Health does this by administering a variety of programs addressing behavioral and social determinants of health, and by working to ensure physical and social

environments promote health and make it easier for people to make healthy choices. Oregon's public health system includes federal, state, counties and local agencies, private organizations, community based organizations and other partners. Public Health operates some programs directly and funds and coordinates other programs through local health departments and community-based organizations across the state. In this role, the Public Health Division has led the state's pandemic response to COVID-19.

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

The Governor's Budget for Public Health totals \$890.9 million, which represents a 17.7 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund budget is \$132.4 million, which represents a 32.7 percent increase from 2019-21. The budget supports the Governor's investments for Public Health Modernization, including investments in partnerships with culturally specific community based organizations, tobacco use cessation, the transfer in of the budgets for the Health Related Licensing Boards on July 1, 2022, and tobacco retail licensure.

Oregon State Hospital

The Oregon State Hospital (OSH) is an integral part of the statewide behavioral health system by providing psychiatric care for adults at OSH's Salem and Junction City campuses. The hospital's primary goal is to help people recover from their mental illness and return to life in their communities. OSH's campuses currently have the capacity to serve up to 708 individuals, with 592 beds in Salem, 100 beds in Junction City, and 16 beds at a secure residential treatment facility in Pendleton. OSH's services include 24-hour on-site nursing, psychiatric treatment, pharmacy, laboratory, food and nutritional services, and vocational and educational services.

The 2021-23 Governor's Budget for OSH totals \$693.3 million, which represents a 14.3 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund budget is \$625.8 million, which represents a 25.8 percent increase from 2019-21. The Governor invested in projects to address deferred maintenance, replace equipment, and upgrade facilities at all three OSH locations. Reductions include eliminating program coordination support, reducing nurse management and administrative positions, and restructuring how psychology services are offered.

Central Services

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

- Director's Office – responsible for the overall leadership, policy development and

administrative oversight for the agency.

- External Relations – responsible for building strong relationships with the public, member support teams, Ombudsperson, media, legislature and other agencies at the state and federal levels.
- Agency Operations – provides operational support and human resources services to OHA.
- Fiscal Operations – provides oversight of financing policies and coordinates budget development and execution for OHA.
- Office of Equity and Inclusion – works on behalf of OHA and with diverse communities to eliminate health inequities and promote optimal health in Oregon.

Central Services is funded based on a federally approved cost allocation plan where programs are charged for the services they use. The Governor’s Budget for Central Services totals \$86.3 million, which represents a 74.6 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund budget is \$57.4 million, which represents a 59.8 percent increase from 2019-21 Legislatively Approved Budget. Investments in the Governor’s Budget include increased staffing for the Office of Equity and Inclusion, increased funding for and expansion of the Regional Health Equity Coalition program, and additional staff to provide certifications for tribal traditional health workers.

Shared Services

Shared Services supports certain business functions for both the Department of Human Services and OHA under a joint governance agreement. Shared Services contains the Office of Information Services (OIS) and the Information Security and Privacy Office (ISPO). OIS provides information technology systems and services for staff at numerous locations across the state. ISPO provides information security services by using business risk-management practices to protect confidential information and educating staff and agency partners on how to protect this information and report incidents when they occur.

Shared Services is funded entirely by Other Funds transferred from different OHA and Department of Human Services programs through a federally approved cost allocation plan. The 2021-23 Governor’s Budget for Shared Services totals \$184.4 million, which represents a 1.8 percent increase from the 2019-21 Legislatively Approved Budget.

State Assessments and Enterprise-wide Costs

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

SAEC is funded based on cost allocation statistics to determine the distribution of expenditures and the revenue distribution by General Fund, Other Funds and Federal Funds. The Governor’s Budget for SAEC totals \$307.6 million, which represents a 39.9 percent decrease from the 2019-

21 Legislatively Approved Budget, due largely to one-time bond refinancing that took place during 2019-21 and is accounted for in this program. The General Fund budget is \$231.7 million, which represents an 8.5 percent increase from the 2019-21 Legislatively Approved Budget.

Long Term Care Ombudsman

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$6,169,136 | \$7,728,112 | \$10,091,058 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 673,947 | 845,016 | 854,216 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$6,843,083 | \$8,573,128 | \$10,945,274 |
| Positions | 27 | 30 | 36 |
| Full-time Equivalent | 25.50 | 29.14 | 35.50 |

OVERVIEW

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

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

Also in 2014, LTCO began providing public guardian and conservator services for persons lacking the financial resources to obtain a private guardian or conservator and who do not have relatives or friends willing or able to serve as guardians and conservators. The Oregon Public Guardian program (OPG) allows the state to serve as a statewide court-appointed guardian and/or conservator, trustee, and payee for incapacitated Oregonians who have no other resources to serve in such capacity.

GOVERNOR'S BUDGET

The Governor's Budget for LTCO continues funding for core services and personnel, and provides resources (including positions) to expand the Oregon Public Guardian program, furthering commitments to serve Oregon's most vulnerable and prevent utilization of more costly services over the long term. For example, OPG staff assist medical hospitals by helping individuals with cognitive impairments receive the ongoing care and services they need to be safe, stable and housed to avoid over-utilization of emergency room services. The budget is \$10.9 million total funds and includes resources to support 36 positions. This is 27.7 percent higher than the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

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

AGENCY PROGRAMS

Long Term Care Ombudsman

The Long Term Care Ombudsman program, mandated by the Federal Older Americans Act, serves long-term care facility residents through complaint investigation, resolution, and advocacy for improvement in resident care. Program staff works with a statewide network of 160 to 190 volunteers who work in communities in which they live. The RFO program works to address the needs of residents of care facilities who have mental illness, intellectual or developmental disabilities. The budget for this program is \$7.2 million total funds and supports 24 positions.

Oregon Public Guardian

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

Prior to the passage of Senate Bill 1553 (2014), Multnomah and Jackson counties had the only existing public guardian programs. The expansion of the OPG program in the Governor's Budget

will create capacity to serve an additional 80-100 clients, which will approximately double current capacity of 85. This investment will allow OPG to assist medical hospitals by helping individuals with cognitive impairments receive services needed to remain safe, and limit law enforcement interactions by ensuring individuals with significant cognitive impairments experiencing homelessness receive the care and services they need to be safe, stable, and housed. The budget for this program is \$3.7 million total funds and supports 12 positions.

Psychiatric Security Review Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$2,843,045 | \$3,198,150 | \$3,642,643 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,888 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$2,844,933 | \$3,198,150 | \$3,642,643 |
| Positions | 11 | 11 | 11 |
| Full-time Equivalent | 11.00 | 11.00 | 11.00 |

OVERVIEW

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

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

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

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

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

GOVERNOR'S BUDGET

The Governor's Budget for the Psychiatric Security Review Board is \$3.6 million total funds, which represents a 13.9 percent increase from the 2019-21 Legislatively Approved Budget. Funding was added to begin planning work to replace a database that will no longer be supported by the current vendor as well as to pay stipends to Board members for additional hearings. The budget supports 11 positions.

REVENUE SUMMARY

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

PUBLIC SAFETY

Program Area and Agency Information



PUBLIC SAFETY AGENCIES

Public Safety Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|------------------------|--------------------------------|------------------------------|
| General Fund | \$2,574,488,453 | \$2,765,183,480 | \$2,831,118,914 |
| Lottery Funds | 8,001,563 | 10,559,076 | 9,304,573 |
| Other Funds | 756,062,887 | 823,811,040 | 1,095,231,778 |
| Federal Funds | 413,916,695 | 576,174,715 | 580,762,452 |
| Other Funds (Nonlimited) | 0 | 107,594,404 | 0 |
| Federal Funds (Nonlimited) | 1,040,976 | 940,120 | 0 |
| Total Funds | \$3,753,510,574 | \$4,284,262,835 | \$4,516,417,717 |
| Positions | 9,130 | 9,355 | 9,026 |
| Full-time Equivalent | 8,892.43 | 9,181.74 | 8,906.80 |

OVERVIEW

The agencies within the Public Safety program area are responsible for ensuring the public safety of Oregon’s people, property, and natural resources by providing law enforcement services, prosecuting crimes, and housing youth and adults placed in the state’s custody. Other major program objectives include legal representation of state agencies and consumer protection.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The 2021-23 Governor’s Budget for the Public Safety agencies is \$4,516.4 million total funds, a 5.4 percent increase from the 2019-21 Legislatively Approved Budget. The Budget includes \$2,831.1 million General Fund, which is an increase of \$65.9 million, or 2.4 percent over the 2019-21 Legislative Approved Budget.

The Governor’s Budget reflects her commitment to prioritizing the most critical public safety services provided by state government while working to incorporate recommendations and reforms from the Racial Justice Council to address racial justice within our public safety infrastructure.

LAW ENFORCEMENT

From State Police to the Department of Justice, state agencies enforce the law and provide safety for Oregonians and businesses. During the 2021-23 biennium, the Governor’s Budget is addressing key statewide law enforcement services.

- The Governor’s Budget is making targeted investments in police accountability, wellness and anti-bias training efforts, by using inclusion teams focused on diversity, equity, and

inclusion. In addition, the budget is making additional investments in capital construction at Central Point and the Springfield Patrol facilities, and addressing long-term deferred maintenance at the Central Point, Albany, and Ontario Patrol offices.

- In the Department of Public Safety Standards and Training, the budget supports 13 basic police classes among other training, continued work on the Statistical Transparency of Policing project and additional training and development for public safety instructors.
- The budget adds funding for the Board of Parole and Post-Prison Supervision to cover operational costs and position reclassifications to address levels of responsibility.
- The budget also supports the Department of Justice efforts to eliminate discrimination, remove barriers, and build resiliency for people impacted by these inequities. The budget continues support for defending Oregon's interests in the collateral and criminal impacts from the U.S. Supreme Court ruling in *Ramos v. Louisiana*, relating to non-unanimous jury verdicts. The Department of Justice continues to be engaged in significant litigation against the federal government to protect the State's interests.

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

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

- The Justice Reinvestment Initiative, administered by the Criminal Justice Commission, is continued by providing \$39.1 million in grant funding. This reduced amount from 2019-21 funding will continue to be a targeted resource available to the Commission to invest in counties that utilize funding in a way that effectively reduces recidivism, prison usage and saves prison costs.
- The Governor's Budget has made a much-needed investment in Diversity, Equity and Inclusion for youth services and staff. This will support OYA's commitment to implementing the Youth Reformation System, while continuing to fold in Positive Human Development practices. These practices are designed to deliver the right services to youth in the most appropriate settings in order to improve youth outcomes. As the close-custody youth population declines, OYA is able to reduce the number of filled beds in a living unit while still being able to close living units at two of their facilities. In addition, capital investments continue to be budgeted to address the ongoing health, life, safety and security concerns across multiple OYA facilities.
- Within the Department of Corrections, the budget realizes state savings by closing Mill Creek, Shutter Creek, and Warner Creek correctional facilities in the 2021-23 biennium. This is a direct result of the declining prison population, increased commutations and success of the Short-Term Transitional Leave program. In addition, investments are being made to support Hepatitis-C treatment and other medical services for adults in custody both within the facilities and for off-site care. Other budget investments include finalizing a solution for the

electronic medical records system, capital construction throughout multiple facilities, and deferred maintenance.

The passage of Ballot Measure 110 is expected to reduce Community Correction caseloads, therefore, funding has been reduced to community programs.

Emergency Preparedness

The Oregon Military Department assists with natural disasters, emergencies, and overseas deployments. The Governor's Budget is making key investments in the Office of Emergency Management with mitigation and recovery efforts from the Northeastern Oregon Flooding, the COVID-19 pandemic, and the devastating 2020 wildfire season.

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

Department of Corrections

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$1,749,079,552 | \$1,853,930,976 | \$1,864,488,400 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 76,635,479 | 95,327,375 | 132,304,434 |
| Federal Funds | 2,650,377 | 4,533,582 | 4,533,582 |
| Other Funds (Nonlimited) | 0 | 105,351,937 | 0 |
| Federal Funds (Nonlimited) | 1,040,976 | 940,120 | 0 |
| Total Funds | \$1,829,406,384 | \$2,060,083,990 | \$2,001,326,416 |
| Positions | 4,589 | 4,731 | 4,515 |
| Full-time Equivalent | 4,566.73 | 4,699.06 | 4,488.67 |

OVERVIEW

The Department of Corrections manages adults in custody for felony offenses, sentenced to more than 12 months of incarceration by the courts. The Department’s mission is “...to promote public safety by holding adults in custody accountable for their actions and reducing the risk of future criminal behavior.” The Department is responsible for the security, housing, care, and treatment of Oregon’s adults in custody and for utilizing all available resources to reduce recidivism and transition adults in custody back to our communities as good neighbors. The Agency is comprised of nine program areas collectively designed to provide operations of Oregon’s correctional facilities, health care services for those in custody, administration of the Agency, facilities maintenance, and support and partnership for community corrections, among other functions.

GOVERNOR’S BUDGET

The Governor’s Budget for the Department of Corrections provides \$2,001.3 million total funds and 4,515 positions. This represents a reduction of 2.9 percent from the 2019-21 Legislatively Approved Budget. While this may look like a relatively small adjustment, it is the net result of substantial policy and budget changes that both reduce and invest in the Department of Corrections.

The closure of Mill Creek, Shutter Creek and Warner Creek correctional facilities is planned for the 2021-23 biennium, as a result of the continued decline in the prison population, increased sentence commutations, and success of the Short Term Transitional Leave program. The closures will not only save the State \$42.7 million General Fund and avoid substantial costs of the necessary maintenance and repairs, but also further discussion about incarceration and sentencing reform in Oregon.

The Governor’s Budget also includes an adjustment for the passage of Ballot Measure 110. This

initiative decriminalized possession of specified drugs and re-directs funding for statewide addiction and recovery services. In partnership with the Criminal Justice Commission, the Department projects Ballot Measure 110 will result in a Community Corrections caseload decrease equivalent to \$24.5 million General Fund in the 2021-23 biennium. The Governor's Budget also makes key investments to continue safe and effective management of adults in custody while providing treatment and services focused on reducing recidivism. These investments include:

- Funding to cover the rising costs of Hepatitis-C treatment and other medical services including offsite care, pharmaceuticals, and contracted medical staffing,
- Bond-supported projects including capital construction on roofs, HVAC and plumbing, retrofitting the Oregon State Penitentiary Minimum facility to provide a training facility, and purchases of distribution equipment,
- IT projects including procurement of an Electronic Health Records solution, system upgrades to support collaboration and teleworking, installation of a secure and centralized phone system, and modernization of the computing platform for adults in custody, and
- Safety improvements including the purchase of mail scanning devices, body scanners and handheld narcotics analyzers for opioid overdose prevention.

REVENUE SUMMARY

The Department's need for revenue is driven by the number of adults in custody, the severity of their medical and other treatment needs, compliance with legal mandates and federal programs, the cost of goods and services, and collective bargaining agreements with labor unions. General Fund makes up 93.2 percent of the Department's revenue. Other Funds comprise just under 6.6 percent of the budget and come primarily from adult in custody work crews and sales programs, commissary purchases, and bond proceeds for capital projects. Federal Funds make up the remainder of the budget and are received from the State Criminal Alien Assistance Program grant, which provides a subsidy to the cost of managing adults in custody who are not citizens.

AGENCY PROGRAMS

Operations

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

The Governor's Budget provides \$898.3 million total funds and 3,162 positions for the

Operations Division. This represents a 2.9 percent decrease from the 2019-21 Legislatively Approved Budget, primarily driven by the facility closures during the 2021-23 biennium.

Central Administration

Central Administration includes the Director's Office and Deputy Director's Office, Chief Financial Office, Research and Projects, Internal Audits, Inspector General, Diversity and Inclusion, Communications and Department overhead, which includes agency-wide assessments and state government service charges. The Division provides leadership for the agency and participation in statewide public safety initiatives. The Division's largest unit – the Inspector General's Office – oversees management of high-risk adults in custody, investigates suspected wrongdoing and conducts disciplinary hearings. A focus for Central Administration continues to be enhancing administrative effectiveness and accountability and strengthening internal and external communication.

The Governor's Budget provides \$105.8 million total funds and 178 positions for the Central Administration Division. This includes an additional \$4.8 million Other Funds for staffing to support and monitor the external communication system for adults in custody.

Administrative Services

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

The Governor's Budget provides \$97.6 million total funds and 274 positions for the Administrative Services Division. This includes investments related to critical capital projects in multiple facilities.

Community Corrections

In the 2021-23 biennium, the Community Corrections Division will be responsible for providing supervision, services, and sanctions to more than 30,000 offenders in Oregon's communities. This includes adults sentenced to probation for felony offenses, those who have been released to parole or post-prison supervision, and adults sentenced to 12 months or less in prison to be served at the county level. Community Corrections supervision, services, and sanctions are provided directly by the Department in Linn and Douglas Counties and indirectly by counties through intergovernmental agreements with the Department in the remaining 34 counties.

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

The Governor's Budget provides \$264.6 million total funds and 76 positions for the Community

Corrections Division. This reflects a 10.7 percent decrease from the 2019-21 Legislatively Approved Budget, primarily due to the reduced caseload from the passage of Ballot Measure 110.

Health Services

The Health Services Division provides legally mandated medical, dental, mental health, and pharmacy services to the approximately 13,400 adults in custody in Oregon's prisons. To accomplish this task effectively and efficiently, the Department uses a managed care model emphasizing patient education, a limited benefit package, on-site primary care with coordinated care and management of diseases, controlled access to specialists and specialist procedures, a restricted pharmacy medication formulary, controlled utilization, utilization review, and claims review. The Division maintains a team of professionals that includes physicians, nurse practitioners, physician assistants, registered nurses, dentists, psychiatrists, mental health specialists, pharmacists, and other licensed staff.

The Governor's Budget provides \$361.6 million total funds and 621 positions for the Health Services Division. This Division realizes an increase of 23.5 percent over the 2019-21 Legislatively Approved Budget. This is due to additional funding provided to cover increases in health care costs, as well as procurement of a solution for the Electronic Health Records project.

Correctional Services

The Correctional Services Division is responsible for carrying out the Department's mission to reduce the risk of future criminal conduct. The program includes the operation of intake processing, offender records, sentence computation, custody level classification, coordination of transfers between institutions, alcohol and drug treatment, cognitive behavioral treatment, parenting, education, apprenticeship and work skills, religious services, victim services, volunteer services, transition programs and release planning. The Division targets resources to adults in custody with a moderate to high risk of recidivating using evidence-based practices in a multidisciplinary case management approach from admission to release.

The Governor's Budget provides \$81.1 million total funds and 204 positions for the Correctional Services Division.

Debt Service

The Debt Service program contains no positions, only funding to repay principal and interest on funds borrowed through the sale of Certificates of Participation (COPs) and bonds. Proceeds generated by the sales of COPs and bonds are used to construct and improve correctional facilities.

The Governor's Budget provides \$105.9 million total funds for the Debt Service Division. Of this, \$9.6 million is new debt service for bonds that will be sold in the 2021-23 biennium to support projects intended to construct or improve the Department's facilities and systems.

Capital Improvements

The Capital Improvements program includes funding for those projects that change, adapt, or

replace the use or function of a facility or reconfiguration of a program workspace. The Department is responsible for maintaining 353 owned buildings and over 5.5 million square feet of building space. The estimated current replacement value is estimated at \$3.5 billion. Funding for capital improvements will allow the Department to perform only the most critical and immediate protection activities on its real property assets. The Governor's Budget provides \$3.1 million General Fund, as the only fund source supporting the Capital Improvements Division.

Capital Construction

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

The Governor's Budget provides \$83.3 million Other Funds, supported by bond proceeds, for the Capital Construction program.

Criminal Justice Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$64,360,696 | \$79,843,528 | \$68,227,639 |
| Lottery Funds | 0 | 555,000 | 578,865 |
| Other Funds | 1,686,356 | 14,962,708 | 7,252,418 |
| Federal Funds | 7,071,139 | 5,337,957 | 5,643,281 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$73,118,191 | \$100,699,193 | \$81,702,203 |
| Positions | 17 | 23 | 20 |
| Full-time Equivalent | 14.54 | 21.51 | 20.00 |

OVERVIEW

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

The Commission analyzes data to determine the optimal balance of incarceration, treatment and program provision, and post-release supervision to maximize the value of Oregon’s criminal justice investment. The Commission strives to make the criminal justice system effective and efficient in preventing crime by analyzing outcomes from the use of incarceration and services with the aim of reducing recidivism. Toward this goal, the Commission evaluates sentencing policy and prospective sentencing practices.

The Commission manages the state’s Justice Reinvestment Initiative (JRI) grant program, which provides funding to local criminal justice systems to control prison growth, reduce recidivism, increase public safety, and increase offender accountability. Additionally, the Commission has several other responsibilities:

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

- *Statistical Analysis* – The Statistical Analysis Center provides the state with objective criminal justice research and data analysis; with a mission to provide, promote, and maintain reliable and valid criminal justice system data. The Center has access to arrest, charge, and conviction data used to develop policy recommendations and make informed decisions.
- *Specialty Court Grant Program* – The Commission administers grants for 48 specialty courts designed to serve non-violent felony offenders with substance use disorders. These courts use an integrated, systematic approach to reduce drug abuse and recidivism while increasing public safety and supporting family reunification. In the 2019-21 biennium, over \$15.9 million dollars in grant awards have been allocated to Specialty Courts.
- *Asset Forfeiture* – Established in 1989, the Asset Forfeiture Oversight Advisory Committee (AFOAC) collects data on asset forfeiture in Oregon and makes recommendations to the Legislature on modifications of statutory authority. Since 1997, the Commission has provided staff support for AFOAC. Funds from asset forfeiture are available for the Commission to distribute to drug courts.

GOVERNOR'S BUDGET

The Governor's Budget for CJC provides \$81.7 million total funds, including \$68.2 million General Fund and supports 20 positions. The Governor's Budget continues the JRI grant program by providing approximately \$39.1 million in grant funding. This reflects a reduction of 10 percent from Current Service Level. Additionally, the Improving People's Access to Community-based Treatments, Supports, and Services (IMPACTS) grant program is continued into the 2021-23 biennium to realize full delivery of the \$10 million in grant funding. While CJC's funding is a reduction from the 2019-21 Legislatively Approved Budget, it is anticipated the Commission will target these resources, particularly the JRI, to increase accountability through program evaluation and incentivize counties that have effectively utilized funding to reduce recidivism, prison usage, and save prison costs.

REVENUE SUMMARY

The Criminal Justice Commission receives General Fund to support a number of positions, as well as associated expenditures for agency operations. However, the majority of General Fund dollars are passed through to counties for specialty courts and Justice Reinvestment grants. The Agency's Other Funds are largely based on variable funding streams including 20 percent of the state's civil and criminal forfeiture proceeds for disbursement to specialty courts and \$3.0 million from the Marijuana Tax Fund to establish the Illegal Marijuana Market Enforcement Grant Program (IMMEGP) to address unlawful marijuana cultivation or distribution. CJC is also carrying forward the remaining IMPACTS revenue for grant disbursements that should be fully realized in the 2021-23 biennium. Additionally, CJC is responsible for administering four federal grant programs with a focus on drug treatment and enforcement, mental health, and technology improvement programs.

District Attorneys and Their Deputies

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$13,238,151 | \$12,839,916 | \$14,423,425 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$13,238,151 | \$12,839,916 | \$14,423,425 |
| Positions | 36 | 36 | 36 |
| Full-time Equivalent | 36.00 | 36.00 | 36.00 |

OVERVIEW

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

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

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

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

GOVERNOR'S BUDGET

The Governor's Budget is \$14.4 million General Fund. This is a 12.3 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes funding for the salaries of the 36 elected DAs, who are state employees. The budget also supports state government service charges to cover tort liability, other insurance related costs, and expenses associated with Grand Jury recordation.

REVENUE SUMMARY

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

Department of Justice

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$89,726,176 | \$114,789,120 | \$117,886,841 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 314,248,330 | 351,837,618 | 381,678,963 |
| Federal Funds | 182,172,657 | 186,995,478 | 210,729,095 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$586,147,163 | \$653,622,216 | \$710,294,899 |
| Positions | 1,406 | 1,453 | 1,391 |
| Full-time Equivalent | 1,355.64 | 1,420.13 | 1,377.43 |

OVERVIEW

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

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

GOVERNOR'S BUDGET

The Governor's Budget for DOJ is \$710.3 million total funds, which includes \$117.9 million General Fund, \$381.7 million Other Funds, and \$210.7 million Federal Funds. This represents an 8.7 percent increase in total funds from the 2019-21 Legislatively Approved Budget. The budget includes 1,391 positions.

The Governor's budget also supports efforts to eliminate discrimination, remove barriers, and build resiliency for people impacted by inequities. Additionally, this budget continues to support

assistance to victims of crimes. DOJ is engaged in significant litigation involving non-unanimous jury verdicts, COVID-19 habeas petitions, and against the federal government to protect the State's interests.

REVENUE SUMMARY

The Department relies on a variety of funding sources. General Fund accounts for 16.6 percent of the budget and is devoted to public safety programs and services; this includes the Oregon Child Support Program; the Defense of Criminal Convictions program; crime victims programs; legal work, which no state agency can be billed directly; the law enforcement activities of the Criminal Justice Division and Defending Oregon's Statutes and Constitution.

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

The Department charges state agencies an hourly rate for legal services; the Governor's Budget assumes an attorney rate of \$241 per hour, which is a 12.6 percent increase from the 2019-21 rate of \$214 per hour. The rate is expected to generate a total of \$266.8 million.

AGENCY PROGRAMS

Administration

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

The Governor's Budget for this program is \$47.3 million total funds, which represents a 17.5 percent increase from 2019-21 Legislatively Approved Budget. The budget includes 137 positions. The Governor's Budget includes funding and position authority to address improving administrative processes and modernizing the attorney billing and case management system.

Appellate

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

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

and some referenda.

The Governor's Budget for this program is \$26.1 million total funds, which is an 8.7 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 58 positions. The Governor's Budget includes funding and position authority to address efforts related to COVID-19 habeas petitions from adults in custody and the collateral and criminal impacts from the U.S. Supreme Court ruling in *Ramos v. Louisiana*, relating to non-unanimous jury verdicts.

Civil Enforcement

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

- The Child Advocacy section helps to protect children who are abused, neglected, and abandoned throughout Oregon by providing representation and comprehensive legal advice to the Department of Human Services (DHS), Child Welfare Program. Attorneys address the needs of children in juvenile dependency court, which can often include guardianship or adoptions. Attorneys also advocate for safe placements that are in the best interests of the child. The Governor's budget supports the continuing efforts of DOJ attorneys representing DHS caseworkers in court.
- The Financial Fraud/Consumer Protection section works to ensure fair competition and to educate consumers against marketplace fraud and abuse.
- The Civil Recovery section undertakes civil litigation seeking monetary recoveries for the State in civil actions statewide, including handling State claims in bankruptcy, civil rights law enforcement, and defense of Oregon's rights in the national Tobacco Master Settlement Agreement. This section provides legal representation and advice to the Division of Child Support in child support matters.
- The Medicaid Fraud Control Unit investigates and prosecutes Medicaid fraud. Incidents include patient abuse or neglect committed by long-term care facilities or their employees and fraud in the administration of the Medicaid program.
- The Charitable Activities section supervises and regulates the activities of charitable, professional fundraisers, and other nonprofit organizations.

The Governor's Budget for this program is \$129.9 million total funds, which represents a 10.6 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 305 positions and supports their core programs.

Criminal Justice

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

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

- Oregon Fusion Center: This section is the focal point for receiving, analyzing, gathering, and sharing threat-related information to better detect, prevent, investigate and respond to criminal activities.
- High Intensity Drug Trafficking Areas (HIDTA), Investigation Services & Watch Center sections: A portion of the services among these three sections include promoting, facilitating, and coordinating the exchange of criminal intelligence information.
- Western States Information Network for Oregon: This section is a federally funded program that shares intelligence information among five western states (Alaska, California, Hawaii, Oregon, and Washington).

The Governor's Budget for this program is \$25.7 million total funds, which represents a 0.4 percent decrease from 2019-21 Legislatively Approved Budget. The budget includes 56 positions to support core programs.

Crime Victim and Survivor Services

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

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

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

The Governor's Budget for this program is \$138.4 million total funds, which represents a 40.2 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 49 positions. The increase is attributed to Federal Funds received from the Victim of Crime Assistance Program and General Fund to replace the loss of Other Funds from Punitive Damage Awards, which have greatly diminished this past biennium.

General Counsel

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

and furnishes legal opinions.

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

The Governor's Budget for this program is \$76.8 million Other Funds, which represents a 15.7 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 171 positions, which will provide legal training through the biennial Legal Conference, expand legal services to state agencies, and design and implement an educational method to assist in training not only to employees and managers, but stakeholders of the Oregon State Government.

Trial

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

The Governor's Budget for this program is \$47.1 million Other Funds, which represents a 21.3 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 129 positions. The Governor's Budget includes funding to address efforts related to COVID-19 habeas petitions from adults in custody and the collateral and criminal impacts from the U.S. Supreme Court ruling in *Ramos v. Louisiana*, relating to non-unanimous jury verdicts.

Defense of Criminal Convictions

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

The Governor's Budget for this program is \$36.6 million General Fund, which represents a 36.3 percent increase from the 2019-21 Legislatively Approved Budget. This budget supports the projected mandated caseload anticipated for the 2021-23 biennium.

Division of Child Support

The Division of Child Support (DCS) administers the Oregon Child Support Program through 11 statewide offices and 22 county district attorney offices—enhancing the wellbeing of children by assisting families with child support services. It locates parents, establishes paternity, enforces and modifies child support obligations, and receives and distributes support payments from absent parents. The Division serves families currently (or formerly) receiving Temporary Assistance for Needy Families (TANF) or Medicaid, as well as families who apply directly for child support services but who have never received public assistance.

Services are provided under federal and state law. DCS manages approximately 167,400 active cases, each representing a family. Additionally, it establishes and secures medical support for children in the form of additional cash support or by enforcing health insurance enrollment through the parents' employers.

The program is largely funded by leveraged Federal Funds, with General Fund and Other Funds providing the balance. Federal Funds provide 66 percent of eligible program costs to maintain the Child Support Program, as mandated under Title IV-D of the federal Social Security Act. Additionally, the program received an average of \$6.4 million annually in federal incentive awards dollars for the past four years. The program is projecting to receive and distribute \$780.1 million in child support payments during the 2021-23 biennium.

The Division collects TANF recoveries and uses the funding to support a portion of its operational costs. TANF caseloads have been diminishing over the past three years, due to improvements in the economy and changes in federal law. However, the Child Support Program has not yet realized the impact of COVID-19 nor the Oregon Wildfire disasters. The amount of TANF recoveries assignable to the state and collectible as Oregon Child Support Program revenue is uncertain for the 2021-23 biennium.

The Governor's Budget for this program is \$174.1 million total funds, which represents a 4.6 percent decrease from the 2019-21 Legislatively Approved Budget. The budget includes 486 positions to support the program.

Child Support Enforcement Automated System (Origin)

The present Oregon Child Support Enforcement System has been replaced with a new system named "Origin." The Origin system is a hybrid system combining the features from three states' systems (California, Michigan, and New Jersey). The new system is expected to be fully operational by April 2021. This system will allow DOJ to comply with the federally mandated state plan, prevent the loss of eligibility for federal financial participation and incentive funds, and reduce the state's potential exposure to financial penalties. This new federally mandated system will function as a case management system, accounting and distribution system, and a data exchange system that interfaces with multiple agencies within Oregon and throughout the United States. The federal government reimbursement rate for this project was 66 percent.

Debt Service and Related Costs

Although the new Child Support Enforcement System, Origin, will be complete by April 2021, the Division will continue to pay debt service in the 2021-23 biennium.

The Governor's Budget for debt services and related costs is \$8.4 million total funds.

Oregon Military Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$27,496,724 | \$36,233,168 | \$36,626,672 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 117,719,586 | 134,078,273 | 179,237,932 |
| Federal Funds | 174,936,798 | 318,358,977 | 308,729,297 |
| Other Funds (Nonlimited) | 0 | 2,242,467 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$320,153,108 | \$490,912,885 | \$524,593,901 |
| Positions | 478 | 525 | 556 |
| Full-time Equivalent | 427.24 | 467.00 | 507.13 |

OVERVIEW

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

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Military Department provides \$524.6 million total funds, \$36.6 million General Fund, \$179.2 million Other Funds, and \$308.7 million Federal Funds. This represents a 6.9 percent increase from 2019-21 Legislative Approved Budget. The budget includes 556 positions. In addition to the expenditures and positions accounted for by the state's budget system, the Department houses more than \$982 million in biennial federal revenues and more than 2,000 positions under the National Guard Bureau's budget.

The Governor's Budget makes key investments in the Office of Emergency Management to make further strides by enhancing mitigation and recovery efforts due to COVID-19, the 2020 wildfires, and flooding in Northeastern Oregon. This budget provides funding to expand the Science Technology Academy Reinforcing Basic Aviation and Space Exploration (STARBASE) program to Camp Umatilla, which enhances the learning experience for an additional 900 youth in the rural portions of Oregon. Additional investments provide bond financing to upgrade aging regional armories and to ensure facilities in key locations can serve as essential emergency operation centers in a major catastrophic seismic event or other natural disasters.

REVENUE SUMMARY

The Department's largest single source of revenue is Federal Funds from cooperative agreements with the National Guard Bureau. The second-largest source of revenue is Other Funds collected by the Department of Revenue as taxes on telephone service for transfer to the Office of Emergency Management for operation of the 9-1-1 emergency telephone service system. General Fund supports mitigation and recovery efforts for Oregonians impacted by the wildfires, flooding, and the pandemic, along with debt service on major construction projects and a portion to satisfy federal match requirements.

AGENCY PROGRAMS

Administration

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

The Governor's Budget for this program is \$10.1 million total funds, which represents a 28.6 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 31 positions. The Governor's Budget includes funding to expand administrative support for enhanced mitigation and recovery while maintaining the operations of this program.

Operations

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

The Governor's Budget for this program is \$114.4 million total funds, which represents a 3.8 percent increase from 2019-21 Legislatively Approved Budget. The budget supports 365 positions and maintains core programs.

Office of Emergency Management

The Office of Emergency Management (OEM) coordinates and facilitates statewide emergency planning, preparedness, response, and maintains emergency communications systems used for

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

The Governor's Budget for OEM is \$336.9 million total funds, which represents an 18.7 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 71 positions. The budget provides a General Fund investment to address operations. The state's match for receiving federal funding through the Federal Emergency Management Agency (FEMA) is decreasing, and the Office is expanding mitigation and recovery efforts due to COVID-19, the 2020 wildfires, and the Northeastern Oregon flooding disasters.

Community Support

The Community Support program includes the Oregon Youth Challenge Program (OYCP) and the STARBASE program. OYCP is located in a National Guard facility near Bend, providing educational and other services to 16 to 18-year-old youth who have dropped out of, or are failing, high school. The OYCP completed a facility expansion in March 2020 and expect to expand each six-month class from 150-240 cadets. STARBASE demonstrates real-world applications of math and science to students impacted by inequities in third to eighth grades in Portland, Klamath Falls, and Warrington-Tillamook areas through hands-on aerospace-related classes and tours at the Portland Air Base, Kingsley Field. The program will be expanding to Camp Umatilla just outside Hermiston, Oregon, in the 2021-23 biennium. With this expansion, the program's educational resources will reach more than 23,000 youth statewide.

The Governor's Budget for this program is \$22.1 million total funds, which represents a 13.6 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 89 positions. The Governor's Budget supports the expansion of the Youth Challenge Program in Bend and the STARBASE program at Camp Umatilla.

Capital Debt Service and Related Costs

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

The Governor's Budget for this program is \$14.6 million total funds of which \$14.5 million is General Fund for debt service payments. The Governor's Budget maintains the funding related to bringing several facilities to essential emergency operation center facility standards and to conduct Armory Service Life Extension Projects at the Corvallis, Ashland, Kliever, and McMinnville

armories.

Capital Improvements

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

Capital Construction

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

The Governor's Budget provides \$21.4 million in bond financing to upgrade several facilities to essential emergency operation center facility standards and to conduct Armory Service Life Extension Projects at the Corvallis, Ashland, Kliever, and McMinnville. In addition, Camp Umatilla will receive federal funding to expand facility's services, not just for National Guard activities, but to enhance its emergency service capacity.

Oregon Youth Authority

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$310,184,353 | \$330,726,201 | \$341,887,662 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 54,926,508 | 14,553,422 | 59,421,307 |
| Federal Funds | 30,108,116 | 40,643,083 | 29,521,114 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$395,218,977 | \$385,922,706 | \$430,830,083 |
| Positions | 1,021 | 1,008 | 975 |
| Full-time Equivalent | 949.85 | 980.88 | 948.38 |

OVERVIEW

The Oregon Youth Authority (OYA) serves youth ages 12-25 who have engaged in serious delinquent or criminal conduct prior to their 18th birthday. The mission of OYA is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments. OYA accomplishes this mission by providing or contracting evidence-based and researched-informed treatment, classroom education, and positive community engagement.

Juvenile courts may commit youth offenders to OYA for out-of-home probation placement or incarceration in a state youth correctional facility. As the state’s juvenile corrections agency, OYA operates correctional facilities, work-study camps, and accountability camps. OYA also manages the state’s juvenile parole and probation programs; contracts for foster care, residential treatment and specialized treatment programs for adjudicated youth; and distributes funds to county juvenile departments.

The Agency’s vision is for all youth who leave OYA go on to lead productive, crime-free lives. In doing so, OYA has identified a vision for Diversity, Equity, and Inclusion (DEI), which is to infuse equity into every decision they make at every level, in order to meet the needs of and create a safe and developmentally appropriate environment for the diverse youth and staff. The Agency is implementing the Youth Reformation System, which uses analysis and evidence-based practices to improve outcomes, coupled with Positive Human Development and Diversity, Equity, and Inclusion.

GOVERNOR’S BUDGET

The Governor’s Budget for OYA provides \$430.8 million total funds and 975 positions. This is an 11.6 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund budget is \$341.9 million, a 3.4 percent increase from the 2019-21 Legislatively Approved Budget. The Governor’s Budget maintains agency operational needs, includes funding for the Diversity, Equity,

and Inclusion initiative for youth services, and supports a reduced number of youth per living unit for mandated caseload, improving the staff to youth ratio. Bond financing supports the capital construction projects to remodel living units and security improvements at multiple facilities. Lastly, the budget is right sizing the residential bed funding to meet available community resources.

REVENUE SUMMARY

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

AGENCY PROGRAMS

Facility Services

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

The Governor's Budget provides \$181.7 million total funds and 707 positions for Facility Services. This is a total funds increase of 1.1 percent from the 2019-21 Legislatively Approved Budget. The budget provides funding to address core program needs, while closing one living unit each at their MacLaren and Rogue Valley facilities.

Community Programs

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

The Governor's Budget provides \$121.7 million total funds and 136 positions for the Community Services Program. This is a total funds decrease of 10.7 percent from the 2019-21 Legislatively Approved Budget. The Governor's Budget continues grant funding to counties at a reduced funding level. Funding for the number of budgeted community placement beds is reduced to better represent the number of beds OYA is currently utilizing.

Program Support

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

The Governor's Budget provides \$72.3 million total funds and 132 positions for Program Support. Total funds increase by 44.7 percent from the 2019-21 Legislatively Approved Budget. The Governor's Budget includes the funding to finalize the planning phase to upgrade the Juvenile Justice Information System. OYA is expected to start the execution stage of the new modernized system prior to the close of the 2021-23 biennium, which is used by more than 2,500 statewide professionals, including county juvenile departments.

Debt Service

This is the budget for principal and interest payments on Article XI-Q bonds issued to build and remodel youth correctional facilities and fund selected deferred maintenance projects. General Fund pays for debt service. The Governor's Budget provides \$18.3 million General Fund for repayment of scheduled principal and interest in the 2021-23 biennium. This is an increase from \$6.3 million in the 2019-21 Legislatively Approved Budget and is primarily related to new bond financing in the 2021-23 biennium.

Capital Improvement

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

The Governor's Budget maintains the current level of operations of the program by providing \$1.6 million General Fund to pay for deferred maintenance, electronic and physical security projects, general building improvements and emergency repair projects. There is no change from the 2019-21 Legislatively Approved Budget.

Capital Construction

The Capital Construction program includes projects with values of \$1.0 million or more that build, adapt, replace, or change the use or function of an information technology-related system, a facility, or a group of related facilities. Capital Construction projects usually follow a two-phase process, including a planning and design phase, followed by a construction phase. The Governor's Budget

provides \$35.2 million Other Funds for Camp Riverbend, Tillamook, and MacLaren living unit remodels, emergency generator replacement, Oak Creeks' Parole and Probation facility replacement, and deferred maintenance that are capital renewal projects. The Department continues to work on the capital construction projects from the previous biennium, which includes renovations at Oak Creek, Rogue Valley, and MacLaren facilities.

Board of Parole and Post-Prison Supervision

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$9,034,911 | \$8,680,101 | \$9,996,215 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 10,167 | 11,682 | 12,184 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$9,045,078 | \$8,691,783 | \$10,008,399 |
| Positions | 28 | 25 | 25 |
| Full-time Equivalent | 28.00 | 25.00 | 25.00 |

OVERVIEW

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

The responsibility of the Board is to:

- Impose prison terms and make parole decisions on offenders whose criminal conduct occurred prior to November 1, 1989.
- Impose prison terms and make parole decisions for offenders who have been sentenced as “Dangerous Offenders,” for those convicted of aggravated murder who are eligible for parole, and for those convicted of murder after June 30, 1995. For these offenders, the Board has the legal authority to decide when, or if, they are released from prison. When these adults in custody are released into the community, they are ordered to serve a term of parole.
- Support the Sex Offender Notification Level (SONL) program as enacted under 2015 legislation. The Board is charged with conducting a risk-based community notification (level I – low, level II – moderate, level III - high) on all registered sex offenders. Currently, the Agency is responsible for classifying over 23,600 existing registered offenders awaiting assessment by December 2026.
- Notify victims and criminal justice stakeholders of hearings and releases. The Board corresponds with approximately 6,668 active victims and conducts an average of 85

notifications per month.

- Determine the conditions, which must be met by an offender during their sentence of post-prison supervision. A court determines the sentence duration.

GOVERNOR'S BUDGET

During the 2019-21 biennium, the Board experienced considerable operational changes. These include a relocation and consolidation of staff into one location, as well as a shift from Department of Corrections to Department of Administrative Services (DAS) for most central service functions. The Governor's Budget supports the increased rent, DAS service charges, and some position reclassifications. The Governor's Budget for the Board of Parole and Post-Prison Supervision is \$10.0 million total funds, which represents a 15.2 percent increase from the 2019-21 Legislatively Approved Budget. The budget supports 25 positions.

REVENUE SUMMARY

The Board is almost entirely dependent upon General Fund to support its programs and functions. Only 0.5 percent of the Board's revenues are Other Funds, collected from the sale of documents and hearing tapes. The increase in General Fund supports not only key program areas but also services the Agency must provide for the safety of Oregon communities. These services include offender psychiatric or psychological evaluations. The Board relies on qualified providers to conduct the necessary evaluations of adults in custody being considered for parole.

Department of State Police

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$301,571,927 | \$318,475,460 | \$368,474,420 |
| Lottery Funds | 8,001,563 | 10,004,076 | 8,725,708 |
| Other Funds | 143,714,659 | 164,937,371 | 286,067,535 |
| Federal Funds | 9,584,689 | 12,616,262 | 14,023,012 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$462,872,838 | \$506,033,169 | \$677,290,675 |
| Positions | 1,389 | 1,402 | 1,357 |
| Full-time Equivalent | 1,356.46 | 1,382.29 | 1,355.13 |

OVERVIEW

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

The Department provides patrol services on Oregon's highways, at the Capital Mall, as well as dignitary protection, drug recognition experts, Fish and Wildlife, and gaming industry law enforcement. The Department houses the State's Medical Examiner's office, who investigates all deaths due to homicide, suicide, accident, drug overdoses, and deaths in state custody, on the job or occurring while not under medical care.

The Department investigates major crimes, drug trafficking, arson, explosives, and acts of terrorism and also provides forensic and criminal justice information services. Lastly, the State Fire Marshal provides fire prevention and intervention programs and coordinates with other agencies on statewide issues and during conflagrations, mobilizations, and major emergency incidents.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of State Police is \$677.3 million total funds, which represents a 33.8 percent increase from the 2019-21 Legislatively Approved Budget and supports 1,357 positions.

The Governor's Budget makes investments in strengthening police accountability, employee wellness, and creating inclusion teams to address diversity equity and inclusion, while retaining its sworn patrol staff. The budget also maintains funding in the Agency with the proposed July 1, 2022 implementation of Ballot Measure 110, which redirects Marijuana tax revenues from OSP to

addiction and recovery services at the Oregon Health Authority. Other investments include adding operational support positions, long-term operational and deferred maintenance in their statewide Patrol offices, bond supported capital construction projects in Central Point and Springfield facilities, and critical information technology infrastructure systems for Dispatch and Patrol.

REVENUE SUMMARY

The Department's primary source of revenue is General Fund, which makes up 54.4 percent of the budget. Additionally, the Department receives roughly \$29.7 million in Other Funds revenue from the Fire Insurance Premium Tax, which supports the operations of the State Fire Marshal and related activities. Additionally, the Department receives \$76.7 million Other Funds revenues from charging other organizations for its services. These organizations include the Oregon State Lottery, the Legislature, the Oregon Department of Fish and Wildlife to support enforcement of fish and wildlife laws, and requests for information from the Law Enforcement Data System (LEDS). The Department also receives \$8.7 million in dedicated (Measure 76) Lottery Funds from the Oregon Watershed Enhancement Board to support enforcement of fish and wildlife laws. Federal Funds are a small part of the Department's revenue and come primarily from federal agreements and grants.

AGENCY PROGRAMS

Agency Support

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

The Governor's Budget for this program is \$64.3 million total funds, a 15.1 percent increase from the 2019-21 Legislatively Approved Budget. The program supports 153 positions. The Governor's Budget supports the police accountability and wellness program, and creates inclusion teams focused on diversity, equity, and inclusion.

Administrative Services

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

The Governor's Budget for this program is \$34.8 million total funds, a 41.3 percent increase from the 2019-21 Legislatively Approved Budget. The program supports 93 positions. The Governor's Budget makes investments by providing additional operational support for Police Accountability and Employee Wellness programs as it incorporates diversity, equity, and inclusion in their recruitment efforts.

Patrol Services

The Patrol Services division provides uniform sworn police services throughout the state with a primary responsibility for the protection of human life and property, responding to emergency calls for services on Oregon's state and interstate highways. The Patrol Services division also augments

and supports local law enforcement efforts by providing a safety net of police services, including assisting in cases of civil unrest, natural or man-made disasters, and provides assistance to city and county's emergency calls for service.

The Governor's Budget for this program is \$205.7 million total funds, which is a 8.2 percent increase from the 2019-21 Legislatively Approved Budget. The program supports 511 positions. The Governor's Budget is making investments to strengthen police accountability, wellness and anti-bias-training efforts to support core values and services, while protecting Oregonians lives and property.

Fish and Wildlife

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

The Governor's Budget for this program is \$53.9 million total funds, a 1.3 percent increase from the 2019-21 Legislatively Approved Budget. This budget is largely supported by Other Funds from the Oregon Department of Fish and Wildlife and from agreements with federal and other state agencies. The Governor's Budget supports 117 positions and maintains the operations of this program.

Criminal Investigation

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

- *Major Crimes* is the largest section where the detective and crime analysts are assigned to support local law enforcement investigation efforts related to multi-jurisdictional drug trafficking, child physical and sexual abuse cases, identity theft and embezzlement cases, elder abuse, and major violent crimes.
- *Drug Enforcement* provides a leadership role in the coordination and support of law enforcement agencies in drug enforcement efforts throughout the state.
- *Counter-Terrorism* section is committed to the protection of Oregonians from acts of terrorism, whether international or domestic.
- *Arson & Explosive Units* protects life and property through effective investigation, enforcement, and responding to incidences involving suspicious objects or packages.

The Governor's Budget for this program is \$51.5 million total funds, an 8.4 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's budget supports 114 positions and maintains the operations of this program.

Office of the State Fire Marshal

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

The Governor's Budget for this program is \$31.8 million total funds, a 7.6 percent increase from 2019-21 Legislatively Approved Budget. The program supports 68 positions.

The Governor's Budget supports existing services and the planning efforts around lessons learned from the COVID-19 Pandemic and 2020 wildfire season. General Fund supports adding an additional Deputy Fire Marshall position. This position will address the daily and emergency operational planning efforts, and assist in implementing new processes developed from the lessons learned from the disasters that occurred during 2020.

Forensic Services

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

The Governor's Budget for this program is \$59.3 million total funds, a 14.0 percent increase from 2019-21 Legislatively Approved Budget. The program includes 138 positions. The Governor's Budget supports ongoing operational services.

Office of the State Medical Examiner

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

The Governor's Budget for this program is \$6.9 million total funds, which is a 10.2 percent increase

from 2019-21 Legislatively Approved Budget. The program supports 13 positions. The Governor's Budget supports ongoing operational services.

Criminal Justice Information Services

The Criminal Justice Information Services Division includes the following sections:

- *Law Enforcement Data System (LEDS)* section is responsible for the policy and user aspects of the statewide criminal justice telecommunication network and the central repository of criminal justice and sex offender related information. It provides all law enforcement and criminal justice agencies in Oregon with access to online information in the FBI's National Crime Information Center, the Interstate law enforcement data-switching network, and the National Law Enforcement Telecommunications System.
- *Sex Offender Registration* section maintains the state sex offender database and actively manages over 27,000 offenders who live, work, or attend school in Oregon communities.
- *Identification Services* section is responsible for maintaining Oregon's criminal offender records comprised of arrest fingerprint and palm print images and crime data reported by all law enforcement, corrections, agencies, Oregon courts and District Attorneys for the purpose of establishing and maintaining a history of criminal events related to individuals. This is Oregon's sole source criminal records interface with the FBI's National Fingerprint File and National Crime Information Center. The information is used for many law enforcement purposes, such as to solve crimes, pre-screen people seeking to purchase firearms or concealed handgun licenses, and screen people applying for certification and licensing for various positions such as working with children and adults who are vulnerable.

The Governor's Budget for this program is \$39.2 million total funds, a 14.8 percent increase from the 2019-21 Legislatively Approved Budget. The program supports 113 positions. The Governor's Budget makes investments in LEDS 2020 by integrating the sex offender registry into its system.

Gaming Enforcement

The purpose of the Gaming Enforcement division is to assure fairness, integrity, security and honesty: (1) by providing independent and specialized gambling regulatory services to the Oregon State Lottery Commission; (2) by providing the required independent Tribal-State Compact monitoring of the operations of the nine federally recognized tribes of Oregon; and (3) to ensure these values are a part of professional boxing, wrestling, and mixed-martial arts industry in Oregon.

The Governor's Budget for this program is \$13.6 million total funds, primarily from contracts with the Oregon State Lottery, compacts with Oregon Tribes, and gross revenue taxes on various ring sports events. The program supports 37 positions.

Debt Service

Debt Service provides funding to make payments on principle, interest and financing costs for Article XI-Q general obligation bond debt use to construct and upgrade the Springfield Forensic Laboratory and Medical Examiner's Office, the Springfield Patrol Command Office, and Central Point capital improvements and office expansion projects. The Governor's Budget provides \$3.0 million General Fund in new bond financing for repayment of scheduled principal and interest in the 2021-23 biennium.

Capital Construction

The Capital Construction division includes projects with a value of \$1.0 million or more in value for and supports a planning and design phase, followed by a construction phase. The Governor's Budget provides \$113.4 million Other Funds for repairs and expansion of the Central Point laboratory and patrol facility, as well as address the long-term needs for upgrading and expanding the Springfield laboratory facility and patrol office.

Department of Public Safety Standards and Training

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|---------------------|--------------------------------|------------------------------|
| General Fund | \$9,795,963 | \$9,665,010 | \$9,107,640 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 47,121,802 | 48,102,591 | 49,257,005 |
| Federal Funds | 7,392,919 | 7,689,376 | 7,583,071 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$64,310,684 | \$65,456,977 | \$65,947,716 |
| Positions | 166 | 152 | 151 |
| Full-time Equivalent | 157.97 | 149.87 | 149.06 |

OVERVIEW

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

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

GOVERNOR'S BUDGET

The 2021-23 Governor's Budget provides \$65.9 million total funds and 151 positions for DPSST programs. This is a 0.8 percent increase in total funds from the 2019-21 Legislatively Approved Budget. Investments were made in instructor development to fund training in implicit bias, emotional intelligence, use of force, and other topics. Additionally, the Governor's Budget continues support of the Statistical Transparency of Policing program, which conducts analysis to identify and address data-indicated racial disparities in policing.

REVENUE SUMMARY

General Fund covers \$9.1 million in debt service for the construction of the academy. Revenues from the Criminal Fine Account (CFA) equal \$42.0 million and make up 58 percent of DPSST's total available revenue. CFA revenues fund criminal justice training; certification and records management; and agency administration. Revenues from the Fire Insurance Premium Tax totaling \$5.5 million in the 2021-23 biennium are dedicated to the Fire Training and Certification Program. Likewise, the 9-1-1 telecommunications tax and fees charged to private security officers and private investigators are dedicated to the related programs.

AGENCY PROGRAMS

Criminal Justice Standards and Training

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

The Governor's Budget for this program includes \$24.4 million, primarily funded by the Criminal Fine Account, and 79 positions. The budget provides for approximately 800 students in Basic Police and Basic Corrections classes. Basic training classes range from three weeks for telecommunicators and emergency medical dispatchers to 16 weeks for law enforcement officers. Costs of the programs are primarily driven by the number of individuals requiring training and certification.

Fire Training and Certification

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

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

Private Security and Private Investigators

The Private Security and Private Investigator certification and licensing programs are both industry-imposed and are fee-based programs. These programs certify and license private security providers and private investigators according to established minimum standards. Additionally, these programs are regulatory in nature, ensuring individuals maintain minimum standards and

compliance with the moral fitness standards throughout the two-year certification or licensing period. To increase professionalism in the industry, the program requires formal applications, background investigations, and formalized training for certification and licensure. This program actively engages constituents to identify and provide local, regional and statewide training resources and technical support.

The Governor's Budget provides \$3.1 million Other Funds expenditure limitation and 10 positions for this program, which is supported by fees. There are currently more than 21,000 private security officers and about 800 private investigators.

Public Safety Memorial Fund

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

The Governor's Budget for this program provides \$0.3 million and is funded from the Criminal Fine Account. The benefits paid from the account vary based on the number of officers suffering a qualifying death or disability and the number and age of their dependents. Since the inception of the program in 1999, more than \$2.0 million has been paid to families of severely injured or killed public safety officers. The annual number of claims processed averages 10.9 per year.

Administration and Support Service

The Administration and Support Services program includes the Director's Office, Human Resources, Business Services, Information Services, and Facility Operations and Maintenance. The program is responsible for the maintenance and upkeep of the Oregon Public Safety Academy, which sits on 236 acres of land, including over 50 acres of state and federally protected wetlands. The facility includes more than 330,000 square feet of space within 23 buildings located throughout the campus.

The Governor's Budget for this program provides \$25.6 million total funds and 45 positions. The program's budget includes \$9.1 million in General Fund for debt service on the Oregon Public Safety Academy.

Oregon – Idaho High Intensity Drug Trafficking Areas (HIDTA)

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

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

This is a federal grant program with a multi-jurisdictional executive board including 11 federal agencies, six state agencies, 48 local law enforcement agencies, two tribal agencies, and the U.S. Attorney's Office in the District of Oregon. The Board establishes policy and direction for the initiatives receiving federal grant funding. HIDTA has 24 such initiatives: one each for management, training, intelligence, drug fugitives, and investigations, three for interdictions, three for prevention, and 13 investigation initiatives.

The Governor's Budget provides \$7.6 million Federal Funds and two positions for support of the HIDTA program.

Economic and Community Development

Program Area and Agency Information



ECONOMIC and COMMUNITY DEVELOPMENT AGENCIES

Economic and Community Development Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|-----------------------------------|------------------------------|
| General Fund | \$120,637,694 | \$214,842,491 | \$366,273,593 |
| Lottery Funds | 144,236,425 | 169,714,348 | 216,691,734 |
| Other Funds | 690,876,987 | 1,410,508,187 | 1,794,807,269 |
| Federal Funds | 293,839,323 | 325,593,580 | 450,668,486 |
| Other Funds (Nonlimited) | 2,254,514,253 | 3,327,991,784 | 6,624,654,662 |
| Federal Funds (Nonlimited) | 197,994,636 | 252,131,628 | 307,651,807 |
| Total Funds | \$3,702,099,318 | \$5,700,782,018 | \$9,760,747,551 |
| Positions | 1,706 | 1,858 | 2,858 |
| Full-time Equivalent | 1,634.18 | 1,783.39 | 2,466.43 |

OVERVIEW

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

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

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

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

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Economic and Community Development Program Area is \$9,760.7 million total funds, which includes \$583.0 million General Fund and Lottery Funds. The overall budget is a 71.2 percent increase from the 2019-21 Legislatively Approved Budget.

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

Broadband Access. The budget includes funding the Broadband Office in Business Oregon to coordinate broadband infrastructure deployment, \$100 million for broadband service infrastructure loans and grants, and broadband service assistance to households that have potential access, yet cannot afford services.

Homelessness, Housing and Homeownership. The Governor's Budget addresses the housing and homelessness crisis in Oregon by investing nearly \$350 million in new or expanding housing programs with a focus on reducing homelessness, promoting racial equity in homeownership, rental assistance, acquisition and preservation, and broadband service assistance. Some of the investments are highlighted below:

- The budget includes new investments to pilot a long-term rental assistance project to assist youth at risk of homelessness; increase "fuel blind" energy assistance to households struggling to pay utility bills; and implement the Oregon Homeless Management Information System to collect statewide data on homelessness and outcomes for individuals experiencing homelessness.
- The Governor's Budget supports the creation of a down payment assistance program for Oregonians with low to moderate incomes. This new program recognizes that accumulating a down payment can be a significant barrier to working families who could otherwise afford the mortgage and accompanying costs of homeownership. This program will open up the possibility of homeownership for Oregonians, especially those who have experienced economic barriers to saving for a home. Also, the budget includes an investment in Individual Development Accounts (IDAs) to assist potential homebuyers in saving for a home purchase down payment.
- The budget includes lottery bonding authority of \$30 million to invest in preservation, land acquisition and co-op projects. This investment aligns with a recommendation from the Governor's Racial Justice Council.
- The Governor's Budget makes a new investment of a \$250 million in General Obligation bonds for the 2021-23 biennium to continue providing resources to build affordable housing for households with low incomes.

Infrastructure investments for rural Oregon. The Governor's Budget provides additional capital to the Special Public Works Fund, the Brownfields Redevelopment Fund and the Regional Infrastructure Fund. Most loans and grants from these funds go to support critical infrastructure

projects in rural Oregon. The Regional Solutions program uses the Regional Infrastructure Fund to leverage co-investment by federal, local, private, and philanthropic partners.

Innovation and Entrepreneurship. The Governor's Budget provides continued support to the Oregon Growth Fund (OGF), where investments are made with the purpose of growing the capital ecosystem in Oregon to promote economic development. Investments in this category tend to be first-time funds, smaller, and less institutional. Studies show that Black, Indigenous, Latino/a/x, Asian, and Tribal communities, women, and rural entrepreneurs have less access to traditional funding sources to grow their businesses. The OGF is critical to supporting these entrepreneurs who are underserved.

As part of the Racial Justice Council recommendations, the budget invests \$10 million to provide greater access to capital, \$10 million for a revolving loan fund for the Certification Office for Business Inclusion and Diversity and a \$9.0 million investment for technical assistance for businesses that have been underserved.

Seismic retrofits. The Governor's Budget includes additional investments in seismic retrofitting to assure the infrastructure stability of schools, emergency service buildings as well as for unreinforced masonry buildings. This investment strives to make schools and emergency service buildings resilient to a large earthquake event.

Paid Family Leave. The budget includes needed investments to implement the Paid Family and Medical Leave Insurance (PFMLI) program created through House Bill 2005 in the 2019 Legislative Session. PFMLI provides employees in the state of Oregon, who are eligible for coverage with a portion of their wages while the employee is out on family, medical, or safe leave.

Oregon Business Development Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$53,895,208 | \$76,832,542 | \$104,023,196 |
| Lottery Funds | 112,713,373 | 127,365,166 | 165,097,039 |
| Other Funds | 179,185,669 | 555,318,109 | 781,982,243 |
| Federal Funds | 28,541,477 | 43,094,384 | 74,368,932 |
| Other Funds (Nonlimited) | 164,186,628 | 280,544,035 | 434,601,030 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$538,522,355 | \$1,083,154,236 | \$1,560,072,440 |
| Positions | 136 | 140 | 143 |
| Full-time Equivalent | 134.50 | 138.63 | 142.10 |

OVERVIEW

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

GOVERNOR'S BUDGET

The Governor's Budget for Business Oregon is \$1,560.1 million total funds. This is a 44 percent increase from the 2019-21 Legislatively Approved Budget. The largest share of this increase is the result of issuing General Obligation and Lottery Bonds to make strategic investments assuring infrastructure stability, broadband expansion, and resiliency for schools and emergency services buildings to capitalize existing programs' revolving loans and grant programs, which provide Oregon communities with access to capital.

Major bonding investments include:

- \$110.0 million in General Obligation bonds, for the seismic retrofitting of schools.
- \$50.0 million in General Obligation Bond for the seismic retrofitting of emergency service buildings.
- \$100.0 million in General Obligation Bond for Broadband Infrastructure.
- \$50.0 million in Lottery Bonds to respond to critical public works and regional infrastructure needs around the state through the Special Public Works Fund.
- \$40.0 million Lottery Bonds for projects chosen by Regional Solutions, an innovative

collaborative approach to community and economic development in Oregon.

- \$50.0 million in Lottery Bonds for Unreinforced Masonry Buildings.
- \$47.0 million in Lottery Bonds for Wildfire Recovery projects due to the recent Labor Day wildfires.
- \$10.0 million Lottery Bonds for the Brownfields Redevelopment Fund.

The Governor's Budget also makes other non-bonding related investments. Some of these investments are expanding global trade by supporting a Canada office, providing funding for the Rural Opportunity Initiative, funding modernization of IT systems, creating a Broadband Office, and \$10 million in funding for the 2021/2022 World Athletic Championships.

As part of the Racial Justice Council recommendations, the budget invests \$10 million to provide greater access to capital, \$10 million to fund a revolving loan fund for the Certification Office for Business Inclusion and Diversity (COBID), and \$9.0 million investment for technical assistance for underrepresented businesses.

A significant investment was also made in Film and Video, which increases the tax credit auctions from \$14 million to \$20 million, annually.

REVENUE SUMMARY

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

AGENCY PROGRAMS

Operations

The Operations program includes the Director's Office, Employee Services, Fiscal and Budget Services, Facilities Services, and the Technology Project Office. The majority of Shared Services customers are department staff or stakeholders. The Governor's Budget for this program is \$12.6 million total funds. This is a 6.8 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 39 positions.

Business, Innovation, Trade

The Business, Innovation, and Trade program promotes business retention, growth, and job creation by removing barriers to industry competitiveness, working with economic development partners across the state to address business needs, and working directly with businesses to help them grow. The Division works to create prosperity for Oregonians through a robust economy that provides living-wage jobs.

The Governor's Budget for this program is \$157.9 million total funds. This is a 23.8 percent increase from the 2019-21 Legislatively Approved Budget, largely due to investments in the Rural Opportunity Initiative and technology assistance for underrepresented businesses. The program operates with 58 positions.

Infrastructure Finance Authority

The Infrastructure Finance Authority assists communities to build infrastructure capacity to address community facilities for public health, safety and compliance issues, as well as support communities' ability to attract, retain, and expand businesses. The program is a low cost and readily available infrastructure funding source for Oregon rural communities, counties, special districts, ports, and tribes.

The Governor's Budget for this program is \$1,208.9 million total funds. This is a 48.5 percent increase from the 2019-21 Legislatively Approved Budget. This increase is driven by investments of seismic retrofitting of schools and emergency service buildings, adding capital to make loans and grants from the Brownfields Redevelopment Fund, the Special Public Works Fund, and a significant investment in broadband infrastructure. The program operates with 37 positions.

The Governor's Budget adds a Broadband Office to coordinate broadband infrastructure deployment, including awarding and managing funds allocated to Business Oregon for use by the office to support broadband projects.

Film and Video

The Oregon Film and Video office is a semi-independent agency designed to recruit and facilitate film and television production throughout the state. The office acts to enhance the industry's revenue, profile and reputation within Oregon and internationally. It also recruits the industry to film features, movies, and television series in Oregon and actively recruits film-related businesses to relocate to Oregon permanently.

The Governor's Budget for this program is \$13.3 million total funds, which is a substantial increase from the 2019-21 Legislatively Approved Budget, due to the increase in tax credit auctions. The activities of the Film and Video office are funded with Lottery Funds. Because the office is a semi-independent state agency, its employees are not state employees and the budget does not include any positions.

Arts

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

The Governor's Budget for this program is \$16.9 million total funds. This is a 28.8 percent decrease from the 2019-21 Legislatively Approved Budget, largely due to the expiration of one-time funding for grants approved during the 2019-21 biennium. Funding for the program comes from a combination of General Fund, Other Funds, and Federal Funds. Federal Funds are from the National Endowment for the Arts and Other Funds are received primarily from Public Arts Management Fees. The program operates with nine positions.

Lottery and General Obligation Bond Debt Service

The Lottery and General Obligation Bond Debt Service program tracks the payment of Lottery and General Obligation debt service, including both principal and interest payments. The Governor's Budget for the program is \$150.5 million total funds. This is a 43.8 percent increase from the 2019-21 Legislatively Approved Budget, which is driven by new bond financing and debt service on bonds already approved. Funding to repay debt service comes from the General Fund and Lottery Funds. The program does not include positions.

Oregon Employment Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$15,688,586 | \$87,908,837 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 145,089,641 | 192,385,467 | 274,260,764 |
| Federal Funds | 146,465,578 | 154,315,171 | 242,743,874 |
| Other Funds (Nonlimited) | 980,218,895 | 1,582,000,000 | 5,058,847,795 |
| Federal Funds (Nonlimited) | 65,274,200 | 100,000,000 | 131,179,119 |
| Total Funds | \$1,337,048,314 | \$2,044,389,224 | \$5,794,940,389 |
| Positions | 1,303 | 1,389 | 2,363 |
| Full-time Equivalent | 1,249.88 | 1,323.58 | 1,981.40 |

OVERVIEW

The Oregon Employment Department (Department) supports business and promotes employment. The Department also provides administrative support to the Office of Administrative Hearings and the Employment Appeals Board. The Department accomplishes its mission by supporting economic stability for Oregonians and communities during times of unemployment, paying unemployment insurance benefits; serving businesses by recruiting and referring the best qualified applicants to jobs; providing resources to job seekers in support of their employment needs; and developing and distributing quality workforce and economic information to promote informed decision making.

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

The Department operates with the following programs: Unemployment Insurance Division, Workforce Operations Division, Workforce & Economic Research Division, Paid Family Medical Leave Insurance Program, Shared Services, and the Modernization Program.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Department is \$5,794.9 million total funds. It includes \$87.9 million General Fund, \$274.3 million Other Funds, \$242.7 million Federal Funds, \$5,058.8 million Other Funds Nonlimited and \$131.2 million Federal Funds Nonlimited. This is a 183.5 percent increase from the 2019-21 Legislatively Approved Budget, mostly due to the impacts of COVID-19 on the economy. The budget includes 2,363 positions.

The Governor's Budget provides a significant investment in the Modernization Initiative to allow the Department to move into implementation of a new technology system that will enhance the customer experience, transform business processes, improve security, and modernize technology. The Budget also provides funding for implementation of the Paid Family and Medical Leave Insurance Program. Finally, the Governor's Budget enhances the Department's workforce operations program to provide additional resources for getting people back to work.

REVENUE SUMMARY

The Oregon Employment Department receives funding from both federal and dedicated state sources. Additionally, the Department receives General Fund revenue for the Paid Family and Medical Leave Insurance (PFMLI) program; however, the General Fund is considered a loan for the program's implementation, and is expected to be paid back during the 2021-23 biennium.

The U.S. Department of Labor (U.S. DOL) provides the Employment Department with federal funding for a variety of functions, with the bulk of funds related to Unemployment Insurance and several reemployment-related programs. In general, the agency receives increased federal funding during economic downturns, but is underfunded during economic expansions, and therefore reliant on fund reserves to continue operations. Federal funding declined during the economic expansion prior to 2020 and the Agency decreased expenditures accordingly. The Employment Department has received increased federal funding in 2020, and expects relatively increased funding to continue through 2023 in response to the economic downturn. However, the increase in federal funding does not cover 100 percent of the Department's administrative costs. The Department utilizes a substantial source of dedicated state Other Funds to fill in where Federal Funds are not sufficient.

Other Funds sources include payroll taxes on employers (payment of unemployment benefits and some agency administrative expenses), charges for administrative hearing services, and penalties and interest assessed for delinquent payments.

The Supplemental Employment Department Administrative Fund (SEDAF), which is funded by a diversion of 0.09 percent of employer paid unemployment taxes based on taxable payroll, is primarily directed to support the agency's Workforce Operations and Workforce and Economic Research programs. Federal Funds cover just over 70 percent of expenditures for Unemployment Insurance (UI) Administration, the Department uses some SEDAF funds (and Penalty & Interest funds) to pay for administrative expenditures not covered by Federal Funds.

In 2009, through the Assistance for Unemployed Workers and Struggling Families Act, Congress provided a distribution from the Federal Unemployment Trust Fund to the states. The distribution was conditional upon modernizing the state's unemployment compensation laws. As a result of the changes to unemployment insurance laws, Unemployment Insurance Modernization Funds were deposited into the state Unemployment Insurance Trust Fund. The Agency has dedicated these funds to complete a major multi-biennial effort to transform its business processes and replace core technology systems. The Department's budget utilizes these resources to support the modernization initiative aimed specifically at upgrading their legacy information technology infrastructure.

AGENCY PROGRAMS

Shared Services

The Shared Services budget structure includes programs that provide strategic and operational support to all agency programs including Administrative Business Services, Director's Office, Human Resources, Information Technology Services, Legislative Affairs, and Communications.

The Governor's Budget makes an investment of General Fund within this program in order to implement the Paid Family and Medical Leave Insurance (PFMLI) Act, passed by the Legislature in 2019. The Department must implement the payroll system for PFMLI by January 1, 2022, and anticipates it will generate enough revenue to pay the General Fund appropriation back by January 1, 2023, as well as provide the resources for operation of the program. The Governor's Budget for this program is \$66.1 million total funds and supports 221 positions. This is a 55.7 percent increase from the 2019-21 Legislative Approved Budget. The increase in budget is due to two factors: impacts of COVID-19 and PFMLI implementation.

Unemployment Insurance

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

The UI Division administers Unemployment Insurance benefits, including federal extensions when available, and other specialized programs. The UI program is a federal-state partnership. The program pays UI benefits, a temporary partial wage replacement, to workers who are unemployed through no fault of their own. The program collects payroll taxes from Oregon employers, which are deposited into the Unemployment Insurance Trust Fund and used to pay unemployment insurance benefits. In 2019, the Department paid approximately \$525 million in Unemployment Insurance benefits to nearly 93,000 workers. In the first half of 2020, the Agency paid \$2.9 billion in unemployment benefits to nearly 326,000 workers. The increase in the number of individuals receiving benefits is due to the economic impacts of COVID-19.

Oregon's Unemployment Insurance Trust Fund is designed to grow in good economic times and draw down during economic downturns, minimizing employer taxes during an economic recession. Each state's Unemployment Insurance Trust Fund is held by the federal government for the specific purpose of the state paying unemployment insurance benefits. Oregon's Unemployment Insurance Trust Fund remained solvent through the Great Recession and continues to remain sufficient to address COVID-19 impacts on the economy, due to its statutory self-balancing tax structure. The U.S. DOL continues to rate Oregon's Unemployment Insurance Trust Fund as one of the healthiest in the nation.

The Governor's Budget for this program is \$198.0 million total funds, supporting 1,073 positions. This is a 59.3 percent increase from the 2019-21 Legislatively Approved Budget. The increase, once again is due to the administration of increased benefit programs associated with COVID-19.

Workforce Operations

The Workforce Operations Division manages the state's labor exchange system and serves all Oregonians and Oregon businesses through 39 WorkSource centers across the state. The Workforce Operations Division serves Oregon businesses by recruiting and referring the best qualified applicants to jobs and provides resources to diverse job seekers in support of their employment needs through customizable services that solve challenges such as recruitment and training. Workforce Operations employees identify, screen, and refer job applicants to employers. Workforce Operations assists businesses in securing federal tax credits and offsetting training costs for hiring specific populations such as persons receiving public assistance, people with disabilities, veterans, and those experiencing long-term unemployment (longer than six months).

The program typically serves over 10,000 employers and close to 300,000 job seekers. The demand for these services from job seekers fluctuates with the business cycle. The Governor's Budget enhances the Workforce Operations budget through the provision of additional staff and funds to work with employers in recruiting workers. The additional investment also expands the Department's ability to assist clients of the Department of Human Services in the following programs:

- State Employment and Training Program, which is associated with the Supplemental Nutrition Assistance Program;
- Able Bodied Adults Without Dependents Program; and
- Job Opportunity Basic Skills program.

Finally, the Governor's Budget enhances staff and funding for the Trade Adjustment Assistance program, which provides training and support services to workers laid off by trade-impacted businesses. The Governor's Budget for this program is \$132.1 million total funds, including 513 positions. The budget represents a 14.5 percent increase from the 2019-21 Legislatively Approved Budget.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) provides Oregonians and businesses an independent and impartial forum to dispute actions against them. The OAH holds contested case hearings (dispositions) referred by over 70 Oregon agencies, boards, and commissions. These hearings are constitutionally required to give Oregonians and businesses a chance to dispute actions taken by the state that may affect their individual interests. The OAH Administrative Law Judges conduct hearings and make decisions independently from the agencies that took the initiating action.

The work of the Office is reviewed by the OAH Oversight Committee, comprised of eight representatives appointed by the Governor, Senate President, Speaker of the House, and Oregon Attorney General. The OAH Oversight Committee reviews the effectiveness, fairness, and efficiency of the Office and makes recommendations to the Governor and the Legislative Assembly. The Department is responsible for providing administrative services to OAH. The Chief Administrative Law Judge is appointed by the Governor and has independent statutory authority to manage the

Office.

The Governor's Budget invests in additional employees within OAH for expected increases in workload related to the new PFMLI program. Under PFMLI, if an employee is denied benefits under the program, that individual is entitled to an administrative hearing before an administrative law judge within OAH. The Governor's Budget for OAH is \$34.6 million total funds, including 125 positions. The budget represents an 18.4 percent increase from the 2019-21 Legislatively Approved Budget, in part due to the PFMLI investment, but also due to increased staffing related to the expansion of unemployment insurance benefit programs related to COVID-19.

Workforce and Economic Research

The Workforce and Economic Research Division collects, estimates, analyzes, publishes, and distributes economic and workforce information to help stakeholders understand current and future economic conditions and workforce trends. Customers receive services from Workforce and Economic Research on a daily basis, through email, phone, in-person, or through the QualityInfo.org website. During 2019, the website welcomed more than 613,000 visits. More than 2,740 customers have subscribed to email notifications, which totaled 580,000 links to articles and publications. The Workforce and Economic Research Division has ongoing collaborative partnerships with state and local entities relating to education (K-12 through higher education), social services, and economic development. These relationships are integral to help inform program development and implementation and measure program outcomes.

The Governor's Budget for this program is \$15.9 million total funds, including 53 positions. The budget represents a 3.1 percent increase from the 2019-21 Legislatively Approved Budget, maintaining existing programs.

Paid Family and Medical Leave Insurance

The Paid Family and Medical Leave Insurance (PFMLI) Division was created through House Bill 2005 in the 2019 Legislative Session to provide employees in the state of Oregon, who are eligible for coverage, with a portion of their wages while the employee is out on family, medical, or safe leave. A family and medical leave insurance program provides employees and certain other individuals with compensated time off from work to: care for and bond with a child during the first year of the child's birth or arrival through adoption or foster care; provide care for a family member who has a serious health condition; recover from their own serious health condition; or take "safe leave" related to domestic violence, stalking, sexual assault, or harassment.

With statutory target start dates of January 1, 2022 for the collection of contributions into the PFMLI fund and January 1, 2023 for the payment of benefits to eligible individuals, the Department must increase the pace of creating all aspects of the PFMLI program. This includes the review of equivalent plans offered by employers or third-party insurers building and implementing the system for collection of wage reports and other information from employers, coordinating with the Department of Revenue and others on collecting contributions and building the systems, infrastructure and other items needed to begin paying benefits.

The Governor's Budget for this program is \$105.4 million total funds, including 323 positions. The budget supports the needs of the Department to meet the target start dates. The Governor's Budget includes projected Other Fund revenues necessary to repay the General Fund by January 1, 2023, as the Department anticipates it will generate enough revenue to pay the General Fund appropriation back, as well as provide the resources for operation of the program.

Modernization Initiative

The Modernization Program was created to assist with monitoring and tracking the Modernization project. The project is aimed at converting legacy business and technology systems for more flexible and efficient UI program administration. The Department has invested in the modernization program to transform the Agency's business and technology systems to meet the needs of Oregon's businesses and citizens. The mission of the modernization program is to ensure the Agency can continue to successfully Support Business and Promote Employment. The systems that support the Department's core business functions are based on obsolete or outdated technology and are reaching maximum capacity.

The program began in the 2015-17 biennium. In the 2019-21 biennium, the primary focus has been on releasing a request for proposals, completing negotiations, and awarding a contract to a solution vendor; hiring program and project staff, initiating organizational change management activities, and developing baselines for project scope, schedule, and budget. During 2021-23, the program's focus will shift to delivery and implementation of the initial modernization project, focused on transformation of systems and processes for the Unemployment Insurance program. The Governor's Budget for this program is \$52.8 million total funds, including 55 positions, for the implementation of the IT project.

Nonlimited

Nonlimited funds include unemployment tax collections, Unemployment Insurance Trust Fund interest earnings, and federal revenues used to pay unemployment insurance and associated benefits to qualified applicants. Nonlimited funds also include federal revenue used to pay benefits related to federal training programs, such as the Trade Adjustment Assistance Program and as reimbursement for administration of the UI program. The Governor's Budget is \$5,190.0 million total funds Nonlimited, which represents the distribution of benefits to individuals. This represents a 208.6 percent increase from the 2019-21 Legislatively Approved Budget, due almost entirely to the payment of benefits associated with the CARES Act, as a result of the economic impacts of COVID-19.

Housing and Community Services

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$58,891,653 | \$113,968,486 | \$166,085,271 |
| Lottery Funds | 17,507,281 | 21,789,335 | 31,039,264 |
| Other Funds | 268,930,975 | 554,281,275 | 623,527,274 |
| Federal Funds | 112,402,513 | 126,659,025 | 131,937,836 |
| Other Funds (Nonlimited) | 773,193,148 | 1,056,668,660 | 926,684,811 |
| Federal Funds (Nonlimited) | 132,720,436 | 152,131,628 | 176,472,688 |
| Total Funds | \$1,363,646,006 | \$2,025,498,409 | \$2,055,747,144 |
| Positions | 169 | 224 | 249 |
| Full-time Equivalent | 154.88 | 216.71 | 240.34 |

OVERVIEW

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

GOVERNOR'S BUDGET

The Governor's Budget for OHCS is \$2,055.7 million total funds, which includes \$166.1 million General Fund, \$31.0 million Lottery Funds and 249 positions. This is a 1.5 percent total funds increase from the 2019-21 Legislatively Approved Budget. Although the increase appears modest on a total funds basis, the Governor's Budget increases General Fund by 92.3 percent when compared to the 2021-23 Current Service Level budget.

The Governor's Budget recognizes the housing crises facing Oregon families, particularly people facing barriers to affordable housing and homeownership due to racial inequities. The budget makes a substantial investment of General Fund and bonding authority to focus on reducing homelessness, increasing affordable housing and promoting homeownership opportunities for people who have faced barriers due to racial inequities.

Highlights of Governor Brown’s housing budget include:

- Initiatives to promote racial equity in homeownership, \$22 million
- Permanent Supportive Housing (PSH) rental assistance, \$15 million
- Investment in Individual Development Accounts (IDAs), \$7 million
- Long-term rental assistance for youth pilot project, \$4.5 million
- Broadband service assistance, \$6.4 million
- “Fuel blind” energy assistance, \$5 million
- Manufactured homes replacement, parks acquisition and preservation, \$6 million
- Launch of the Homeless Management Information System, \$1.2 million
- General Obligation bonds for Local Innovation and Fast Track housing bonds and Permanent Supportive Housing, among others, \$250 million
- Lottery revenue bonds for land acquisition and housing preservation, \$30 million

REVENUE SUMMARY

The Department receives General Fund for Housing Stabilization related programs and housing development, and Lottery Funds for debt service. However, most of the Department’s programs are funded with either Federal or Other Funds. Other Funds are derived from a variety of sources, including bond sales, loan repayments, public utility charges, document recording fees and manufactured home tax assessments. The Department’s Federal Funds are received from the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Health and Human Services, the U.S. Department of Energy, the Corporation for National and Community Service, NeighborWorks, and the Bonneville Power Administration.

AGENCY PROGRAMS

Housing Stabilization Programs

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

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

The Governor’s Budget moves Project-Based Rental Housing Assistance programs into its own budget structure in the 2021-23 biennium. The reason for this move is to clearly delineate programs that benefit housing units, rather than specific tenants. This move transfers a portion of the Housing Stabilization Program budget to the new budget structure, thereby appearing to reduce the total funds budget for the Housing Stabilization Programs budget.

The budget includes new investments to offer broadband service assistance to households that have potential access, yet cannot afford services; pilot a long-term rental assistance project to assist youth at risk of homelessness; provide General Fund to permanently fund Individual Development Accounts; increase “fuel blind” energy assistance to households struggling to pay utility bills; and implement the Oregon Homeless Management Information System to collect statewide data on homelessness and outcomes for individuals experiencing homelessness.

The Governor’s Budget for Housing Stabilization Programs is \$263.0 million total funds, which includes \$67.7 million General Fund. The General Fund budget represents a 20.3 percent increase from the 2019-21 Legislatively Approved Budget.

Project-Based Rental Assistance Programs

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

The Governor’s Budget for Project-Based Rental Assistance Programs is \$218.8 million total funds, which includes \$15.0 million General Fund. The General Fund in the budget represents a new investment in project-based Permanent Supportive Housing rental assistance. Over 80 percent of the budget is funded with Non-limited Federal Funds from HUD for Housing Choice Voucher rental subsidies that are paid directly to affordable rental housing owners on behalf of tenants.

Multifamily Rental Housing Programs

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

The budget includes lottery bonding authority of \$30 million to invest in land acquisition and co-op projects. This investment aligns with a recommendation from the Governor’s Racial Justice Council.

In addition, the budget includes a change to the Agricultural Worker Housing Tax Credit to allow a portion of tax credits to be sold to fund grants to agricultural business owners to expand on-farm housing.

The Governor's Budget for Multifamily Rental Housing programs is \$230.8 million total funds. Multifamily Rental Housing programs are funded through Other Funds resources including tax credits, loan repayments from the Department's revolving loan funds, Oregon's public purpose charge, document recording fees, charges for services, bond proceeds and the Housing Finance Account. Additionally, Multifamily Rental Housing programs receive Federal Funds from HUD for both the Housing Choice Voucher program and the HOME Investment Partnership Program.

Single Family Housing Programs

Single Family Housing programs provide financing and services that increase homeownership, provide homebuyer education and stabilize residential neighborhoods. The OHCS achieves these objectives by offering affordable, at or below market rate residential loans to qualified first-time homebuyers, as well as assistance with closing costs. In the 2021-23 biennium, the Manufactured Communities Resource Center, which provides mediation services to manufactured dwelling park residents and owners, was transferred from the Multifamily Rental Housing Programs budget structure to the Single Family Housing Programs budget structure.

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

The Governor's Budget for Single Family Housing Programs is \$46.1 million total funds, which reflects a 14.7 percent increase from the 2019-21 Legislatively Approved Budget. The General Fund provides 60.7 percent of the funding for this division due to new investments in the 2021-23 biennium that promote homeownership.

Oregon Homeownership Stabilization Initiative

The Oregon Homeownership Stabilization Initiative (OHSI) is a foreclosure prevention program assisting at-risk homeowners in avoiding foreclosure through a number of activities. The program, known nationally as the Hardest Hit Fund program, is funded entirely by federal Troubled Asset Relief Program resources from the U.S. Department of Treasury. These additional federal funds are set to expire and must be expended by December 2021. The Governor's Budget for OHSI is \$0.7 million Other Funds.

Central Services

The Central Services program area includes the Director's Office, Chief Operating Office which includes Administrative Services, Human Resources and Information Technology Services, and the Chief Financial Office, which includes the Budget, Finance and Research sections, Public Affairs, and support for the Housing Stability Council. Central Services provides these services across the department. The budget adds staff in Central Services to support the significant growth in program services that occurred in the last two biennia.

The Governor's Budget for Central Services is \$27.0 million total funds, which includes \$0.4 million General Fund, \$23.5 million Other Funds and \$3.0 million Federal Funds. The budget represents a 26.1 percent total funds increase from the 2019-21 Legislatively Approved Budget.

Bond Activities and Debt Service

The OHCS Bond Related Activities program provides safe and affordable rental housing to Oregonians with low incomes and provides opportunities for first-time homebuyers to finance mortgages at below market interest rates. Bond related activities include disbursement of bond proceeds to finance multifamily and single-family mortgage loans, bond issuance costs, administrative expenses related to outstanding debt, and asset protection costs associated with foreclosures and acquired properties. OHCS sells tax-exempt bonds to investors and uses the proceeds to finance multifamily and single-family mortgage loans. The Governor's Budget for bond activities and debt service is \$54.7 million General Funds, \$31.0 million Lottery Funds, \$7.9 million Other Funds and \$925.8 million Nonlimited Other Funds. The funding for this program continues support for existing programs in Multifamily Rental and Single Family Housing programs.

Capital Construction

The Capital Construction program unit was created in 2015 to manage proceeds from Article XI-Q bonds to be used for affordable housing development, which is called the Local Innovation and Fast Track (LIFT) housing program. The LIFT program's objective is to build new affordable housing for families with low incomes. In response to the overwhelming demand for LIFT funds, \$250 million of LIFT bonds were authorized in the 2019-21 biennium. Because capital construction proceeds can be spent over six years, the expenditure limitation is not carried between biennia.

The LIFT program has been fully subscribed in each biennia since inception. The Governor's Budget makes a new investment of \$250 million in Article XI-Q bonds for the 2021-23 biennium to continue providing resources to build affordable housing for households with low incomes. At a time when there is a shortage in affordable housing across the state, this additional source of housing funds is a significant investment by the State in creating new housing for Oregonians.

Oregon Department of Veterans' Affairs

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$7,850,833 | \$8,352,877 | \$8,256,289 |
| Lottery Funds | 14,015,771 | 20,559,847 | 20,555,431 |
| Other Funds | 97,670,702 | 108,523,336 | 115,036,988 |
| Federal Funds | 6,429,755 | 1,525,000 | 1,617,844 |
| Other Funds (Nonlimited) | 336,915,582 | 408,779,089 | 204,521,026 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$462,882,643 | \$547,740,149 | \$349,987,578 |
| Positions | 98 | 105 | 103 |
| Full-time Equivalent | 94.92 | 104.47 | 102.59 |

OVERVIEW

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

GOVERNOR'S BUDGET

The Governor's Budget provides a total of \$350.0 million, including \$8.3 million General Fund and \$20.6 million supported by Lottery Funds. Investments include an additional \$2.1 million in available Lottery Funds, intended to strengthen the Department's ability to provide services and outreach to more veterans, support local partners, and enhance assistance in the areas of education and access to healthcare.

REVENUE SUMMARY

The Department funds its programs with a mix of General Fund, Lottery Funds and Other Funds revenue. A significant portion of the Other Funds budget is designated as Nonlimited and supports loan payments in the Home Loan Program, general obligation bond proceeds and debt service. The limited portion of Other Funds revenue is received from fees from the Conservatorship Program and loan-related services, rent from leasing space within the Veterans' building; funding received from the United States Department of Veterans' Affairs (USDVA) for operating the two veteran homes (including Medicare and Medicaid reimbursements); and investment earnings. The

Department also receives a small amount of Federal Funds from grants.

AGENCY PROGRAMS

Home Loan Program

The Home Loan Program provides low-interest rate mortgages on single-family owner-occupied homes to qualified veterans. Oregon is one of only five states that have been grandfathered under federal tax law to offer a state veteran home loan program. Tax-exempt bond revenue is used to finance the loans. Loan repayments and investment earnings pay off the bonds and cover the cost of program administration. As of June 30, 2020, the Department's loan portfolio consisted of approximately 1,777 loans totaling more than \$347 million.

The Governor's Budget for the Home Loan Program totals \$18.2 million. All of the program's revenue is supported by Other Funds received from mortgage loan and contract repayments, proceeds from bond sales, and income from fees, rent, and investments. With available Other Funds resources, the Governor's Budget supports replacement of the program's Home Loan servicing application with a modern solution that will improve operations and services provided to veterans.

Veteran Services Program

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

Through this program, the Department finances County Veteran Service Officer (CVSO) positions with a base amount, in addition to an amount related to the county's veteran population. Department employees assist veterans and CVSOs throughout the state in preparation or review of appeals for denied veteran claims. With its county and national service partners, ODVA provides claims advocacy, certification, and representation to Oregon's 290,000 veterans, resulting in more than 23,000 new claims filed in fiscal years 2019 and 2020. Annual federal benefit payments to Oregon veterans now total more than \$3.2 billion.

The Governor's Budget for the Veteran Services Program totals \$26.0 million. This represents a decrease primarily driven by the phase-out of one-time costs for building renovation, various delivered grants, and expenditure limitation intended for Lottery Bond proceeds for veterans' affordable housing. Additional investments of \$1.5 million were made with available Lottery Fund revenue. These investments support a permanent Human Resources Analyst, as well as funding for the Rural Veteran Healthcare Transportation grant program, the Campus Veteran Resource grant program, the Veteran Services grant program, and the Veterans' Educational Bridge grant program.

Oregon Veterans' Home Program

The Oregon Veterans' Home Program provides eligible veterans and their families with skilled

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

The Governor's Budget for the Oregon Veterans' Home Program totals \$97.1 million and provides the necessary resources to staff and operate the current facilities in The Dalles and Lebanon. The Governor's Budget also provides an additional \$3.0 million Other Funds expenditure limitation in order to respond to anticipated cost increases related to providing veterans' care in the two Oregon Veterans' Homes during the ongoing COVID-19 pandemic.

Aging Veteran Services Program

The Aging Veteran Services Program was established in the 2019-21 biennium to focus on the needs of Oregon's growing population of aging veterans and their families. Providing a more direct focus on aging veterans reflects the demographics of veterans being served across the state. Currently, nearly 50 percent of Oregon veterans served during the World War II, Korea and Vietnam eras. For the foreseeable future, older veterans and their families will increasingly need access to long-term care, adult foster care, home and community based services and certain specialized needs, such as prosthetics, mental health care, and hearing aids. The Aging Veteran Services Program is the front line for connecting aging veterans to available benefits and resources.

The program administers the following three functions: conservatorship and representative payee services, veteran volunteer activities, and aging veteran outreach initiatives. The Conservatorship and Representative Payee Program assists veterans who are not able to independently manage their financial affairs. The Veteran Volunteer Program is intended to create a statewide network of volunteers trained to locate veterans, assist them in recognizing potential earned benefits and services and connect them to individuals and organizations for additional assistance. The Aging Veterans Outreach Program works with ODVA's partners on behalf of aging veterans to coordinate benefits and services specific to this population.

The Governor's Budget for Aging Veterans Services totals \$4.2 million, of which approximately 13 percent is General Fund and 87 percent is Lottery Funds. The budget includes a Lottery Funds investment of \$0.8 million to move forward with replacement of the Agency's outdated legacy Conservatorship Program. In the 2019-21 biennium, ODVA contracted for project management and business analysis to meet all state oversight and planning requirements. This package provides funding to procure and implement a solution during the 2021-23 biennium.

Nonlimited Program

The Nonlimited Program provides both loan and bond expenditures related to the Home Loan Program. The loan-related expenditures consist of loans made to veterans, payment of property taxes, hazard insurance, foreclosure, and state-owned property costs and other costs incurred to protect the state's interest in property used to secure a loan. The bond-related expenditures include

various fees to cover bond counsel, attorneys, State Treasury costs, and preparing disclosure documents. This program also contains Nonlimited expenditures for debt service related to the sale of Department bonds.

The Governor's Nonlimited Budget for the Oregon Department of Veterans' Affairs provides the resources necessary to support the Home Loan Program and pay debt service associated with the program. The total budget is \$204.5 million; representing a 50.0 percent decrease from the 2019-21 Legislatively Approved Budget. This is largely due to a projected decrease in loan originations, as well as portfolio run-off due to a competitive, low interest rate environment.

NATURAL RESOURCES

Program Area and Agency Information



NATURAL RESOURCES AGENCIES

Natural Resources Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$298,967,346 | \$279,512,466 | \$310,964,132 |
| Lottery Funds | 213,783,338 | 243,944,703 | 240,005,472 |
| Other Funds | 933,916,645 | 1,112,116,280 | 1,166,770,195 |
| Federal Funds | 222,211,220 | 310,137,018 | 328,006,816 |
| Other Funds (Nonlimited) | 183,411,682 | 201,499,938 | 283,363,415 |
| Federal Funds (Nonlimited) | 0 | 104,000 | 0 |
| Total Funds | \$1,852,290,231 | \$2,147,314,405 | \$2,329,110,030 |
| Positions | 5,202 | 5,234 | 5,235 |
| Full-time Equivalent | 4,254.69 | 4,280.33 | 4,320.59 |

OVERVIEW

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

Oregon’s natural resources face significant future challenges. Climate change presents risks to water supplies, water and air quality, and increases the chance of devastating wildfires and drought. Population growth is expected to continue, putting additional pressure on water infrastructure needs and land use management.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s Budget for the Natural Resources Program Area is \$2,329.1 million, which includes \$311.0 million General Fund and \$240.0 million in discretionary and Measure 76 Lottery Funds. The budget for the Natural Resources Program Area prioritizes investments in climate change and carbon policy, wildfire recommendations, water quality and infrastructure, affordable housing, and shifting programs to focus on habitat conservation. The budget also makes investments in recommendations from the Governor’s Racial Justice Council to insure environmental equity to all Oregonian’s, through environmental justice initiatives and increased access.

Climate Change and Carbon Policy. Climate change threatens our communities, our economy, our ecosystems, and our way of life in Oregon. The effects of climate change are seen in record temperatures, declining snowpack, reduced summer streamflow, water scarcity, more severe

wildfires and elevated public health risks. Climate change impacts every Oregonian, but has a disproportionate effect on the physical, mental, financial, and cultural well-being of Native American tribes, communities of color, rural communities, coastal communities, Oregon households with lower-income, and other communities traditionally underrepresented in the public process. Climate change also poses serious risks for many of Oregon's natural resource-based industries. To mitigate the risks of climate change, the Governor issued Executive Order (EO) 20-04, directing agencies to take action to reduce and regulate greenhouse gas (GHG) emissions within their existing authority to reach GHG emissions goals. To assist Natural Resource agencies in meeting objectives set forth in EO 20-04, the Governor's Budget makes investments in the Department of Environmental Quality to continue efforts to establish GHG programs, including a Cap and Reduce program, as well as funding for specific climate adaptation and mitigation work in both the Department of Forestry and the Department of Land Conservation and Development.

Wildfire Recommendations. Wildfires have increased in intensity and severity in the past decade, threatening our safety, health, water security, economic security, environment, and well-being. This new level of intensity and severity was most recently seen during the Labor Day wildfire event (September 2020), devastating communities and displacing Oregonians throughout the state. In January 2019, the Governor issued Executive Order (EO) 19-01 creating the Governor's Council on Wildfire Response. This council was tasked with reviewing the current model for wildfire prevention, preparedness, and response, analyzing whether the current model is sustainable given our increased wildfire risk.

The Governor's Budget makes key investments, identified by the council, in modernizing Oregon's wildfire response in the Department of Forestry (ODF). These investments include creating a more sustainable model for fire organization, additional funding to contract for severity resources and additional crews during wildfire season, and updated communications equipment to help ensure those on the front lines of wildfire stay safe. The budget also invests in additional financial capacity for ODF, based on recommendations from a consultant hired to review fire finance processes. This investment should allow the Department to be more efficient at collecting funds owed from federal partners and other sources due to large wildfire events. And lastly, the Budget sets aside \$40 million in the Emergency Fund to address recommendations from the Governor's Council on Wildfire Response.

Investing in Water. Oregon has a reputation as a water rich state, but changing climate and shifts in population have tested the limits of our water resources. Safe, secure, and reliable water is essential to the health of our communities and our economies. Protecting clean water at its source reduces the cost of water treatment and reduces risk to public health. Reliable water provides surety for economic investment in business and industry, particularly rural businesses such as agriculture and food processing. The Governor's Budget continues investments in Klamath water quality and adds funding for additional capacity in clean watershed planning and implementation and focusing on Willamette Basin complex water issues. The budget also includes bond proceeds in the Water Resources Department (WRD) to develop grants and loans for water resource development projects with economic, environmental and community benefits. WRD will also receive funding for protecting public safety and water supplies for the inspection of nonfederal dams.

Increasing Affordable Housing Supply. Lack of affordable housing is a problem across the state and the Labor Day wildfires exacerbated this problem by destroying several thousand affordable homes. The Governor's Budget continues investments in the Department of Land Conservation and Development (DLCD) for House Bill 2001 (2019) and House Bill 2003 (2019). These laws work together to ensure Oregonians, at all income levels, have housing they can afford. This investment allows DLCD to continue to manage community technical assistance grants to local governments, as well as create a new program with grants and technical assistance for community planning and development code updates focused on small cities (less than 10,000 residents) and rural areas of the state.

Creation of Habitat Division at ODFW. The Governor's Budget transfers programs within the Department of Fish and Wildlife (ODFW) to a newly created Habitat Division. This structural change to ODFW will allow the agency to lead proactive, focused and consistent statewide efforts to protect, restore, and enhance fish and wildlife habitats throughout Oregon. Having these programs in one Division will allow the Department to better elevate land and water issues impacting fish and wildlife and provide better consultation efforts with other state and federal entities on land and water management issues.

Environmental Equity. An Environmental Equity Committee was formed as part of the Governor's Racial Justice Council to develop recommendations to establish environmental justice and access to the outdoors for Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American and Tribal members in Oregon. The Governor's Budget invests in several of the recommendations put forward by the committee, including:

- Creation of an Office of Environmental Justice, in the Department of Environmental Quality (DEQ), to coordinate interagency efforts related to environmental justice, through data collection, policy development and community engagement. The Office is also tasked with development of a cumulative impact analysis for environmental justice across all Natural Resource agencies.
- Funding in DEQ to conduct a study to determine obstacles and opportunities for electrifying farm, medium, and heavy duty vehicles to reduce pollution and carbon emissions.
- Supporting domestic food market access to Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities to address food insecurity, food access, and support Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal farmers with funding opportunities administered by the Oregon Department of Agriculture.
- Establishing a place-based community centered program to address water needs of Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities by addressing Indigenous treaty water rights, water scarcity, and ecosystem services in the Water Resources Department.
- Incorporating environmental justice analysis measures in land use decisions within the Department of Land Conservation and Development (DLCD) current processes.

- Develop a grant program to fund adaptive transportation solutions in rural communities and Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal populations in DLCD.
- Establishing grant funds to benefit Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal communities recreation engagement, support and fund community-led recreation programs, and establish/enhance safe and comfortable outdoor tourism and recreation for Black, Indigenous, Latino, Latina, Latinx, Asian, Pacific Islander, Native American, and Tribal populations as part of the Office of Outdoor Recreation within the Oregon Parks and Recreation Department.
- Creation of Diversity, Equity and Inclusion positions in the Oregon Department of Agriculture, Department of Environmental Quality, Oregon Department of Forestry, Oregon Department of Fish and Wildlife, and the Oregon Department of Parks and Recreation.

Oregon Department of Agriculture

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$23,393,923 | \$25,991,367 | \$26,998,831 |
| Lottery Funds | 9,439,215 | 10,568,358 | 8,837,118 |
| Other Funds | 59,882,893 | 74,372,889 | 80,246,238 |
| Federal Funds | 11,662,188 | 17,472,153 | 17,389,246 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$104,378,219 | \$128,404,767 | \$133,471,433 |
| Positions | 503 | 509 | 501 |
| Full-time Equivalent | 375.82 | 383.77 | 381.60 |

OVERVIEW

The Oregon Department of Agriculture (ODA) delivers services to keep food products safe, enhance Oregon's economy and foster a healthy environment in which we work and live. The mission of the Department is to ensure healthy natural resources, a sustainable environment, and a thriving economy for Oregonians now and in the future, through inspection and certification, regulation, and promotion of agriculture and food. ODA operates four policy areas:

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

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Agriculture is \$133.5 million total funds and 501 positions. This is a four percent increase from the 2019-21 Legislatively Approved Budget (LAB). The budget enables the Department to carry out its statutory mission for food safety and consumer protection, the protection and conservation of natural resources, and the promotion of economic development in the agricultural sector.

The Governor's budget invests in all four of the Department's policy areas:

- An investment has been made in Food Safety/Consumer Protection to continue work related to the avian influenza.
- The Natural Resources program will receive funding to continue studying water quality issues in the Klamath Lake area for several water priorities, protecting and educating workers exposed to pesticides, and Japanese Beetle Eradication efforts. New investments in the program include conducting baseline soil assessments to determine soil health in agricultural areas throughout the state and increasing capacity to keep up with demand in the Hemp program.
- Investments in Market Access, Development and Certification/Inspection develop domestic market opportunities and further work on the Food Safety Modernization Act. The program will also receive funding to provide grants focused on building diversity in agricultural market access.
- Investments within the Administration and Support Services policy area fund an Emergency Management Coordinator, an Agency Equity Officer, and an Internal Auditor.

REVENUE SUMMARY

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

The Governor's Budget includes a number of fee increases, which will provide needed financial support for programs in the 2021-23 biennium. Fee changes include increases for Food Safety, Livestock Identification, and Feeds programs, as well as a new license type in the Pesticides program. A fee ratification for the Certifications program is also included, as it was increased administratively in the 2019-21 biennium.

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

AGENCY PROGRAMS

Administrative and Support Services

The Administration and Support Services program includes the Directors Office; an information office, which responds to public and media requests; and an administrative services office, which manages the executive functions of the Department and provides related business, accounting, and technical support. Funding for Administration and Support Services is comprised of General Fund and by transfers of Other Funds from the Department's three policy areas.

The Governor's Budget for this program is \$14.1 million total funds and 41 positions. This is an 8.9 percent increase from the 2019-21 LAB. The budget includes funding an Emergency Management Coordinator, Equity Officer, and an Internal Auditor.

Food Safety/Consumer Protection Policy Area

The Food Safety/Consumer Protection Policy Area inspects all facets of Oregon's food distribution system (except restaurants) to ensure food is safe for consumption, protects and maintains animal health, and ensures animal feeds meet nutritional and labeling standards. Funding for the Food Safety/Consumer Protection Policy Area is primarily Other Funds with smaller amounts of General Fund and Federal Funds. Other Funds revenue includes licensing fees, registration fees, and fees for service.

The Governor's Budget for this program is \$40.7 million total funds and 178 positions. This is a 0.5 percent increase from the 2019-21 LAB. The budget continues funding to address Avian Influenza threats.

Natural Resources Policy Area

The Natural Resource Policy Area protects Oregon's natural resources for future generations, maintains agricultural lands, benefits water, fish, wildlife, and native plants, reduces exposure to toxics, and maintains agriculture's economic sustainability. Funding for the program is a combination of General Fund, Other Funds from license and registration fees, Measure 76 Lottery Funds, and Federal Funds from grants and cooperative agreements.

The Governor's Budget for this program is \$47.5 million total funds and 146 positions. This is a 2.3 percent increase from the 2019-21 LAB. The budget includes funding to continue Klamath water quality work, conduct baseline soil health assessments, continuation of a worker protection standards position, continue Japanese Beetle eradication efforts, and increase capacity in the Hemp program.

Market Access, Development, Certification/Inspection Policy Area

The Market Access, Development, Certification/Inspection Policy Area assists Oregon's agricultural producers in successfully selling and shipping products to local, national, and international markets. The marketing portion of the program works to promote and create demand for Oregon agricultural products. The inspection and certification portion of the program adds value by providing services to facilitate product movement and overcome trade barriers and technical constraints that affect agricultural traded sectors. Program funding consists of a mix of General Fund to support core development activities, Other Funds from charges for services, and Federal Funds from USDA Cooperative Agricultural Pest Surveys and U.S. Farm Bill funded programs.

The Governor's Budget for this program is \$31.2 million total funds and 136 positions. This is a 9.2 percent increase above the 2019-21 LAB. The budget invests in developing domestic markets, creating a grant program to support underserved farmers with funding opportunities to support domestic market access, and address food insecurity. The budget also continues funding for positions focused on implementing the Food Safety Modernization Act.

Columbia River Gorge Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$991,912 | \$1,160,612 | \$1,349,300 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$991,912 | \$1,160,612 | \$1,349,300 |
| Positions | 0 | 0 | 0 |
| Full-time Equivalent | 0.00 | 0.00 | 0.00 |

OVERVIEW

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

The Commission functions as the permanent regional land use policy body for the Scenic Area, a 292,500-acre region stretching along both shores of the Columbia River for 85 miles—from the outskirts of the Portland-Vancouver metro area to the semi-arid regions of Wasco and Klickitat Counties in the east. The Columbia River Gorge encompasses three counties in Oregon (Hood River, Multnomah, and Wasco) and three in Washington (Clark, Skamania, and Klickitat) and includes 13 designated Urban Areas.

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

GOVERNOR'S BUDGET

The Governor's Budget is \$1.3 million total funds. This is a 16 percent increase from the 2019-21 Legislatively Approved Budget. The budget adds funding to pay for the first phase of a replacement project to move the Commission to an updated information management system. This project will also

need to be approved in the State of Washington budget for full funding of the project.

REVENUE SUMMARY

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

AGENCY PROGRAMS

Joint Expenses

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

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

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

Commissioner Expenses

The Commissioner Expenses program provides for Oregon Commissioners' per diem, training, and travel expense. This also includes a portion of State Government Service Charges for centralized services provided by the State of Oregon. The budget for Commissioner Expenses is \$32,023 total funds.

Oregon Department of Energy

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$6,334,048 | \$0 |
| Lottery Funds | 3,023,628 | 3,023,365 | 3,022,570 |
| Other Funds | 24,624,867 | 32,812,879 | 27,768,991 |
| Federal Funds | 2,269,529 | 2,196,096 | 3,038,773 |
| Other Funds (Nonlimited) | 48,263,816 | 41,028,718 | 31,635,470 |
| Federal Funds (Nonlimited) | 0 | 104,000 | 0 |
| Total Funds | \$78,181,840 | \$85,499,106 | \$65,465,804 |
| Positions | 97 | 81 | 77 |
| Full-time Equivalent | 93.50 | 79.25 | 76.00 |

OVERVIEW

The Oregon Department of Energy's mission is to lead Oregon to a safe, equitable, and sustainable future. The Department accomplishes this mission by providing:

- A central repository of energy data, information, and analysis;
- A venue for problem-solving Oregon's energy challenges;
- Energy education and technical assistance;
- Regulation and oversight; and
- Energy programs and activities.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Energy is \$65.5 million total funds, including 77 positions. This is a 23.4 percent decrease from the 2019-21 Legislatively Approved Budget (LAB). The decrease is largely due to the ending of the Oregon Solar + Storage Rebate and the Renewable Energy Development grant programs, which issued its last awards during the 2019-21 biennium. However, a small amount of program wind-down will occur into 2021-23.

In the Governor's Budget for 2019-21, the Department was slated to end with many of its programs transitioning to other agencies. During the 2019 Legislative Session, it was decided to leave the Department as its own agency, but due to several long-standing energy programs having sunset, the Department's overall budget was reduced greatly. Despite the reductions in the LAB, an investment was made to provide additional capacity for increased workload in the facility siting program application process, this increased workload is expected to continue and the Governor's Budget continues investment in this program.

REVENUE SUMMARY

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

- Fees charged and other revenue collected for administration of certain programs such as the Energy Facility Siting, Public Purpose Charge, Energy Northwest, and other fees collected for oversight activities.
- Energy Supplier Assessment (an annual assessment on Oregon energy suppliers); and
- Federal Funds including grants from the U.S. Department of Energy.

AGENCY PROGRAMS

Energy Planning & Innovation

The Energy Planning and Innovation Division develops state policy and goals relating to energy efficiency and renewable energy. The Division includes the Energy Efficiency and Conservation section, which provides supports to the advancement of energy efficiency standards and codes. The section also provides analysis and technical assistance to improve energy efficiency in the public, residential, commercial, industrial, agricultural sectors. The Energy Technology and Policy section focus on renewable energy resources, utility planning, sustainable transportation, and climate change. The Governor's Budget for this program is \$7.8 million total funds and 24 positions.

Energy Development Services

Historically, the Energy Development Services Division has administered financing and incentives for businesses, households, and the public sector to reduce the cost of energy for Oregonians through energy efficiency, renewable energy, and the use of alternative transportation. As of the end of the 2017 tax year, all of the Department's energy tax credit and incentive programs have sunset or moved to other agencies. The Small-Scale Energy Loan Program (SELP) continues to administer loans, but is not currently issuing new loans. The Division will continue to wrap up its responsibilities under the programs that have sunset. Additionally, the Division supported the Oregon Solar + Storage Rebate program, during the 2019-21 biennium. The Governor's Budget for this program is \$37.5 million total funds and three positions.

Nuclear Safety and Energy Emergency Preparedness Division

The Nuclear Safety and Energy Emergency Preparedness Division works to provide safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure that decisions regarding cleanup protect the Columbia River. The Division also provides emergency preparedness for potential hazards, including a nuclear reactor accident, transporting radioactive materials through Oregon, the potential operation of Liquefied Natural Gas (LNG) import terminals and petroleum shortages, which could impact emergency and essential services. The Division has also worked to develop the Oregon Fuel Action Plan, which will help ensure fuel is considered emergency and essential services, and is accessible during a fuel shortage. The Governor's Budget for this program is \$2.4 million total funds and six positions.

Energy Facility Siting Division

The Energy Facility Siting Division works with energy facility developers and operating energy facilities to meet the state's energy infrastructure and demand needs, and to ensure large power plants, transmission lines, and natural gas pipelines built in Oregon meet state siting standards. The development of new technologies and investments in renewable energy generation has led to growth in energy siting. The Governor's Budget for this program is \$5.9 million total funds and 13 positions.

The Governor's Budget supports the Division's increased focus on compliance in the siting process and continues resources that will streamline the process to better serve applicants and the impacted communities and to meet environmental standards.

Administrative Services Division

The Administrative Services program area consists of the Director's Office and the Central Services Division. The Director provides operational and policy leadership and direction for the Department. The Director's Office functions include internal audits, communications and outreach, human resources management, and government relations. The Governor's Budget for this program is \$12 million total funds and 31 positions.

Department of Environmental Quality

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$48,700,887 | \$58,777,160 | \$62,283,485 |
| Lottery Funds | 4,732,711 | 5,300,822 | 5,824,651 |
| Other Funds | 146,250,637 | 222,204,270 | 242,425,025 |
| Federal Funds | 22,127,468 | 29,410,521 | 28,582,660 |
| Other Funds (Nonlimited) | 117,587,846 | 149,843,330 | 244,000,055 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$339,399,549 | \$465,536,103 | \$583,115,876 |
| Positions | 760 | 789 | 806 |
| Full-time Equivalent | 734.83 | 765.49 | 794.24 |

OVERVIEW

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

GOVERNOR'S BUDGET

The Governor's Budget for DEQ is \$583.1 million total funds, with 806 positions. This is a 25.3 percent increase from the 2019-21 Legislatively Approved Budget. The Department's budget includes \$244.0 million of Nonlimited Other Funds, which are associated with the Clean Water Revolving Fund and Orphan Sites bonding programs. This budget makes investments to support the Department's mission by investing in clean air initiatives, including additional funding for the Greenhouse Gas program, investments in clean watersheds, and funding to modernize Oregon's current recycling system.

The Governor's Budget also provides funding to enhance agency support staff to meet program needs and to upgrade the Clean Water State Revolving Fund (CWSRF) loan management software. The budget continues work moving disparate agency systems to a unified Environmental Data Management System (EDMS), as well as providing continued support for the system through approval of fees for ongoing maintenance and operations. The budget also approves bonding requests for both the CWSRF and the Orphan Site programs.

REVENUE SUMMARY

The Department is funded primarily with Other Funds but also receives General Fund, Measure 76 Lottery Funds and Federal Funds. Other Funds come primarily through fees. The budget proposes the creation of fees on transactions in EDMS to cover ongoing operational costs and pass credit card transaction fees on to end users.

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

AGENCY PROGRAMS

Air Quality Program

The Air Quality Program is responsible for administering and achieving air quality standards in Oregon under the federal Clean Air Act and state statutes. The staff is responsible for permitting, regulating, and monitoring air toxins, data analysis, enforcement, policy and planning, and rule development. The only area of the state not covered by DEQ is the Lane Regional Air Pollution Authority. DEQ receives an appropriation for the Lane Regional Air Pollution Authority, which it passes on to the regional authority. The Governor's Budget for Air Quality is \$123.0 million total funds, with 274 positions. This is a 6.5 percent increase from the 2019-21 Legislatively Approved Budget.

The Governor's Budget invests in furthering the Greenhouse Gas program as part of the implementation of Executive Order 20-04. The program also received funding to implement Clean Diesel legislation (HB 2007, 2019) and restores positions cut due to revenue shortfalls during the 2019-21 biennium to the Vehicle Inspection Program. The budget also approves a fee increase to adequately support the Asbestos Health Protection program. Finally, an investment is made to conduct an electrification transportation study to determine obstacles and opportunities for electrifying farm, medium, and heavy-duty vehicles to reduce pollution and carbon emissions.

Water Quality Program

The Water Quality Program assesses environmental conditions through monitoring and scientific analysis and sets water quality standards to protect human health, while at the same time assuring our waters are safe for fishing and swimming. The program develops pollution control strategies, creates clean water management plans with local communities and regulates industrial and municipal sources of water pollution through permits, inspections, and enforcement. Much of the work is done locally; however, DEQ staff directly manages the regulation of wastewater treatment plants, septic system permitting to protect groundwater, and the regulation of industrial discharges to rivers and streams and other water bodies. The Governor's Budget for the Water Quality Program is \$79.6 million total funds, with 245 positions. This is a 7.6 percent increase from the 2019-21 Legislatively Approved Budget.

The Governor's Budget makes an investments in clean watersheds by providing funding for the Department to revise clean watershed plans focused on reducing water temperature. The budget also invests in funding to modernize the Clean Water State Revolving Fund loan management software. Finally, the Mineral Land Regulation and Reclamation program from the Department of Geology and Mineral Industries will transfer to the Division on July 1, 2022. This transfer includes 11 positions and operational funding.

Land Quality Program

The Land Quality Program improves and protects Oregon's land, air, and water by working with stakeholders on responsible management of materials, reduction of waste and toxics, cleaning up

contaminated sites and responding to emergency spills. The program maintains reports on the use of toxic substances and the generation of hazardous waste and provides technical assistance to businesses. The program's staff provide oversight for the investigation and cleanup of contaminated properties and issue operating certificates to gas stations. The program coordinates with federal, state, and local government partners to respond to spills of dangerous materials. The Land Quality program also contains the ballast water program, which seeks to control invasive species being introduced into Oregon waters by the ballast water of ships. The Governor's Budget for the Land Quality program is \$90.7 million total funds, with 196 positions. This is an 11 percent increase from the 2019-21 Legislatively Approved Budget.

The Governor's Budget makes an investment to modernize Oregon's current recycling system to best conserve resources and reduce pollution. The budget also authorizes the Division to use funding from bond sales for cleanup efforts at Industrial Orphan Sites and provides funding for positions to oversee cleanup efforts. Finally, the budget approves an increase to the Hazardous Waste program to provide better oversight and the ability to investigate contaminated sites.

Agency Management

The Agency Management Program provides leadership, fiscal management, central services, and technical support to the Department. Agency Management includes the Director's Office, the Office of Outcome-based Management, the Office of Policy and Analysis, the Office of Compliance and Enforcement, and the Central Services Division. The Governor's Budget for Agency Management is \$39.5 million total funds, with 91 positions. This is a 4.1 percent increase from the 2019-21 Legislatively Approved Budget.

The Governor's Budget continues to invest bond proceeds into the development of an Environmental Data Management System (EDMS) to provide interactive service to the public and stakeholders. The budget also supports two fees to be added to EDMS to cover operational costs and pass credit card convenience fees on to system users. The budget also provides resources to enhance agency support staffing, including a Diversity, Equity, and Inclusion Coordinator. Additionally, the Governor's budget provides funding to create an Office of Environmental Justice to coordinate interagency efforts related to environmental justice through data collection, policy development, and community engagement. The Office of Environmental Justice also includes funding for the development of a cumulative impact analysis for environmental justice across all Natural Resource agencies.

Nonlimited Budget

The Nonlimited Budget program contains the Department's bond proceeds for its State Revolving Fund. The Clean Water State Revolving Fund provides below-market interest rate loans for the planning, design or construction of projects that prevent or mitigate water pollution. Eligible agencies include tribal governments, cities, counties, sanitary districts, soil, and water conservation districts, irrigation districts, various special districts, and certain intergovernmental entities. The budget also contains bonds sold to support the Orphan Site Fund for toxic waste remediation projects. The Governor's Budget for the program is \$230.4 million total funds, no positions. This is a 74.2 percent increase from the 2021-21 Legislatively Approved Budget due to the approval of bond issuance costs.

Pollution Control Bond Fund Debt Service

This program provides debt service for bonds sold to support orphan-site cleanup and loans from the Clean Water State Revolving Loan Fund. The Governor's Budget for the program is \$20.0 million total funds, no positions. This is a 17.3 percent decrease from the 2021-23 Legislatively Approved Budget.

Oregon Department of Fish and Wildlife

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$29,458,284 | \$35,094,508 | \$40,138,854 |
| Lottery Funds | 5,326,259 | 7,621,405 | 6,243,283 |
| Other Funds | 182,645,607 | 203,027,596 | 221,865,389 |
| Federal Funds | 118,359,703 | 144,438,993 | 153,185,351 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$335,789,853 | \$390,182,502 | \$421,432,877 |
| Positions | 1,356 | 1,357 | 1,350 |
| Full-time Equivalent | 1,151.49 | 1,154.69 | 1,156.47 |

OVERVIEW

The Oregon Department of Fish and Wildlife (ODFW) protects and enhances fish, wildlife, and their habitats for the use and enjoyment of present and future generations. The Department operates four major programs; this includes the Fish, Wildlife, and Habitat divisions as well as the administration of the agency. The Department also maintains a contract with the Oregon State Police for fish and game wildlife enforcement. Finally, ODFW has a Capital Improvement program to maintain and repair Department property, as well as a Major Construction and Acquisition program.

GOVERNOR'S BUDGET

The Governor's Budget for ODFW is \$421.4 million total funds. This is an 8.0 percent increase from the 2019-21 Legislatively Approved Budget. The Department has 1,350 positions. The Governor's Budget invests in continuing to address deferred maintenance; as ODFW is responsible for a large and dispersed real property portfolio. The budget also continues work on culvert repair to aid in fish passages. As recommended by the Racial Justice Council, a Diversity, Equity, and Inclusion Coordinator position has also been added. And lastly, the budget eliminates funding for the Rock Creek Hatchery which was destroyed by the Labor Day wildfires.

REVENUE SUMMARY

ODFW revenue comes from General Fund, Lottery Funds, Other Funds, and Federal Funds. Lottery Funds are from the Measure 76 operations portion of the Parks and Natural Resources Fund. The largest source of Other Funds is from the sale of hunting, angling, and occupational licenses and tags. A significant factor affecting the short- and long-term outlook for the Department's revenue is hunting and fishing participation trends. Fee revenue has been fairly stable despite two-year incremental fee increases that began in 2016 and ended in 2020.

The Department also allocates a portion of Federal Funds to Other Funds to cover administrative costs in compliance with federal requirements. The Federal Funds revenues are received from the U.S. Fish and Wildlife Service, Army Corps of Engineers, Bonneville Power Administration, Environmental

Protection Agency, U.S. Department of Agriculture, and the National Oceanic and Atmospheric Administration. Generally, federal revenue is restricted in how it can be used.

AGENCY PROGRAMS

Inland Fisheries

The Inland Fisheries program is responsible for the conservation and sustainable use of Oregon's inland fish populations. The program provides policy and management direction for Oregon's freshwater fishery resources, ensuring native species are conserved. It also fosters and sustains opportunities for sport, commercial, and tribal fishers to catch hatchery and naturally produced fish, consistent with the conservation of native fish. This is a large program, organized into five sections: Inland Fisheries Management, Native Fish Conservation, Hatchery Management, Water and Energy Coordination, and Engineering and Facilities. The program provides more than 70 percent of the fish harvested in the state's sport and commercial Salmon, Steelhead, and Trout fisheries; generating significant economic value in Oregon's economy, especially in rural areas. The Governor's Budget for the Inland Fisheries program is \$163.3 million total funds. This is a 1.3 percent decrease from the 2019-21 Legislatively Approved Budget, due to some program functions moving in to the Habitat Division. The program has 713 positions.

Marine and Columbia River Fisheries

The Marine and Columbia River Fisheries program conserves, protects, and restores key fish and wildlife species in Oregon's ocean and the Columbia River Basin. Because of the importance of this fishery to Oregon's economy, the program is guided by the goal of ensuring long-term sustainability of fish, wildlife, and their habitats, while doing so in a way that supports a healthy economy. The program has two sections. The Ocean Salmon and Columbia River section works with federal, regional and other entities to plan and implement programs to protect, mitigate and enhance fish populations in the Columbia River Basin. It also works with commercial and sport fisheries and ocean salmon fishers to develop administrative rules for those fisheries. This section is the scientific and technical lead in Oregon's efforts to mitigate the effects of hydropower on fish populations in the Columbia and Snake River systems. The other section, the Marine Resources section manages marine species and habitats through research, monitoring and setting policy. The Governor's Budget for the Marine and Columbia River Fisheries program is \$39.2 million total funds and continues current programs. This is a 3.9 percent increase from the 2019-21 Legislatively Approved Budget. The program has 216 positions.

Wildlife Management

The Wildlife Management program is the primary vehicle for implementation of the North American Model of Wildlife Conservation. The program manages game mammals, game birds, furbearing animals, and predatory species by monitoring animal populations and conducting research. The program restores and improves wildlife habitat and manages sixteen major wildlife management areas. Wildlife disease issues are addressed by laboratory personnel. The program works with the Oregon Department of Agriculture and the U.S. Fish and Wildlife Services. The Governor's Budget for the Wildlife Management program is \$71.2 million total funds and continues current programs. This is a 5.1 percent increase from the 2019-21 Legislatively Approved Budget. The program has 162 positions.

Conservation

The Conservation program coordinates the conservation and management of threatened, endangered, and sensitive species, as well as the protection and management of non-game fish and wildlife. It keeps species from becoming threatened or endangered by implementing the federally approved Oregon Conservation Strategy and acts in alignment with the Oregon Plan for Salmon and Watersheds.

The program handles invasive species boat inspections and decontaminations; consultations with landowners and managers to create healthy habitats; educational presentations and materials; scientific reviews; funding of conservation projects; management of threatened species; on the ground species research, monitoring and habitat restoration projects; response to public inquiries about living with wildlife, wildlife viewing opportunities, invasive species, wolf depredation and other related issues. The Governor's Budget for the Conservation program is \$7.8 million total funds. This is a 32.3 percent decrease from the 2019-21 Legislatively Approved Budget. The program has 34 positions. The decrease is driven by positions and programs transferring in to the newly created Habitat Division.

Habitat Division

Through this new division, the Department seeks to bring staff and programs together within a single division, to lead proactive, focused, and consistent statewide efforts to protect, restore, and enhance habitat for Oregon's fish and wildlife. The new division will consist of the following five programs:

- Habitat Resources program
- Water program
- Habitat Regional Operations
- Western Oregon stream Restoration program
- Willamette Wildlife Mitigation program

All of the above programs currently exist within other divisions. By bringing these programs together it will help the Department elevate land and water issues affecting fish and wildlife, better equip the entire Department to consult with other state and federal land and water management agencies, and improve fish and wildlife habitat in Oregon.

The Governor's Budget for the Habitat Division is \$19.8 million total funds. The Division has 73 positions. Most of these are existing positions transferred from throughout the Department. Two new positions are approved within the Governor's Budget, which will aid in leading the new division. The budget also makes an investment in the Willamette Basin by providing funding for the reallocation effort within the basin.

State Police Enforcement

The Department contracts with the Oregon State Police to enforce Oregon's fish and wildlife laws and regulations. The primary mission of the Oregon State Police Fish and Wildlife Division (OSPFW) is to assure compliance with laws that protect and enhance the long-term health and equitable utilization of Fish and Wildlife resources. It also enforces traffic, criminal, boating, livestock, and environmental protection laws in addition to responding to emergency situations. The 11 members of the Division

enforce laws directly relating to the Oregon Plan for Salmon and Watersheds. OSPFW has three investigators and an investigating sergeant assigned to its Special Investigations Unit, which is responsible for conducting in-depth and complex investigations of individuals or groups in violation of the fish and wildlife laws and regulations.

The Governor's Budget sets the transfer of funding to the Oregon State Police Fish and Wildlife program at \$31.3 million total funds. This is a 9.3 percent increase from the 2019-21 Legislatively Approved Budget. The increase is attributed to inflationary cost increases. No positions are associated with this program as positions reside with the Oregon State Police.

Administration

The Administration program provides support functions to the programs of the Department and includes the Oregon Fish and Wildlife Commission, the Commercial Fishery Permit Board and the Director's Office. The Administration program has recently devoted resources to improving its information technology to improve access and efficiency for staff and for its customers. The Governor's Budget for the Administration program is \$64.3 million total funds and continues current programs. This is a 3.6 percent increase from the 2019-21 Legislatively Approved Budget. The program has 146 positions. The Governor's Budget makes permanent two positions associated with the Electronic Licensing System, a mobile application ODFW is currently working to develop.

Debt Service

The General Fund debt service in this program is used to repay money borrowed for deferred maintenance projects. Projects include maintenance of Wildlife Area field offices, hatchery facilities and residences, and other ODFW owned property. The Other Funds debt service is to repay money borrowed for the purchase of a new headquarters facility in Salem. Funds come from the savings in rent from the lease of the old Salem headquarters building. The Governor's Budget for the Debt Service program is \$4.7 million total funds. This is a 36.0 percent increase from the 2019-21 Legislatively Approved Budget. There are no positions associated with the Debt Service program. The increase is associated with the debt service costs for bonding authorized for deferred maintenance.

Capital Improvement

The Department implements capital improvement projects to maintain facilities and support fish restoration and enhancement projects throughout Oregon. ODFW has spent between \$3 million and \$10 million biennially, since 2001, on capital improvement projects, with the majority of funds spent in local communities on contractors, employees, and vendors. The Governor's Budget includes \$9.7 million total funds in capital improvements. This is a 5.4 percent increase from the 2019-21 Legislatively Approved Budget. The program has three positions.

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

Major Construction and Acquisition

The Department's Major Construction and Acquisition program does not operate every biennium. It is activated if ODFW has funding for a specific project. The Governor's Budget includes \$10.0 million, which will be used to continue addressing deferred maintenance needs. There are three positions within this program.

Oregon Department of Forestry

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$135,624,513 | \$90,604,264 | \$113,902,322 |
| Lottery Funds | 2,600,999 | 2,543,451 | 2,564,210 |
| Other Funds | 326,602,365 | 260,068,337 | 284,531,617 |
| Federal Funds | 15,136,881 | 35,483,276 | 37,493,713 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$479,964,758 | \$388,699,328 | \$438,491,862 |
| Positions | 1,163 | 1,153 | 1,195 |
| Full-time Equivalent | 853.33 | 848.99 | 895.18 |

OVERVIEW

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

- Fire Protection – provides fire protection on approximately 16 million acres of forest and rangeland through a complete and coordinated system.
- State Forests – manages more than 762,000 acres of forestland owned by the Board of Forestry and the State Land Board.
- Federal Forest Restoration (part of Agency Administration in prior budgets) – exists to accelerate the pace, scale, and quality of forest restoration in Oregon's federal forests.
- Private Forests – administers the Oregon Forest Practices Act and provides assistance to forest landowners.
- Support functions – includes Agency Administration, the Equipment Pool, Facilities Maintenance, Debt Service, Capital Improvements, and Capital Construction.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Forestry is \$438.5 million total funds and 1,195 positions. This is a 12.8 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes several fund shifts from General Fund to Other and Federal Funds sources. The Governor's Budget makes several investments in the following areas:

- Funding for improved fire protection, including funding to strengthen core fire operations, upgrade communications equipment, and resources to contract for personnel and upgraded equipment to be used during the wildfire season. The budget also includes increased funding in a Special Purpose Appropriation to be used for Severity Resources during the biennium.

- Funding to support forest climate change mitigation and adaptation, including working on afforestation in urban areas and improving forest management practices to stabilize soils, geological functions, and water resources.
- Funding to establish a Diversity, Equity, and Inclusion Office.
- Funding to support facilities, including replacing of the Toledo facility, deferred maintenance costs, and positions to support these efforts as well as rebuilding efforts for structures lost during the 2020 fire season.

REVENUE SUMMARY

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

A decade of challenging fire seasons has made significant impacts on the Department's staffing resources and its budget. The Governor's budget includes three significant fund shifts to better support agency operations, including an equal cost share between the General Fund and private landowners for all base fire protection costs, including administrative expenditures. Shifting expenditures in the Federal Forest Restoration program to utilize more federal funding and rely less on General Fund. Finally, shifting Forest Practices Act work to be funded by 50 percent harvest tax revenue, up from the current level of 40 percent.

AGENCY PROGRAMS

Agency Administration

The Agency Administration program leads the Department by developing policy, coordinating programs, assessing forest resources, coordinating land use planning, managing information systems, and providing a wide range of administrative services. The program provides leadership, policy development, and public involvement and supports the Board of Forestry. The program is primarily funded by Other Funds, through assessments to other divisions for administrative services. The program also receives a small amount of General Fund and Federal Funds. The Governor's Budget for this program is \$49.1 million total funds, with 129 positions. This is a 33 percent increase from the 2019-21 Legislatively Approved Budget.

As the costs of Oregon's fire seasons have skyrocketed, the Department has struggled to keep up with financial processes related to Fire Protection operations. In late 2019, the Governor's Office convened a Forestry Finance Team comprised of Governor's staff, and community leaders; and the Department of Administrative Services hired a consultant to review fire finance processes and provide regular updates to the Finance Team, the Board of Forestry chair, and legislators. The consultant recommended moving financial personnel out of the Fire Protection program and into the Agency Administration program. Additionally, the consultant recommended creating four new positions to provide oversight and support to District financial operations and accounts receivable management. To improve financial practices at the Department, the Governor's Budget adopts these recommendations, moving the financial positions

and investing in the four new positions.

The Governor's Budget also makes investments to address capacity needs to further agency work on diversity, equity, and inclusion, as well as environmental justice, sustainability, and Government-to-Government initiatives. The Division will also lead work for forest climate change mitigation and adaptation, as well as monitoring of soil and water resources in forest environments. An investment is also made in facility capacity to address workload needs associated with rebuilding aging structures and structures lost during the Labor Day wildfire events (September 2020).

Fire Protection

The Fire Protection program is the state's largest fire department and is responsible for providing fire protection on approximately 16 million acres of forest and rangeland. The program delivers fire protection through a complete and coordinated system with federal agencies, forest landowner's operators and contractors, local structural fire agencies and nearby states. The program is funded by a combination of General Fund, Federal Funds, and Other Funds. The Other Funds are primarily generated from private forest landowner assessments. The Governor's Budget for this program is \$171.0 million total funds, with 695 positions. This is a 17.3 percent increase from the 2019-21 Legislatively Approved Budget.

To address the growing challenges of severe fire seasons, the Governor's Budget includes funding for updating fire organization sustainability and modernizing current firefighting activities; as well as additional funding to contract with crews and equipment to assist during fire seasons. In addition, the Governor's Budget reserves \$8.0 million in a Special Purpose Appropriation in the Emergency Fund budget to pay for Severity Resources and catastrophic fire insurance premiums.

Equipment Pool

The Equipment Pool program manages a transportation pool and radio communications pool. The transportation pool includes approximately 900 pieces of equipment and the radio pool includes approximately 5,600 pieces of major radio equipment and provides support and engineering. The program supports the radio communications of three Forest Protective Associations and of the Oregon Department of Fish and Wildlife and the Parks and Recreation Department. Funding for the program comes from fees and assessments charged to equipment pool users. The Governor's Budget for this program is \$19.8 million total funds, with 30 positions. This is an 11.9 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget includes funding to invest in critical life safety communication and location tracking equipment for firefighters.

State Forests

The State Forests program manages more than 762,000 acres of forestland for the Board of Forestry and the State Land Board. Included in this management are six state forests: Tillamook, Clatsop, Santiam, Sun Pass, and Gilchrist, plus some scattered smaller tracts. About 95 percent of the state forest acreage is owned by the Board of Forestry and the remaining acres are owned by the State Land Board for the benefit of the Common School Fund. Other Funds generated from timber sales on the lands managed by the Department are the program's main funding source. The Governor's Budget for this program is \$109.9 million total funds, with 213 positions. This is a 2.1 percent increase from the

2019-21 Legislatively Approved Budget.

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

Federal Forest Restoration

The Federal Forest Restoration program began in the Agency Administration program as a pilot program in the 2013-15 biennium and continued to operate as a subprogram in Agency Administration, through the 2019-21 biennium. For the 2021-23 biennium, the program will operate as a stand-alone program. The program exists to accelerate the pace, scale, and quality of forest restoration in Oregon's federal forests. This is accomplished primarily through collaborative support, federal partner support, and Good Neighbor Authority agreements with federal landowners. The program is funded with General Fund, Other Funds, and Federal Funds, but since its inception has relied heavily on General Fund. Due to the increasing number of federal agreements, the Governor's Budget shifts funding to 50 percent General Fund and relies more on Other Funds and Federal Funds sources. The Governor's Budget for this program is \$4.9 million total funds, with 11 positions. This would represent an 8.2 percent increase from the 2019-21 Legislatively Approved Budget when compared to the budget for 2019-21 within the Agency Administration Division.

Private Forests

The Private Forests program delivers a range of services to industrial, family-forest, state and local government, and some federal landowners. These services seek to maintain and enhance economic, social, and environmental benefits derived from Oregon's forests. The program administers the Oregon Forest Practices Act, provides technical and financial assistance to forest landowners, develops and implements innovative programs relevant to private forestry in Oregon, and provides early detection and response to forest health threats. The Governor's Budget for this program is \$44.7 million total funds, with 117 positions. This is a 2.8 percent decrease from the 2019-21 Legislatively Approved Budget. The decrease is largely due to the phase out of one-time funding for the Sudden Oak Death program.

The Governor's Budget includes a change in the cost share for the administration of the Forest Practices Act reflecting a combination of 50 percent General Fund and 50 percent Forest Products Harvest Tax. The Private Forests program also receives Federal Funds from the U.S. Forest Service, Bureau of Land Management, and the Environmental Protection Agency.

Facilities Maintenance and Management

The Facilities Maintenance and Management program is focused on facilities maintenance activities of the Department's 396 buildings located throughout Oregon. These facilities support a wide range of activities including fire fighter support and dispatch, fire engine and equipment storage, vehicle repair and fabrication, reforestation activities, radio communication sites, forest fire lookouts, and

administrative functions. Funding for the program comes from revenue transfers from the Department's operating programs. The Governor's Budget for this program is \$5.7 million total funds, with no positions. This is a 0.2 percent increase from the 2019-21 Legislatively Approved Budget, which continues program operations.

Debt Service

The Debt Service program funds the repayment of Certificates of Participation and Lottery bonds issued by the Department to fund Capital Construction projects. The revenues used to pay debt service come from the General Fund, Lottery Funds, and Other Funds from the Department's operating programs. The Governor's Budget for this program is \$19.5 million total funds, with no positions. This is a 1.3 percent decrease from the 2019-21 Legislatively Approved Budget.

Capital Improvement

The Capital Improvement program supports the Department by maintaining capital assets, improving the functionality of buildings, and renewing obsolete facility and system components. Capital improvement projects have a cost of less than \$1.0 million and increase the value, extend the life, or adapt the capital asset to a different use. Funding for the program comes from revenue transfers from the Department's operating programs. The Governor's Budget for this program is \$9.8 million total funds, with no positions. This is a 105.1 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget includes funding to support deferred maintenance projects.

Capital Construction

The Capital Construction program provides funding for high-priority construction or acquisition projects exceeding \$1 million. The Governor's Budget for this program is \$4.1 million total funds, with no positions. The Governor's Budget includes funding for two projects, continuing work on replacing a Department facility in Toledo, and for rebuilding the Santiam District Office lost during the September 2020 wildfire events.

Department of Geology and Mineral Industries

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$5,355,361 | \$2,534,180 | \$1,834,234 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 5,727,167 | 2,817,896 | 2,950,968 |
| Federal Funds | 3,800,717 | 2,902,495 | 721,181 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$14,883,245 | \$8,254,571 | \$5,506,383 |
| Positions | 43 | 39 | 22 |
| Full-time Equivalent | 42.92 | 19.46 | 11.00 |

OVERVIEW

Established in 1937, the Oregon Department of Geology and Mineral Industries (DOGAMI) provides earth science information and regulation to make Oregon safe and prosperous.

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

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

GOVERNOR'S BUDGET

The Governor's Budget includes a one-year budget of \$5.5 million total funds and 22 positions to continue limited DOGAMI operations through June 30, 2020. After the close of the fiscal year, the budget shifts portions of the remaining agency operations to the Department of Land Conservation and Development (DLCDD) and the Department of Environmental Quality (DEQ) on July 1, 2021. Of the 39 positions approved in the 2019-21 budget, 18 positions will move to other agencies and 21 positions will be eliminated during the biennium, including administrative positions.

During the 2019 Legislative Session, the Department was given a one-year budget and the Governor's Office was tasked with determining the future of the agency as stand-alone entity. During the 2020 Legislative Session, the Governor's Office requested a second year of funding be added to the Department for the 2019-21 biennium and noted reviews of agency operations would continue during the development of the Governor's Budget. Based on a review of agency operations, it has been determined core Department operations should be moved to other agencies. To provide time to

facilitate this transfer the Governor's Budget recommends providing one year of funding to the Department as its own agency.

REVENUE SUMMARY

The GSS program has relied on General Fund, Other Funds, and Federal Funds, but the mix of funding has varied substantially from one biennia to the next. This is in part due to the reliance on unstable grant funding to support agency operations. This instability has created issues when grant funding isn't available to support personnel costs, which has caused the Department to lay off staff due to lack of available funding.

The MLRR program receives Other Funds revenue from contracts and metal, aggregate, gas, and oil fees. The program received a fee increase approval during the August 2020 Special Session, allowing operations to continue without reductions to staff and services. This fee increase should also allow the program to have a small ending fund balance by the end of the 2021-23 biennium, any ending balance as of June 30, 2022, will transfer to DEQ when the program transitions.

AGENCY PROGRAMS

Geologic Survey and Services Program

The Geologic Survey and Services Program (GSS) gathers geoscientific data and maps mineral resources and hazards. The program has prioritized geographic areas needing tsunami hazard mapping, landslide hazard studies, flooding hazard studies, and earthquake risk mapping. The information is shared with state and local policymakers for land use planning, facility siting, building code, and zoning changes, as well as emergency planning. GSS program staff is comprised of geologists, geomorphologists, engineers, and GIS analysts. The program also includes administrative staff to support the agency.

For the first year of the biennium, the Governor's Budget includes \$3.5 million total funds and 11 positions. This includes four positions ending June 30, 2020, which will provide support for agency administrative functions and assist with the transition of program operations. Based on a review of stable grant funding sources, the Governor's Budget transitions \$2.3 million total funds and the remaining seven positions to DLCDC for the second year of the biennium.

Mineral Land Regulation and Reclamation Program

The Mineral Land Regulation and Reclamation Program (MLRR) administers the Mined Land Regulation Act (1971) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction, and development. The dual goals of the permitting programs are to eliminate or minimize to the greatest extent possible, the environmental impacts of mineral development on-site and off-site, during the life of the project, using conditioned operating permits; and to guarantee through security bonding and reclamation plans that the disturbed area will be reclaimed to an approved secondary beneficial use at the end of mining.

For the first year of the biennium, the Governor's Budget includes \$2.0 million total funds and 11 positions. On July 1, 2020, all program operations will transition to DEQ with a budget of \$2.0 million and 11 positions.

Department of Land Conservation and Development

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$14,971,597 | \$20,231,675 | \$21,488,326 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 872,431 | 1,460,817 | 2,220,615 |
| Federal Funds | 4,477,331 | 6,755,041 | 7,182,205 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$20,321,359 | \$28,447,533 | \$30,891,146 |
| Positions | 58 | 64 | 67 |
| Full-time Equivalent | 56.79 | 62.09 | 62.47 |

OVERVIEW

The Department of Land Conservation and Development guides statewide land use policy in order to help cities and counties plan for sustainable urban and rural development and healthy environments. The Department works under the policy direction of the Land Conservation and Development Commission. The Department includes the following two programs:

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

The core functions of the Department are management of urban growth and conservation of farm, forest, coastal, and other natural resource lands, which are carried out through application of the 19 statewide planning goals in city and county comprehensive plans. The Department works with 36 counties and 241 cities to plan for livable urban and rural communities and to protect and conserve farm, forest, coastal lands, and natural resources.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of Land Conservation and Development is \$30.9 million total funds. This is an 8.6 percent increase from the 2019-21 Legislatively Approved Budget. The Department has 67 positions. The budget makes a large investment in Housing Technical Assistance grants. This grant funding allows cities to increase local planning capacity to take advantage of housing and economic development opportunities.

The budget also makes two investments as recommended by the Racial Justice Council. These investments will support environmental justice land use scoping and equitable rural transportation planning. This additional funding will be used to ensure that state climate adaptation and mitigation work advances equity-driven solutions.

The Governor's Budget also assumes the transfer of the Geological Survey and Services program from Department of Geology and Mineral Industries (DOGAMI) to the Department on July 1, 2022. Along with the program, seven positions and associated funding will also transfer.

REVENUE SUMMARY

The Department is primarily funded with General Fund. The Department also receives Federal Funds from the Federal Emergency Management Agency and the U.S. Department of Commerce's National Oceanic and Atmospheric Administration through the Coastal Zone Management Act programs. The Department's federal revenues from the National Oceanic Atmospheric Administration Coastal Zone Management Act's 306 federal grants were reduced by 30 percent during the 2019-21 biennium and continuing reductions are anticipated into the 2021-23 biennium.

Other Funds are a small part of the Department's revenue and the primary source of Other Funds is from the Oregon Department of Transportation (ODOT) to support the Transportation and Growth Management Program, which is a joint effort with ODOT.

AGENCY PROGRAMS

Planning Program

The Planning Program helps communities and citizens plan for, protect and improve built and natural systems, which provide a high quality of life, in partnership with citizens and local governments. The program fosters sustainable and vibrant communities and protects natural resources. The Governor's Budget continues staff resources for coastal resilience planning and funding for implementing natural hazards mitigation in local land use plans and regulations.

The Governor's Budget for the program is \$26.5 million total funds. This is an 18.8 percent increase from the 2019-21 Legislatively Approved Budget. The increase is attributed to investments made in the 2021-23 Governor's Budget and the transfer of the Geological Survey and Services program from DOGAMI.

Grant Program

Historically, the Grant Program has distributed General Fund reimbursements to cities and counties to help with comprehensive plan development, plan amendments, and periodic review. The Governor's Budget increases grants available to local cities by \$4.4 million for the 2021-23 biennium. The new grant funding will be directed towards providing technical assistance to cities to prepare for the development of affordable housing to meet the needs of their communities.

Land Use Board of Appeals

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$1,997,590 | \$2,061,858 | \$2,364,439 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 16,789 | 34,981 | 34,981 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$2,014,379 | \$2,096,839 | \$2,399,420 |
| Positions | 6 | 6 | 7 |
| Full-time Equivalent | 6.00 | 6.00 | 7.00 |

OVERVIEW

The Land Use Board of Appeals (LUBA) was established in 1979, to provide prompt, professional, and efficient resolution of land use issues, as well as to develop a consistent body of land use law. Prior to its creation, circuit courts reviewed local land use decisions resulting in excessive scheduling delays and inconsistent interpretations of land use law across the state.

The Governor appoints the three-member Board to serve four-year terms. Board members are subject to Senate confirmation. The board members must be attorneys who are members of the Oregon State Bar in good standing. Board members resolve appeals, issue orders, prepare for and conduct oral arguments, provide peer review, contribute to the publication of LUBA's headnote digest, and participate in continuing legal education and land use seminars. The Board is supported by two administrative support staff and a staff attorney.

LUBA's primary responsibilities include:

- Consistent and prompt resolution of land use appeals with sound principles of judicial review.
- Publication of decisions as an authoritative resource for state and local legislators, land use professionals, city and county decision makers, property owners and the citizens of Oregon.

GOVERNOR'S BUDGET

The Governor's Budget is approximately \$2.4 million total funds. This is a 14.4 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget includes funding for seven positions, including a new staff attorney position.

The number of land use appeals and their complexity are the primary drivers of LUBA's workload. The number of case filings in any given year can be impacted by economic activity, population growth and changes in land use policy. The Board resolves an average of 150 appeals and issues 160 intermediate

orders each year.

REVENUE SUMMARY

General Fund supports over 98 percent of LUBA's core operations. The remaining two percent of Other Funds is derived from filing fees, publications sales, and other miscellaneous fees. The Other Funds revenue generated from the publication and sale of *LUBA Reports* enables the Board to meet its statutory obligation to publish its final opinions and make them available to the public. Filing fees collected from land use appellants and interveners are transferred to the state's General Fund.

Department of State Lands

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|-----------------------------------|------------------------------|
| General Fund | \$5,000,000 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 48,948,759 | 54,079,207 | 53,860,690 |
| Federal Funds | 2,143,876 | 2,295,209 | 2,370,195 |
| Other Funds (Nonlimited) | 17,560,020 | 10,627,890 | 7,727,890 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$73,652,655 | \$67,002,306 | \$63,958,775 |
| Positions | 113 | 115 | 104 |
| Full-time Equivalent | 110.68 | 113.00 | 102.50 |

OVERVIEW

The mission of the Department of State Lands (DSL) is to ensure a legacy for Oregonians and their public schools through stewardship of lands, wetlands, waterways, and unclaimed property. The Department provides administrative support to the State Land Board, which is composed of the Governor, the Treasurer, and the Secretary of State. DSL implements the policies of the State Land Board in managing the Common School Fund and its assets. Assets of the Common School Fund include lands deeded in trust for education at statehood, unclaimed, reverted, and forfeited property, and other lands designated by statute. Twice each year, interest earnings on the Common School Fund are distributed to schools. The Department operates three main programs:

- Common School Fund – Manages Common School Fund assets, issues removal/fill permits, and administers the agency.
- Oregon Wetlands Revolving Fund – Facilitates mitigation banking.
- South Slough National Estuarine Research Reserve – Manages the reserve property near Charleston on the South Coast, conducts research, and provides education on estuarine habitats.
- Capital Improvements – Provides resources to maintain landholdings and leases and to improve land for increased leasing revenue.

GOVERNOR'S BUDGET

The Governor's Budget for the Department is \$64.0 million total funds. This is a 4.5 percent decrease from the 2019-21 Legislatively Approved Budget. The Governor's Budget includes 104 positions. The decrease in funding is attributed to the phase-out of one-time costs from the 2019-21 biennium.

The proposed budget includes resources to continue funding the Portland Harbor Superfund Site costs, continue the contract associated with management of the Elliott Forest, comply with 2015 legislation regarding historically filled and submersible lands, replace outdated systems, support the South Slough

National Estuarine Research Reserve, and finish work on previously funded grants. The Governor's Budget also transfers the unclaimed property program to the Office of the State Treasurer, per legislation passed in 2019.

REVENUE SUMMARY

The Department relies primarily upon Other Funds revenues to support its budget. The Other Funds revenues are obtained from two sources: operations and investment income. Operations generates revenue from lease rentals and royalties, periodic land sales, permit fees, donations, and publications. The investment income is from interest and capital gains earnings from the Common School Fund. Historically, timber revenue from the Elliott State Forest contributed to the Common School Fund but litigation resulted in a reduction in revenue below the level required to pay forest management costs. This situation caused the State Land Board to address the Elliott State Forest as a liability rather than an asset of the Common School Fund.

AGENCY PROGRAMS

Common School Fund

This program manages Common School Fund land, and escheated estates (estates for which there is no will or known heir). It protects wetlands and waterways through the removal/fill permitting process and it provides basic business operation services for the Department. The Director's Office provides leadership and direction in carrying out the State Land Board's policies. The Governor's Budget for this program is \$49.8 million total funds and 86 positions.

The Common School Fund was a requirement for Oregon to become a state under the federal Admissions Act. Oregon's constitution (Sect. VIII, Section 2) establishes the Fund, which is dedicated to support primary and secondary schools. At statehood, about six percent of Oregon's territory was dedicated to benefit schools. Income from these lands is invested by the Oregon Investment Council and a portion of the earnings is distributed to schools through the Oregon Department of Education. Income to the Fund includes:

- Investment earnings;
- Sales proceeds;
- Revenue from timber harvesting;
- Grazing, submerged and submersible land leases;
- Removal-fill permits;
- Estate proceeds when there is no will or heirs;
- Proceeds from mineral or geothermal resources; and
- Forfeitures and civil penalties.

For the 2021-23 biennium, the estimated distribution to schools is \$133.1 million.

Portland Harbor Cleanup Fund

The Oregon Department of State Lands has been identified by the United States Environmental Protection Agency (EPA) as a Potentially Responsible Party (PRP) for costs associated with the investigation and cleanup of sediment contamination in the Portland Harbor, a 10-mile stretch of the lower Willamette River area listed as a Superfund site. This program area supports the state's response to the EPA's 2018 demand for commitments for cleanup.

The Governor's Budget for this program is \$6.8 million total funds and no positions. These funds will continue site cleanup efforts and support investigations.

Submerged Lands Enhancement Fund

The Submerged Lands Enhancement Fund (SLEF), authorized by the Legislature in 2017, provides grants for projects that improve water quality, increased recreational access, protect habitat, or otherwise enhance Oregon's public waterways. The SLEF provides a funding opportunity for communities to improve the health, safety, and accessibility of public waterways. Cities, counties, improvement districts, watershed councils, parks and recreation districts, port districts, nonprofit organizations, state agencies, and federally recognized tribal governments are eligible to apply for SLEF funding.

The Governor's Budget for this program is \$0.2 million total funds and no positions.

Oregon Wetlands Revolving Fund

In 1987, the Legislature established the Oregon Wetlands Mitigation Bank Revolving Funds Account within the General Fund of the State Treasury. This fund was renamed the Oregon Removal-Fill Mitigation Fund through House Bill 2156 (2009). The Fund was created to receive contributions and proceeds related to wetland mitigation. The Fund provides the revenue to facilitate mitigation banking, to acquire mitigation sites, which will help restore, enhance, create and preserve state waters and cover administrative expenses.

The revenue is entirely Other Funds and comes from contributions and the sale of mitigation bank credits. This program's performance goal is no net loss of wetlands.

The Governor's Budget for this program is \$2.0 million total funds and no positions.

South Slough National Estuarine Research Reserve

The South Slough National Estuarine Research Reserve (SSNERR) is a 5,000 acre natural research area encompassing a portion of the Coos estuary on the southern Oregon coast. Established in 1974, it is one of 28 similar institutions in coastal states. The SSNERR's mission is to improve understanding and management of estuaries and coastal watersheds in the Pacific Northwest. The Reserve is an asset of the Common School Fund. Funding comes from the U.S. Department of Commerce's National Oceanic and Atmospheric Administration with state match, which is provided by Common School Fund revenue. While a user fee exists, it contributes little to financing the Reserve. The chief users of the SSNERR are schools, local non-profits and government agencies.

The Governor's Budget is \$4.7 million total funds and 18 positions. It maintains current operations, adds a seasonal education position for working with visiting schools, improves data management of information and continues authority to finish spending federal grants from previous budget periods.

Capital Improvement

This program includes projects needed to manage and maintain Common School Fund landholdings and leases. The Land Board adopted an Asset Management Plan in 2012. This plan helps guide maintenance and improvement needs over time consistent with good management practices and stewardship responsibilities. Revenue for the Capital Improvements program comes from the Common School Fund. The program funds projects, including hazardous material cleanup, fire suppression, and routine improvements as buildings age.

The Governor's Budget is \$0.5 million and no positions, which is the basic level of funding for maintenance.

Oregon State Marine Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|---------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 25,608,383 | 28,360,346 | 29,654,047 |
| Federal Funds | 5,079,300 | 6,317,622 | 6,592,864 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$30,687,683 | \$34,677,968 | \$36,246,911 |
| Positions | 39 | 40 | 40 |
| Full-time Equivalent | 39.00 | 39.25 | 39.50 |

OVERVIEW

Established in 1959, the Oregon State Marine Board serves the recreational boating public through education, enforcement, boating access, and environmental stewardship. The five-member board is appointed by the Governor to serve four-year terms, subject to Senate confirmation. The Board's programs serve the owners of registered boats and non-registered boats, outfitters and guides, charter vessel operators, marinas, and floating property owners. The Board's programs include the following:

- The Administration and Education program provides agency administration, boater services, education, and registration functions.
- The Law Enforcement program provides boating law administration and contracts with various law enforcement entities for marine law enforcement and training.
- The Facility Grants program offers assistance and awards grants to federal, state, and local governments for marine access facilities across the state.
- The Aquatic Invasive Species program focuses on educating the public and reducing invasive species on native waters.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Marine Board is \$36.2 million total funds. This is an increase of 4.5 percent from the 2019-21 Legislatively Approved Budget and funds 40 positions. In an uncertain economic environment, this budget projects a moderate increase in revenue while maintaining its expenditure levels. The agency will be able to continue services at their current level and sustain essential services for recreational boaters, marine law enforcement, and facility investments for Oregonians.

REVENUE SUMMARY

Marine Board programs are primarily funded by boat registration and title fees, fuel tax revenues based on boat count and fuel usage surveys, and federal grant funds. On average, Other Funds have accounted for 80 percent of revenue and Federal Funds for the remaining 20 percent. The Board also collects an Aquatic Invasive Species (AIS) fee for motorized, non-motorized, and out-of-state motorized boaters; these are dedicated funds for AIS mitigation efforts.

AGENCY PROGRAMS

Administration and Education

The Administration and Education Program is the boater services component of the Marine Board. It is mainly responsible for vessel titling and registration, administration, and education. The program administers state boating laws, develops waterway management plans and promotes clean waterways, serves as a liaison with other government units, serves as the agency's central business function program, and develops and distributes materials to promote safe boating.

Law Enforcement

The Law Enforcement Program provides statewide boating law administration and contracts for boating law enforcement and related services on over 600 boatable lakes, 75 major rivers, and 15 estuaries totaling more than 787,000 acres of water. The program provides public education and contracts with 32 county sheriffs and the Oregon State Police for on-water patrols. This program also provides boats and specialized enforcement equipment to law enforcement officials, develops and offers training for county marine patrol officers, and retains responsibility for the waterway marking system. The Program also includes oversight of Outfitters and Guides, including fishing, hunting, biking, hiking, and other outdoors service providers.

Boating Facilities

The Boating Facilities program provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Boating facilities grants are available to cities, counties, ports and park districts, state agencies, and federal agencies. Boating facility grants can be used for the acquisition, development, and improvement of public boating access. Eligible projects include boat launch ramps, parking, restrooms, courtesy docks, transient tie-up facilities, and other boating-related facilities.

Aquatic Invasive Species

The Aquatic Invasive Species (AIS) program mitigates the effects of invasive species on native waters through inspection and decontamination of watercraft. Aquatic invasive species rapidly expand once established and are capable of impacting municipal and irrigation water supplies, degrading hydropower operations, threatening human and animal safety, and impacting fish and wildlife species through habitat degradation. The Board educates boaters and coordinates with agency partners on boat inspections and enforcement and containment strategies. The AIS program manages the permitting process and education and outreach efforts, which impacts non-motorized boaters, motorized boaters, and out of state visitors bringing their boats to recreate on Oregon waterways.

Oregon Parks and Recreation Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$226,952 | \$0 | \$500,000 |
| Lottery Funds | 105,117,102 | 116,785,574 | 122,852,220 |
| Other Funds | 91,153,615 | 130,655,323 | 112,984,028 |
| Federal Funds | 8,544,806 | 16,685,823 | 22,722,629 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$205,042,475 | \$264,126,720 | \$259,058,877 |
| Positions | 861 | 870 | 864 |
| Full-time Equivalent | 590.90 | 602.55 | 597.19 |

OVERVIEW

The mission of the Oregon Parks and Recreation Department is to provide and protect outstanding natural, scenic, cultural, historic, and recreational sites for the enjoyment and education of present and future generations. To accomplish this mission, the Department operates the following programs:

- Director's Office – manages the agency, supports the Oregon Parks and Recreation Commission and houses the Office of Outdoor Recreation.
- Central Services – provides basic business services and operates Reservations Northwest, which is the call system for park users to reserve space.
- Park Development – provides planning, acquisition, and engineering services for new parks and maintenance of existing parks.
- Direct Services – consists of the day-to-day operations of park properties, campgrounds, day-use areas, trails, boat ramps, interpretive centers/museums, and two historic inns.
- Community Support and Grants – houses the State Historic Preservation Office and provides various grants, including grants to county and city governments for their parks and for All Terrain Vehicle Trails and for other recreational trails.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Parks and Recreation Department is \$259.1 million total funds, which is a 1.9 percent total funds decrease from the 2019-21 Legislatively Approved Budget. The budget includes a 5.2 percent Lottery Funds increase and a 13.5 percent Other Funds decrease from the 2019-21 Legislatively Approved Budget; these two funds form the majority of the Department's resources. As the state constitution requires, local grant expenditures are 12 percent of dedicated Lottery Funds received by the Department. Debt service for the Willamette Falls development project, the Main Street program, and the Forest Park renewal project is included using non-dedicated Lottery Funds. The budget includes 864 positions.

Overall, the Governor's Budget makes investments in operational cost increases and provides funding for Racial Justice Council recommendations by expanding the Office of Outdoor Recreation and adding an Equitable Access Coordinator.

REVENUE SUMMARY

The budget is funded mainly with Lottery Funds and Other Funds. The major supplier of Other Funds is park user fees. The Lottery revenues are constitutionally dedicated to parks and forecasts had stabilized from the early part of this decade. However, Lottery revenues and Other Funds were impacted in the 2019-21 biennium and remain volatile given unknowns surrounding the COVID-19 pandemic. As the Department is seeing the actual impacts to revenue from the summer 2020 camping season and the increased September 2020 Lottery forecast, it is anticipated that some of the park operation and project reductions may be restored.

Additional sources of Other Funds revenues are All-Terrain Vehicle permits, un-refunded fuel tax, and recreational vehicle fees. Other sources of funds include land sales proceeds, rents, royalties and gifts. Federal Funds revenues support the Historic Preservation Act and various grants.

AGENCY PROGRAMS

Director's Office

The Director's Office is responsible for the overall management of the Department. It is the liaison for the Oregon Parks and Recreation Commission and also provides support to the Commission. The Office provides policy direction for Department programs and activities, as well as coordination with the Governor's Office, Legislature, and other government agencies. The Office also reviews agency programs and conducts annual internal audits in its efforts to improve agency performance. Housed within the Director's Office is the Office of Outdoor Recreation, which works across business, nonprofit, and government sectors to increase outdoor recreation. With the exception of the Office of Outdoor Recreation, which is supported in part with General Fund, the program is supported by dedicated Lottery Funds and park user fees. The Governor's Budget for this program is \$3.7 million total funds and eight positions.

Central Services

This program includes agency financial services, personnel, safety and information services, procurement, budget and fiscal resources management, staff training, information technology services, and centralized business services, such as fleet and purchasing management. The Reservations Northwest call center, which books reservations for Oregon State Parks, is also part of this program. Finally, the program provides public information and coordinates rulemaking.

In 2013, the Legislature approved the sale of \$5.1 million in lottery bonds; the proceeds of the sale are to pass through to a local entity in support of an effort to repurpose the old mill site at Willamette Falls in Oregon City. In 2015, the Legislature approved the sale of another \$7.5 million in Lottery Bonds for the Willamette Falls project, along with \$1.5 million for a Forest Park renewal project and \$2.5 million for Main Street Revitalization grants. The \$3.8 million debt service for Willamette Falls, Forest Park, and Main Street is non-Measure 76 Lottery Funds. The Governor's Budget for this program is \$41.1

million total funds and 79 positions.

Park Development

The Park Development program acquires new properties according to an investment strategy providing a framework for prioritizing additions to the parks system. The engineering division designs and engineers projects, survey's parklands and oversees construction for new parks and for maintenance and improvement of current properties. The Governor's Budget for this program is \$25.5 million total funds and eight positions.

Direct Services

The Direct Services program is responsible for operation of the state park system on a daily basis. This program oversees daily park services, functions and routine maintenance; it manages land, state scenic waterways, ocean shores programs, and natural resources. Recreational planning and programming includes land and water-based trail systems and the promotion of bicycling. The program includes the development and implementation of interpretive experiences. The Governor's Budget for this program is \$129.8 million total funds and 742 positions.

Community Support and Grants

The Community Support and Grants program administers five grant programs: The All-Terrain Vehicle grants, Land and Water Conservation grants, Local Government grants, the Recreational Vehicle County Opportunity grants and Recreational Trails grants.

Community Support and Grants also houses the Heritage Program, which includes the Assistant Director for Heritage programs, the State Historic Preservation Office and support for the Heritage Commission. The office administers federal and state programs for historic and archeological resource planning and preservation. The office also assists with the management, development, and interpretation of historic and cultural resources in the parks system.

The Governor's Budget for this program is \$58.9 million total funds and 27 positions. The Governor's Budget includes resources to pay for existing commitments and to meet the constitutional requirement that 12 percent of Measure 76 Lottery Funds go to local grants.

Water Resources Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$33,084,577 | \$36,722,794 | \$40,104,341 |
| Lottery Funds | 3,953,965 | 7,566,502 | 14,289,736 |
| Other Funds | 19,559,551 | 99,151,093 | 93,363,622 |
| Federal Funds | 641,406 | 875,519 | 716,840 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$57,239,499 | \$144,315,908 | \$148,474,539 |
| Positions | 170 | 177 | 170 |
| Full-time Equivalent | 166.43 | 171.79 | 165.44 |

OVERVIEW

The mission of the Water Resources Department is to serve the public by promoting responsible water management through two co-equal goals: directly addressing Oregon's water supply needs and restoring and protecting stream flows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life. The Department administers laws governing surface water and groundwater resources.

The programs align closely with the Department's core functions of protecting existing water rights, managing the issuance of new water rights, facilitating voluntary streamflow restoration, increasing the understanding of demands on the state's water resources, providing accurate and accessible water resource data, and facilitating water supply solutions. The Department's activities are overseen by the Water Resources Commission, a seven-member citizen board appointed by the Governor.

GOVERNOR'S BUDGET

The Governor's Budget for the Water Resources Department is \$148.5 million total funds. This is a 2.9 percent increase from the 2019-21 Legislatively Approved Budget. The Department has 170 positions. The Governor's Budget makes investments in dam safety and addresses the Department's increased legal costs.

The budget also makes two investments as recommended by the Racial Justice Council. These investments focus on equitable water access and indigenous energy resiliency. Both of these investments would be used to establish a place-based community centered program to address water needs of Black, Indigenous, Tribal, rural and communities of color by addressing water quantity and quality. Funding would also be used to assess hydropower resilience within Tribal communities.

Finally, the Governor's Budget makes a significant investment in the development of water resources across the state by investing bond proceeds in the Water Supply Fund, which will be used to assist in the financing of water resource projects having economic, environmental, and community benefits.

REVENUE SUMMARY

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

The Governor's Budget includes support of two legislative concepts to increase fees. One of the fees is within the Dam Safety program and the other is within the Water Rights program area. Unfortunately, fee revenue has not always kept pace with costs due to inflationary pressures on program expenditures, as well as the changing dynamics of some programs. As a result, the programs have become increasingly dependent upon General Fund. As they are now, these fees are not enough to sustain continued work.

AGENCY PROGRAMS

Administrative Services

The Administrative Services division provides business and administrative services to the Department. This includes budget preparation and execution, administration of human resource services, accounting and internal control, payroll and benefits, contracting, facilities management, risk management, employee development, reception and mailroom support services, transportation and telecommunications coordination.

The budget for Administrative Services is \$23.1 million total funds. This is a 77.7 percent decrease from the 2019-21 Legislatively Approved Budget. Nearly half the decrease is attributed to phase-outs of funding for completed or awarded projects. The other half of the decrease is related to moving some programs to better align the budget with where the work is being performed.

Field Services

The Field Services division regulates water uses based upon the water rights of record; assists water users in developing long-term water supply and conservation plans; inspects the construction of wells for the protection of the groundwater resources, inspects the construction and maintenance of dams for the protection of the public and environment; and collects hydrologic data that is made available for use by staff and the public for planning purposes. The division works with local watershed planning groups and local land use jurisdictions by providing technical information on surface water and groundwater.

The Governor's Budget for Field Services is \$16.9 million total funds. This is a 13.4 percent increase from the 2019-21 Legislatively Approved Budget. Most of this increase can be attributed to the movement of programs to better align the budget with where work is being performed.

Technical Services

The Technical Services division supports long-term water management by providing data and technical analysis. The division shares its work on aquifers, dams, drought and flood projections, groundwater investigations and management, surface water availability, well construction, and water use measurement and reporting with other agencies, stakeholders, the public and other entities.

The Governor's Budget for Technical Services is \$95.8 million total funds. This is a significant increase from the 2019-21 Legislatively Approved Budget. The budget includes \$20.9 million investment of bond proceeds to be used to provide grants and loans for water resource development projects that have economic, environmental and community benefits. These projects allow the state to partner with individuals and communities to implement water resources projects across the state. The division now houses much of the work that was transferred from Administrative Services. This shift better aligns the budget with where the work is being done.

Water Right Services

The Water Right Services division evaluates and acts upon applications for new water rights. Under Oregon law, almost all water users, including agricultural enterprises, cities and state agencies, must apply for and receive a water right before initiating water use. The division is responsible for the evaluation of both instream and out-of-stream water right applications and issuance of new water right permits and certificates. In addition, the division administers the following water right-related programs: limited water use licenses; drought related water use permits; water right adjudications; hydroelectric permitting; extensions; transfers; permit amendments; instream leasing, allocations of conserved water and water management and conservation plans. The Water Right Services division distributes the weekly public notice, responds to public inquires and evaluates public comments and protests concerning water use applications.

The Governor's Budget for Water Rights Services is \$8.2 million total funds. This is a 6.5 percent decrease from the 2019-21 Legislatively Approved Budget. The decrease is primarily due to a decline in Water Right fee revenue.

Director's Office

The Director's Office is responsible for developing and supervising the policies and programs that ensure water is managed in compliance with state law and meets the state in-stream and out-of-stream water needs. The Director's Office provides intergovernmental coordination, communications services, water supply development coordination, and leads the implementation of the Integrated Water Resources Strategy. The Office also supports the activities of the Water Resources Commission.

The Governor's Budget for the Director's Office is \$4.5 million total funds. This is a 9.9 percent decrease from the 2019-21 Legislatively Approved Budget. The decrease can be attributed to increased vacancy savings, elimination of some inflationary expenses, and an overall reduction in statewide costs.

Oregon Watershed Enhancement Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--------------------------------|--------------------------------------|
| General Fund | \$161,750 | \$0 | \$0 |
| Lottery Funds | 79,589,459 | 90,535,226 | 76,371,684 |
| Other Funds | 2,023,581 | 3,070,646 | 14,863,984 |
| Federal Funds | 27,968,015 | 45,304,270 | 48,011,159 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$109,742,805 | \$138,910,142 | \$139,246,827 |
| Positions | 33 | 34 | 32 |
| Full-time Equivalent | 33.00 | 34.00 | 32.00 |

OVERVIEW

The mission of the Oregon Watershed Enhancement Board (OWEB) is to protect and restore healthy watersheds and natural habitats supporting thriving communities and strong economies. To achieve this mission, OWEB provides grants to communities and other partners, where the funding is used to conserve and improve the condition of streams, rivers, wetlands, and natural habitat. The Agency also provides funding to support the capacity of watershed councils and soil and water conservation districts. OWEB has two programs:

- Operations Program – supports programs improving and enhancing Oregon’s watersheds, water quality, and habitat.
- Grants Program – distributes grants to local partners for the same purposes, funded with Measure 76 Lottery Funds revenues, Federal Funds, and salmon license plate revenue.

OWEB monitors and manages restoration projects, reports on implementation of the Oregon Plan for Salmon and Watersheds, and works with partners and citizens to increase the public’s understanding of healthy watersheds. Participation by landowners and communities is voluntary and focused on locally based on-the-ground projects.

GOVERNOR’S BUDGET

The Governor’s Budget for the Oregon Watershed Enhancement Board is \$139.2 million total funds and 32 positions. The budget makes investments in the state’s 100-Year Water Vision and continues Measure 76 Lottery Funds investments in watershed enhancement grants to local entities and basic staffing needs.

REVENUE SUMMARY

The 2021-23 Budget is supported by Lottery Funds, Other Funds, and Federal Funds. Since 1999,

OWEB has received Lottery Funds from the constitutional dedication in the Parks and Natural Resources Fund for restoration and protection of native fish and wildlife habitat and improved water quality. The dedication requires 65 percent of the revenue to be used for grants and 35 percent for operations. Most of OWEB's operations funding is allocated to other state agencies supporting the restoration and protection provisions of the constitution.

Lottery revenues were negatively impacted by the decline in video lottery revenues from bar and restaurant closures and restrictions due to COVID-19. The Governor's Budget for OWEB includes reductions to reflect the decline in revenues. If there are additional closures and restrictions in the 2021-23 biennium, this would again impact lottery revenues and likely cause further reductions to be made.

The primary source of federal revenue is the Pacific Coastal Salmon Recovery Funds. Other Funds revenue is derived from a salmon plate registration surcharge from the Oregon Department of Transportation, funds from the Pacific State Marine Fisheries Commission for a watershed project, and funding for a continuation of the Federal Forest Health Collaborative grants and support.

AGENCY PROGRAMS

Operations Program

This program administers the Department's grant programs. It includes all of OWEB's staff and administrative resources, which are focused on planning, coordination, assessment, implementation, and monitoring activities. The Governor's Budget for the Operations Program is \$10.9 million total funds and 32 positions. The program also engages in education outreach efforts and enters into agreements with willing landowners to obtain determinate interests in land and water for protecting watershed resources. The Department is led by an 18-member board including public members and representatives of other partner entities.

Grants Program

The Governor's Budget for the Grants Program is \$128.3 million total funds, no positions. Oregon's Measure 76 (2010) constitutionally dedicates 15 percent of lottery revenue to parks and natural resources. Of that amount, 7.5 percent of those revenues are dedicated to OWEB, where 65 percent is committed to capital projects for construction or acquisition projects. OWEB also awards grants funded with federal Pacific Coastal Salmon Recovery Funds, salmon license plate revenues, and funding received from the Oregon Department of Forestry for Forest Health Collaborative grants.

OWEB provides grants to help Oregonians take care of local streams, rivers, wetlands, and natural habitat across the state. Grants are awarded to local watershed councils, soil and water conservation districts, land trusts, and other local organizations. The funding is used to support activities associated with the restoration and protection of habitat to support native fish and wildlife and water quality. Capital expenditures include non-expendable personal property with at least a two-year life-span used for fish and wildlife law enforcement, conservation easements or leases, projects for fish or wildlife, water quality or stream flow and assessment, planning, design, technical assistance, monitoring and outreach for those projects.

TRANSPORTATION

Program Area and Agency Information



TRANSPORTATION AGENCIES

Transportation Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|------------------------|--------------------------------|------------------------------|
| General Fund | \$23,456,104 | \$25,306,026 | \$18,371,940 |
| Lottery Funds | 113,596,785 | 115,592,980 | 125,155,188 |
| Other Funds | 3,189,567,634 | 4,246,477,189 | 5,322,472,908 |
| Federal Funds | 83,581,504 | 124,983,114 | 132,057,124 |
| Other Funds (Nonlimited) | 159,904,194 | 708,591,207 | 18,000,000 |
| Federal Funds (Nonlimited) | 20,156,997 | 21,243,619 | 0 |
| Total Funds | \$3,590,263,218 | \$5,242,194,135 | \$5,616,057,160 |
| Positions | 4,721 | 4,883 | 4,772 |
| Full-time Equivalent | 4,500.50 | 4,725.58 | 4,666.78 |

OVERVIEW

Quality airports, roads, bridges and highways help keep Oregon's economy strong. Workers use the transportation system to get to and return from their jobs. Businesses depend on the delivery of materials and supplies to prosper. Every region of Oregon relies on transportation to assure economic growth and improve Oregon's quality of life. The Transportation Program Area currently includes two agencies: the Department of Aviation and the Department of Transportation.

Approximately three percent of program area activities are supported by General Fund and Lottery Funds, which are used for debt service for the State Radio Project, rail construction projects, short line rail infrastructure loans, Oregon streetcar projects, light rail projects and investments in multimodal, non-highway infrastructure (*ConnectOregon*). Other Funds revenue sources include fuel taxes, motor vehicle and aircraft registrations, driver license fees, and airport leases. Federal Funds support highways, transit, and airport improvement programs. Federal Highway dollars are budgeted and spent as Other Funds. All other Federal Funds are budgeted and spent as Federal Funds.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The budget for the Transportation Program Area is \$5,616.1 million total funds, a 7.1 percent increase from the 2019-21 Legislatively Approved Budget. General Fund and Lottery Funds total \$143.5 million, a 1.9 percent increase from 2019-21 levels. The increase in General Fund and Lottery Funds pays debt service for previously authorized projects.

Oregon is an infrastructure leader. In an effort to remain at the leading edge of innovation to help people get to their jobs, transport children to school, move goods and services to market all while addressing greenhouse gas emission, the Governor's Budget makes several key investments.

Key elements of the Governor's Budget for the Transportation Program Area are outlined below:

- *Newberg and Dundee Bypass*. Investing in Phase 2 of the project from OR 219 through the south side of Newberg which will connect the bypass to OR 99W east of Newberg.
- *Keep Oregon Moving projects*. The budget invests \$880 million of Highway User Tax Revenue Bonds proceeds in projects identified in House Bill 2017, which passed the Legislature in 2017. The projects are located in the Portland metropolitan area.
- *Facilities Capital for ODOT*. The budget increases funding for three Capital Improvement projects. Two of the projects will replace obsolete maintenance stations, including one in Meacham and one in Coos Bay. The Coos Bay facility will also serve as a triage facility during major emergency situations, which will support Oregon's Resilience Plan. The third project replaces heating, ventilation and cooling systems in several regions to reduce operational costs.

Oregon's Transportation sector as a whole must continue its evolution from a traditional focus on a network of roads and highways to a system including various kinds of transportation. A system that moves our families and our freight, builds communities, and provides a critical foundation for a robust economy. Transportation agencies, along with other agencies, must continue to lead, promote and invest in all modes of transportation. The transportation system of the future must leverage new and varying types of housing development and evolving freight demands in rural and urban communities across the state. This future transportation system also encompasses significant reductions in greenhouse gas emissions, consistent with Oregon's climate emission goals, as well as reducing other pollutants.

Oregon Department of Aviation

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 12,429,592 | 20,035,792 | 20,949,490 |
| Federal Funds | 7,081,965 | 11,312,356 | 6,131,467 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$19,511,557 | \$31,348,148 | \$27,080,957 |
| Positions | 15 | 16 | 13 |
| Full-time Equivalent | 14.59 | 15.49 | 12.59 |

OVERVIEW

The Oregon Department of Aviation (ODA) advocates for the safe operation, growth and improvement of aviation and is responsible for the planning and development of a safe and efficient aviation system in Oregon. The Department manages a number of programs including Search and Rescue, General Aviation Entitlement, Pavement Maintenance, Aircraft Registration and Capital Construction projects at airports.

GOVERNOR'S BUDGET

The 2021-23 biennium budget is \$27.1 million total funds, a decrease of 13.6 percent from the 2019-21 Legislatively Approved Budget. The decrease is primarily due to the impact of the COVID-19 pandemic on aviation fuel consumption, which results in the elimination of two positions and reductions to Services and Supplies, including professional services contracts. The budget supports 13 positions.

REVENUE SUMMARY

Aviation and jet fuel tax revenues are the primary source of funding for the agency's operations. The tax on Aviation Gas (avgas) is \$0.11 per gallon and the tax on jet fuel is \$0.03 per gallon. These fuel taxes make up approximately 43 percent of the agency's Other Funds revenues. Additional sources of revenue include aircraft registration, hangar and site leases, and other charges for services. Additionally, the Department receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects.

The revenue outlook for ODA is severely impacted by the COVID-19 impact on airlines. The recommended budget assumes aviation fuel consumption will remain reduced based on data from the federal Bureau of Transportation Statistics and industry projections.

With the passage of House Bill 2075 (2015), aviation gas tax and jet fuel tax were increased to their current rates and with the passage of Senate Bill 269 (2015), aircraft registration fees and airport

licensing fees were also increased. The Governor's Budget includes the proposal to remove the January 2, 2022 sunset for the aviation gas tax and jet fuel tax increases. In addition, the budget includes revenues from a legislative concept for a new fee. This new fee will cover the cost of agency evaluations of structures exceeding 2,000 feet.

AGENCY PROGRAMS

Operations

The Operations Division oversees the administration, operation, and maintenance of 28 state-owned, public use airports through four program areas: Statewide Services, Airport Services, Airport Maintenance and Planning. The Division also provides the core services of the Department covering planning, land use, evaluation of tall structures and inspections of airports and site surveys of proposed new airports.

The Governor's Budget for Operations is \$6.7 million total funds and 12 positions. Due to projected aviation fuel tax revenue shortfalls, three positions are eliminated, costs for services and supplies are reduced, and the ending balance from the Rural Oregon Aviation Relief (ROAR) program is transferred to support Operations. The main source of funding is fuel tax revenue, which is transferred to the Department from the Oregon Department of Transportation. Other revenues include money from aircraft registration fees, public airport registration fees, aircraft dealer license fees, leases, tie down revenue, and fuel flowage fees.

General Aviation Entitlement

The General Aviation Entitlement Program administers FAA funded projects, which do not meet the Capital Budgeting threshold. These projects address safety, operations, and development at airports in Oregon. FAA grants are generally funded at 90 percent of project costs with the remaining 10 percent paid by the airport sponsor (owner). The agency owns 28 airports, 12 of which are part of the National Plan of Federal Integrated Airport Systems (NPIAS). The General Aviation Entitlement Program has four sections:

- Capital Improvement Planning – conducts annual safety, operations and infrastructure development evaluations of the 12 state-owned NPIAS airports.
- Capital and Construction Project Management - manages federal grant assurance obligations and receives federal funding for qualifying projects.
- Airport Improvement Project Grant Administration and Management - administers capital improvement and construction project grants at the 12 state-owned NPIAS airports for safety, operations, and infrastructure development.
- Administration of a two-cent increase in fuel tax funding - General Aviation Entitlement will provide funding for grants to airports throughout the state for economic development, FAA grant match and emergency preparedness and will assist with funding of commercial air service to rural Oregon.

The Governor's Budget for General Aviation Entitlement is \$4.6 million total funds with 90 percent of these resources coming from FAA grants. The state provides the remaining 10 percent as match for the federal grants. Funding for safety improvements at state-owned airports, commercial air service to rural Oregon and grants for economic development, FAA grant match and emergency preparedness are funded from two cents per gallon of aviation and jet fuel tax. There are no positions in this program.

Pavement Maintenance

Pavement Maintenance is a state-funded aid program to assist airports with pavement preventive maintenance. As noted in the Oregon Aviation Plan, this is the most cost-effective means to preserve the system's airport pavement and pavement infrastructure. The program evaluates airport pavement at one third of the state airports each year. The year following the evaluation, airports agreeing to have work done are scheduled for pavement maintenance work with contractors hired by the agency. The Pavement Maintenance program provides funding for an average of 14 airports per year. There are 66 paved public use airports in the state.

The Governor's Budget for the Pavement Maintenance program is \$1.6 million total funds. The Oregon Department of Transportation collects a half cent per gallon of jet fuel and four cents per gallon of aviation fuel, then transfers these fuel tax revenues to fund this program. There are no positions in this program.

Aircraft Registration

The Aircraft Registration program registers over 3,700 aircraft per year. The Aircraft Registration program manages and administers the AERO II software system that houses aircraft and pilot registration information. Registering aircraft in Oregon provides the primary source of Other Funds revenue for the FAA required match on all airport improvement grants received from the FAA. The FAA sponsor match requirement is 10 percent of the total project costs for design and construction.

The budget for Aircraft Registration is \$0.2 million total funds and one position. The aircraft registration fees fund this program, as well as provide the 10 percent match for General Aviation Entitlement Programs. The budget continues support for the program as it currently exists.

Aviation Systems Action Program

Until the 2019-21 biennium, this program was part of the General Aviation Entitlement Program. It was separated from that program in order to track expenditures from the jet fuel and aviation gas tax increases passed in the 2015 Legislative Session. This program provides grants to airports throughout the state for economic development, FAA grant match, and emergency preparedness. The program also assists with funding commercial air service to rural Oregon and providing funding for safety improvements at state owned airports. The recommended budget for this program is \$14.0 million and is based on a legislative concept to remove sunset language from the aviation fuel tax law. There are no positions in this program.

Capital Construction

The Capital Construction program is similar to the General Aviation Entitlement program, which administers FAA funded projects to address safety, operations, and infrastructure development at

airports in Oregon. The only difference between the two programs is the projects in this program exceed \$1.0 million.

Revenue for this program comes from FAA grants and state match from aircraft registration fees. Due to revenue uncertainty, there are no capital projects included in this budget.

Oregon Department of Transportation

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|------------------------|--------------------------------|------------------------------|
| General Fund | \$23,456,104 | \$25,306,026 | \$18,371,940 |
| Lottery Funds | 113,596,785 | 115,592,980 | 125,155,188 |
| Other Funds | 3,177,138,042 | 4,226,441,397 | 5,301,523,418 |
| Federal Funds | 76,499,539 | 113,670,758 | 125,925,657 |
| Other Funds (Nonlimited) | 159,904,194 | 708,591,207 | 18,000,000 |
| Federal Funds (Nonlimited) | 20,156,997 | 21,243,619 | 0 |
| Total Funds | \$3,570,751,661 | \$5,210,845,987 | \$5,588,976,203 |
| Positions | 4,706 | 4,867 | 4,759 |
| Full-time Equivalent | 4,485.91 | 4,710.09 | 4,654.19 |

OVERVIEW

The Oregon Department of Transportation's (ODOT) mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregon. The Department is involved in planning for and maintaining highways, roads and bridges; railways and public transportation services; bicycle and pedestrian paths; transportation safety programs; driver and vehicle licensing; and motor carrier regulation. ODOT works with a variety of organizations on these diverse issues. The Department is under the direction of a five-member Oregon Transportation Commission, whose members are appointed by the Governor and confirmed by the Senate.

The Oregon Transportation Commission performs the following primary duties:

- Provides policy and oversight for programs relating to rail, highway, motor vehicles, public transit, transportation safety and other transportation-related activities.
- Develops and maintains a state transportation policy and comprehensive, long-range plan for a multi-modal transportation system that fosters innovation.

The major programs within ODOT are Delivery and Operations, Driver and Motor Vehicles Services, Commerce and Compliance, Transportation Development, Debt Service, Support Services, ODOT Headquarters, Finance and Budget, and Capital Improvements. Delivery and Operations includes several subprograms, as does Transportation Development.

GOVERNOR'S BUDGET

The Governor's Budget for ODOT is \$5,589.0 million total funds. This is a 7.3 percent increase from the 2019-21 Legislatively Approved Budget. General Fund and Lottery Funds pay for debt service, with General Fund paying for the Oregon State Police share of the State Radio Project and Lottery Funds paying debt service for previous *ConnectOregon* I, II, III, IV, VI and other major statewide

transportation investments. The budget includes funding for 4,759 positions. This budget includes increased vacancy savings to begin aligning costs with expected revenues and invests in the following capital projects: the Rose Quarter and I-205 projects in the Portland metropolitan area, another phase of the bypass at Newberg-Dundee, and modern maintenance stations in Coos Bay and Meacham and for Heating, Ventilation, and Cooling replacement projects to reduce operational costs. The maintenance station in Coos Bay would act as a triage station in catastrophic emergency situations.

REVENUE SUMMARY

The majority of the Department's revenue comes from motor fuels tax, weight-mile tax collections and motor vehicle licensing and registration fees. However, State Highway Fund revenues from gas sales are not growing at previously predicted rates, in part because the fleet is becoming more fuel-efficient and because people are driving fewer miles than anticipated. Legislation passed in 2017 partially offsets this decline.

In 2017, the Keep Oregon Moving Act (House Bill 2017) was adopted, producing an estimated \$5.3 billion in total revenue from 2017-2027. When all taxes and fees are in place in 2024, Keep Oregon Moving will produce \$500 million in State Highway Fund revenue annually. The increase in revenue is generated with increases in motor fuels tax and vehicle title and registration fees over a seven year period.

Net proceeds from the State Highway Fund are shared with cities and counties on a formula basis after appropriate collection costs have been deducted by ODOT. The Department also collects various special fees and surcharges that are transferred to other state and local agencies. A portion of state fuel taxes collected for various special classes of vehicles, such as boats and snowmobiles, are also transferred to other state agencies for use in programs benefiting the users of these vehicles.

The Department also receives funds from the federal gas tax, which has not been raised since 1993. Consequently, the federal Highway Trust Fund has lost nearly 45 percent of its purchasing power since that time. When the federal Highway Trust Fund first ran short of cash in 2008, Congress began transferring other resources into the Fund. These transfers have prevented deep cuts in the federal transportation program, but have not solved for the need for long-term, sustainable revenue. The Fixing America's Surface Transportation Act (FAST Act), the federal surface transportation authorization legislation, was due to end in September 2020, however has been extended by one year. By October 2021, Congress will need to provide additional resources, cut transportation funding by 20-25 percent, or pass a new reauthorization bill with adequate resources. This ongoing instability with the program and the potential for a reduction in federal revenue will impact Oregon's ability to plan for transportation projects.

AGENCY PROGRAMS

Nonlimited

Nonlimited programs contain the Oregon Transportation Infrastructure Bank (OTIB) that was established in 1997 as a revolving loan fund. It makes loans to local governments, transit providers, ports and other eligible borrowers to pay for the design and construction of transportation projects that

involve many partners such as local agencies, state agencies, the Federal Highway Administration. The loans are specifically targeted to help local government maximize resources to complete the projects that meet community needs.

The OTIB was capitalized with a combination of federal and state funds and interest earnings. Revenue bonds may also be issued to provide additional capitalization. As loans are repaid, the principal and interest is returned to the OTIB to be made available for new loans. Staffing for OTIB is included in the Financial Services program of the Central Services Division.

The Governor's Budget provides \$18.0 million Other Funds for the OTIB. The budget supports the continuation of existing programs.

Capital Improvements

The Capital Improvements program provides additions and/or enhancements to existing facilities (buildings) for department projects that cost less than \$1.0 million. ODOT must maintain, preserve, repair, and restore existing highways to keep them safe and useable for travelers. To do this work, ODOT needs facilities that are capable of housing equipment and machinery that perform highway maintenance activities. The Capital Improvements program uses a prioritized statewide schedule that addresses the facilities in the most critical need of repair.

The Governor's Budget for Capital Improvements is \$17.4 million Other Funds, which is the same as the 2019-21 Legislatively Approved Budget. The revenue for this program comes from the State Highway Fund.

Capital Construction

The Department's Capital Construction program provides funds for modern, cost-effective facilities (buildings). Highway construction projects are not treated as Capital Construction projects in the budget because those projects are statutorily exempt from the definition of "Capital Construction," which is defined as projects equal to or greater than \$1.0 million.

The Governor's Budget for the program is \$32.0 million Other Funds. The revenue for this program comes from the State Highway Fund and the sale of certain department properties. The budget invests in replacing antiquated maintenance stations on the South Coast at Coos Bay and in Meacham. Over 30 percent of ODOT maintenance stations are over 60 years old. These buildings are outdated and impact the Department's ability to meet current operational needs. The budget also invests in modern heating, ventilation, and cooling systems in Roseburg, LaGrande, and Bend, which will reduce utility costs.

Delivery and Operations

Oregon has almost 74,000 miles of roads owned by federal, state, county and city governments. State highways comprise a little more than 11 percent of total road miles, but carry 58 percent of the traffic and more than 20.7 billion vehicle miles per year. The state highway system provides access to intrastate, interstate and international markets for traded sector goods. It also provides critical linkages between our communities around the state and domestic and international markets served by our airports, marine terminals and rail lines. The program works to ensure this goal by maintaining,

preserving and repairing the state highway system. This program includes the following components:

Maintenance - The Maintenance program provides funds for activities that include replacing what is necessary to keep the highways safe such as signs, pavement markings and traffic signal components, but generally does not include road reconstruction.

The Governor's Budget for maintenance is \$551.2 million Other Funds and 1,375 positions, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Government.

Preservation - The Preservation program maintains the pavement of Oregon's highways to prevent them from becoming a threat to safe travel, from costing more to rebuild and from having a negative effect on the state's economy. The Preservation program reduces maintenance costs and adds useful life to a road without increasing its capacity, primarily through pavement resurfacing. The Preservation program maintains a statewide Pavement Management System that monitors and forecasts pavement conditions on state highways.

The Governor's Budget for preservation is \$428.9 million Other Funds and 133 positions, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration. The budget continues current program activities.

Bridge - The Bridge program is responsible for the inspection, preservation, design standards, load capacity evaluation and asset management of more than 2,700 highway bridges, overcrossings, railroad under-crossings, tunnels and other structural elements. This work extends the life expectancy of bridges, reducing the number of bridges with weight restrictions and limiting detours around structurally deficient bridges. Routine bridge inspections are performed every two years, as well as periodic in-depth inspections for special structures such as fracture critical bridges, bridges prone to fatigue cracking, underwater features, coastal bridges and tunnels.

The Governor's Budget for the Bridge program is \$473.1 million Other Funds and 184 positions, which continues support for existing programs.

Highway Operations - Highway Operations is comprised of two separate programs – Highway Safety and Highway Operations. The primary purpose of the Department's Highway Safety program is to reduce the number of fatal and serious injury crashes on the state system. The Highway Safety Improvement program provides for infrastructure improvements using low cost and cost effective countermeasures on target highway segments or intersections with a history of crashes. The primary purpose of ODOT's Highway Operations program is to improve the safety and efficiency of the transportation system through operational improvements and enhanced system management. The key components of the Operations program include traffic signals, signs and roadway lighting, Intelligent Transportation Systems, and landslide and rock fall mitigation.

The Governor's Budget for Highway Operations is \$419.3 million Other Funds and 194 positions, which in addition to continued support for existing programs also makes investments in Safe Routes to Schools. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Modernization - Modernization projects add capacity to the highway system by adding lanes, widening bridges, rebuilding roads with major alignment improvements or major widening, building new road alignments, or new facilities such as by-passes. These projects improve safety, relieve congestion and allow more efficient movement of people and goods across the state. The Modernization program improves the capacity and efficiency of the system, which can reduce transportation costs and makes locating or doing business in Oregon more attractive to traded sector companies.

The Governor's Budget for Modernization is \$1,048.9 million Other Funds and 199 positions, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration. This program also includes projects for the Dundee bypass, Rose Quarter and I-205 projects

Special Programs - Special Programs provides indirect, technical and program support for projects, construction, maintenance and planning. It also delivers construction projections and services for the pedestrian and bicycle, salmon and watersheds, forest highway, winter recreation parking, and snowmobile facilities programs.

The Governor's Budget for Special Programs is \$520.6 million Other Funds and 594 positions. The budget continues program activities. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Local Government -The Local Government program provides project delivery oversight and program administration for the development and delivery of transportation improvement projects within local jurisdictions. This program also supports various local and discretionary transportation programs funded by the state or federal government. It also accounts for approximately 25 percent of Oregon Statewide Transportation Improvement Program funding and up to 30 percent of the projects delivered among ODOT regions and program years.

The Governor's Budget for the Local Government program is \$295.7 million Other Funds and 54 positions, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Driver and Motor Vehicle Services

The Driver and Motor Vehicles Services division (DMV) promotes driver safety, protects financial, and ownership interests in vehicles and collects revenues for Oregon's highway system. DMV Services provide services to almost every Oregonian by issuing over 600,000 driver licenses and ID cards, one million vehicle titles and almost two million vehicle registrations each year. The DMV provides driver licensing, vehicle titling and registration, and driver/vehicle records. The Governor's Budget for DMV Services is \$248.1 million total funds and 879 positions. The budget provides funding for DMV to continue the current level of service.

Funding is almost entirely derived from fees collected for driver licensing, vehicle title/registration and records. Fees collected from business licenses and Identification Cards are deposited in the Transportation Operating Fund to support business regulation activities and senior and disabled transportation. Federal funding also comes to the Department from the U.S. Department of

Transportation's Federal Motor Carrier Safety Administration, the U.S. Department of Homeland Security and the U.S. Department of Justice.

Commerce and Compliance

The Commerce and Compliance program promotes a safe, efficient and responsible commercial transportation industry. This program regulates a diverse industry ranging from one-truck owner-operators to carriers with large fleets from throughout the United States and Canada that operate on Oregon public roads. Additionally, the Commerce and Compliance program helps truckers obey Oregon laws and regulations relating to economic regulation, registration, safety, freight mobility and truck size and weight. This program processes tax and fee payments that contribute nearly one-third of all money received for the State Highway Fund.

The Commerce and Compliance program operates Ports of Entry, weigh stations and portable scale sites that check millions of trucks each year to make sure they operate within vehicle size and weight limits so they do not damage the highway infrastructure or create a hazard to the motoring public.

The Governor's Budget for the Commerce and Compliance program is \$83.5 million Other Funds and 293 positions, which continues support for existing programs. The funding comes from the State Highway Fund.

Transportation Development

Transportation Development plans and coordinates the future use of transportation resources among state, federal and local agencies to design and operate an efficient transportation system. This program includes the following elements.

Policy, Data and Analysis - The Policy, Data, and Analysis program plans and coordinates the future use of transportation resources among state, federal, and local agencies to design and operate an efficient transportation system. This program provides the foundation for decision making to address transportation needs through its research, data collection and planning responsibilities. The program also provides grant opportunities for the building of infrastructure. Major program activities include statewide and regional studies, analysis and research, the statewide transportation improvement program development and oversight, and transportation system projects. This program also includes the Climate Office, which implements Executive Order 20-04.

The recommended budget for the Policy, Data and Analysis program is \$190.4 million total funds and 232 positions. The budget continues program activities. Revenue comes from the State Highway Fund and Lottery Bond proceeds (expended as Other Funds) for ConnectOregon. The Federal Funds sources come from the Federal Highway Administration and the National Highway Traffic Safety Administration.

Public Transit - The Public Transit Division provides grants, policy leadership, training and technical assistance to communities and local transportation providers. The division also assists in the development and use of transit, ridesharing and other alternatives to driving alone as ways to reduce congestion, diminish environmental impacts and make efficient use of Oregon's transportation system. The division also works to provide travel options for older adults and people with disabilities.

Transit program funds are primarily distributed to local service providers in three ways: 1) through a formula based primarily on service-area population; 2) through a formula based on the number of rides given and miles traveled; and 3) through a biennial discretionary grant solicitation that combines the multiple sources of federal and state funding.

The Governor's Budget for Public Transit is \$335.4 million total funds and 28 positions. Revenue comes from federal grants and a payroll tax that became effective July 1, 2018 to be used primarily for formula allocations and competitive grants to local transit agencies.

Rail - The Rail program works to ensure compliance with state and federal regulations related to railroad track, locomotives, cars, hazardous material transport, employee safety, operating practices and rail transit safety. This program is critical to reduce the potential for derailments, accidents and the potential release of hazardous materials. The State Safety Oversight program is responsible for establishing standards for rail safety and security practices and procedures within its purview. The Crossing Safety Program enforces state statutes and administrative rules as well as federal laws and regulations related to crossing safety. The Operations Section manages the equipment acquisition and maintenance for the Oregon portion of the Pacific Northwest Rail Corridor Cascade Fleet and administers the state-supported AMTRAK Cascades intercity passenger rail.

The Governor's Budget for Rail is \$66.6 million total funds and 33 positions. The budget continues existing operations.

Transportation Safety - The Transportation Safety division organizes, plans and conducts a statewide transportation safety program by coordinating activities and programs with other state agencies, local agencies, non-profit groups and the private sector. The division serves as a clearinghouse for transportation safety materials and information and cooperates and encourages research and special studies to support legislative initiatives and new programs.

The Governor's Budget for Transportation Safety is \$39.1 million total funds and 27 positions. The budget continues support for existing programs. The funding for this program comes from a variety of resources including fees charged by the Driver and Motor Vehicle Services division, the Transportation Operating Fund (non-highway tax dollars) and grants from the Federal Highway Administration and the National Highway Transportation Safety Administration.

Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. The Governor's Budget for the Debt Service program is \$543.9 million total funds. General Fund debt service is for the Oregon State Police share of the State Radio Project. Lottery Funds support the Department's debt service on *ConnectOregon* I, II, III, IV and VI.

Support Services

The Support Services program provides the following across the agency: audit services, business services, facilities, financial services, human resources, information systems and the procurement office. The Governor's Budget for Central Services is \$167.8 million total funds and 366 positions. The budget continues support for existing programs. Central Services is primarily funded by the

Department's operating divisions through an assessment mechanism. Each division is assessed a prorated share of the Central Services operating costs, excluding the Financial Services Fuels Tax Program. Fuels Tax Program costs are recovered from gross Motor Fuels Taxes and Weight-mile Taxes.

ODOT Headquarters

This program includes the Director's Office, Government Relations, Communications, Business Management, Agency Performance and Strategy, Audit Services, the Office of Civil Rights, and the Office of Innovation. The Innovative Partnership Program, which works with the private sector and units of government to deliver new, innovative projects that best serve the public interest, is part of the Office of Innovation. The recommended budget for ODOT Headquarters is \$59.6 million total funds. This is a new budget structure, which includes 88 positions. The primary source of revenue is Other Funds derived through prorated internal agency assessments.

Finance and Budget

The Finance and Budget program includes financial, budget and economic-financial analysis services for the entire agency. Financial services include, but are not limited to, accounting, payroll support, contractor payments, travel claims processing, financial training, coordination and reporting, debt management, collection services, cost allocation, and billing. The program also includes delivery and operations budget, position fiscal management, fiscal impact statements for the legislature, business analysis coordination, cash management, maintenance management system, and claims against others. The recommended budget for Finance and Budget is \$49.5 million total funds. This is a new budget structure, which includes 80 positions (80.00 FTE). The primary source of revenue is Other Funds derived through prorated internal agency assessments.

CONSUMER AND BUSINESS SERVICES

Program Area and Agency Information



CONSUMER AND BUSINESS SERVICES AGENCIES

Consumer and Business Services Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------|--------------------------------|------------------------------|
| General Fund | \$12,855,950 | \$16,193,497 | \$17,238,841 |
| Lottery Funds | 0 | 250,000 | 0 |
| Other Funds | 351,785,095 | 518,812,090 | 534,990,087 |
| Federal Funds | 16,497,754 | 103,030,689 | 122,724,567 |
| Other Funds (Nonlimited) | 229,574,885 | 266,727,994 | 218,897,230 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$610,713,684 | \$905,014,270 | \$893,850,725 |
| Positions | 1,449 | 1,480 | 1,457 |
| Full-time Equivalent | 1,434.89 | 1,466.47 | 1,436.19 |

OVERVIEW

Consumer and Business Services agencies protect consumers and workers and promote a positive business climate in the state. Agencies within the Consumer and Business Services Program Area include:

- Department of Consumer and Business Services (DCBS): Protects consumers and workers in matters of workers compensation, occupational safety and health, financial services and insurance and state building codes, while supporting a positive business climate.
- Bureau of Labor and Industries (BOLI): Protects employment rights and access to housing, career schools and public accommodations free from discrimination; enforces wage and hour laws; promotes the development of a skilled workforce; and provides training to employers.
- Public Utility Commission (PUC): Works to ensure safe and reliable utility services are provided to consumers at equitable and reasonable rates through regulation, while also promoting the development of competitive markets; and regulates customer rates and services of investor-owned electric, natural gas, and telephone utilities, as well as certain water companies.
- Regulatory boards: Protects customers of various professional services, ensures that only qualified people are licensed or bonded, and sets and ensures standards of conduct.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget contributes to the physical and financial well-being of consumers by funding strategic legislative reforms designed to adapt to changes in the business environment across a variety

of fields. The budget for DCBS accounts for a transfer of responsibility of the Oregon Health Insurance Marketplace and the Compact of Free Association Premium Assistance Program to the Oregon Health Authority. Additionally, the budget for DCBS includes investments in planning for upgrades to its Workers Compensation IT system. The budget for BOLI includes investments in diversity, equity and inclusion, as well as investments in the Civil Rights Division to improve claims processing and better support Oregon's workforce. The Governor's Budget for PUC supports affordable services by adjusting the Oregon Telephone Assistance Program discount from \$3.50 to \$10.00.

The budgets for the various regulatory boards continue investments in consumer protection by maintaining current service levels. Additionally, the Governor's Budget supports quality customer service, increased transparency, and timely processing of license applications, through continued investments in administrative and licensing staff.

The budget includes a recommended structural change for the Health Related Licensing Board. During the second year of the 2021-23 biennium, licensing boards that formerly operated under the Health Related Licensing Board structure will transition to operating under the Oregon Health Authority's Health Licensing Office. The Boards will retain their authority, oversight and structure, while administratively operating from the Health Licensing Office.

Other Funds and Federal Funds provide roughly 98 percent of the budget for this program area. The majority of operations for PUC, DCBS, and the programs of all regulatory boards, are funded with Other Funds. Two percent of the Consumer and Business Services Program Area budget is General Fund, totaling \$17.2 million for BOLI.

Oregon Board of Accountancy

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 2,334,613 | 2,788,351 | 3,157,159 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$2,334,613 | \$2,788,351 | \$3,157,159 |
| Positions | 8 | 8 | 8 |
| Full-time Equivalent | 7.50 | 7.50 | 7.50 |

OVERVIEW

Legislatively created in 1913, the mission of the Oregon Board of Accountancy is to protect the public by regulating the practice and performance of all services provided by licensed accountants. The Board is composed of seven members who are appointed by the Governor. Five members are certified public accountants, one member is a public accountant and one public member is unaffiliated with the profession.

The Board staff evaluates and approves licensing qualifications, registers public accounting firms, reviews and reinstates qualified practice permits and firm registrations, investigates complaints, and enforces public accounting regulations through disciplinary actions. Approximately 9,000 certified public accountants, municipal auditors, public accountants, and accounting firms are overseen by the Board.

RECOMMENDED BUDGET

The Governor's Budget is \$3.2 million total funds. This is a 13.2 percent increase from the 2019-21 Legislatively Approved Budget and includes eight positions. The Agency will be able to continue services at their current level.

REVENUE

The Board is funded entirely with Other Funds. Approximately 94 percent of revenue received is from professional licensing fees and approximately six percent comes from fines and forfeitures assessed for violations of statute or rule and interest earnings.

Board of Chiropractic Examiners

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,967,830 | 2,260,448 | 2,121,070 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,967,830 | \$2,260,448 | \$2,121,070 |
| Positions | 6 | 6 | 6 |
| Full-time Equivalent | 5.10 | 5.10 | 5.10 |

OVERVIEW

The Board of Chiropractic Examiners was established in 1915 to protect the health, safety, and welfare of the public in all matters of chiropractic care by setting a national standard in educating, licensing, and regulating chiropractic licensees. The Board ensures public protection by setting standards for entry to practice, examination of applicants, issuance and renewal of licensing, ensuring licensees complete continuing education, rulemaking, and setting practice guidelines for more than 2,000 active and inactive Doctors of Chiropractic and 1,800 Chiropractic Assistants. The Board also conducts investigations for all complaints received.

The Governor appoints the seven-member board, which includes five chiropractic physicians and two public members. The Board sets requirements for licensure, establishes policies, reviews investigative cases, and takes disciplinary or other action where appropriate. It also appoints and reviews the work of the Executive Director.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Chiropractic Examiners is \$2.1 million total funds. This represents a 6.2 percent decrease from the 2019-21 Legislatively Approved Budget. The Board is comprised of six staff members.

REVENUE SUMMARY

The Board is funded entirely with Other Funds revenue generated from fees paid for professional licenses, examinations and miscellaneous revenue. The Board receives 93.5 percent of its revenue from licensure, application and examination charges from licensees. Civil penalties, cost recovery, and late renewal fee account for 6.4 percent of revenues. Miscellaneous charges for copies, labels, and lists accounts for the remaining 0.1 percent of revenues.

Construction Contractors Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 13,845,585 | 15,038,579 | 17,481,456 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$13,845,585 | \$15,038,579 | \$17,481,456 |
| Positions | 60 | 61 | 60 |
| Full-time Equivalent | 60.00 | 61.00 | 60.00 |

OVERVIEW

The Construction Contractors Board regulates construction contractors and promotes a competitive business environment through testing and licensing contractors, investigating complaints, adjudicating claims, and educating customers and contractors. The agency focuses on contractor accountability and protects the public interest relating to improvements to real property. The Board consists of nine members appointed by the Governor, including six contractors, one elected representative of local government, and two public members.

GOVERNOR'S BUDGET

The Governor's Budget for the Construction Contractors Board is \$17.5 million total funds and supports 60 positions. This is a 16.2 percent increase from the 2019-21 Legislatively Approved Budget. Currently, the agency has 39,855 licensees, consistent with the 39,846 at the same time in 2019. The budget supports current operations and adds expenditure capacity to cover Services and Supplies costs.

REVENUE SUMMARY

The Construction Contractors Board relies entirely on Other Funds from contractor license fees, complaint processing fees, and civil penalty payments. While the agency does not receive any General Fund, 80 percent of the civil penalty revenue is sent to the General Fund. This contribution to the General Fund is projected to be \$1.1 million for the 2021-23 biennium.

Department of Consumer and Business Services

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$1,299,319 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 224,955,675 | 367,014,796 | 371,149,484 |
| Federal Funds | 14,624,345 | 100,670,278 | 119,746,686 |
| Other Funds (Nonlimited) | 167,064,244 | 211,515,831 | 172,013,483 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$406,644,264 | \$680,500,224 | \$662,909,653 |
| Positions | 956 | 963 | 934 |
| Full-time Equivalent | 947.91 | 957.92 | 929.55 |

OVERVIEW

The Department of Consumer and Business Services (DCBS) is Oregon's largest business regulatory and consumer protection agency. The Department administers programs that protect consumers and workers while supporting a positive business climate in the state. The Department's four main areas of regulation are:

- Workers Compensation;
- Occupational Health and Safety (OSHA);
- Financial Regulation;
- Building Codes.

GOVERNOR'S BUDGET

The Governor's Budget for DCBS is \$662.9 million total funds. This is a 2.6 percent decrease from the 2019-21 Legislatively Approved Budget, largely the result of the transfer of the Oregon Health Insurance Marketplace and the Compact of Free Association (COFA) Premium Assistance Program to the Oregon Health Authority. The budget also supports current agency programs, makes staffing investments to increase workplace safety, and invests in an information technology system upgrade for workers' compensation. Additionally, the budget for the Workers Benefit Fund is reduced to better align with planned expenditures.

REVENUE SUMMARY

The Department receives its revenues from over 500 dedicated fees, assessments, and charges. The two largest revenue sources are the Workers' Benefit Fund Assessment and the Workers' Compensation Premium Assessment. For the Workers' Benefit Fund, employers and employees each contribute 2.4 cents per hour worked to support the services included in the 2021-23 Governor's Budget. For the Workers' Compensation Premium Assessment, most employers will pay an assessment of 9.0 percent on workers' compensation premiums to support the programs included in

the 2021-23 Governor's Budget, an increase from the current rate of 8.4 percent of premiums in calendar year 2020.

The Department receives Federal Funds from the Centers for Medicaid and Medicare Services to support the Oregon Reinsurance Program. DCBS' Division of Financial Regulation collects retaliatory taxes from out-of-state insurance companies, which are transferred to the General Fund. In addition, the difference between the revenues and expenditures of the Securities Program within the Division of Financial Regulation are transferred to the General Fund. Other General Fund transfers include fines collected by the Division of Financial Regulation. The total transfer to the General Fund is estimated to be \$157.7 million for the 2021-23 biennium.

AGENCY PROGRAMS

Workers' Compensation Accounts (Nonlimited)

The Department administers the Self-insured Employer Adjustment Reserve account and the Self-insured Employer Group Adjustment Reserve account. These self-insured reserve funds are part of the regulatory framework that ensures the safety, soundness, and availability of the labor market. They protect injured workers who work for employers who self-insure their workers' compensation liability. If a self-insured employer or employer group becomes insolvent or otherwise defaults on its workers' compensation obligations, the applicable fund pays for workers' compensation benefits for the employer's injured workers. The Workers' Compensation Nonlimited Account has budgeted expenditures of \$800,000 Other Funds.

Workers' Benefit Fund

The Workers' Benefit Fund protects the financial safety of both workers and employers. The Fund pays for some income replacement benefits to injured workers and also pays incentives to employers to keep injured workers at work and return workers to physically appropriate work.

The Governor's Budget for this program is \$164.5 million Other Funds. This is a 19.6 percent decrease from the 2019-21 Legislatively Approved Budget. This reduction is made to better align the budget with planned expenditures; budget reductions do not reduce benefits to workers, which are established in statute.

Workers' Compensation Board

The Workers' Compensation Board is an independent adjudicatory agency within DCBS, which ensures Oregon workers, employers, and insurers have an efficient, effective and expeditious mechanism by which to resolve disputes under the Workers' Compensation Act and the Oregon Safe Employment Act. The Board proceedings move disputes into an administrative forum, reducing prolonged and costly litigation.

The Governor's Budget for this program is \$27.2 million Other Funds. This is a 4.4 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 79 positions.

Workers' Compensation Division

The Workers' Compensation Division administers, regulates and enforces requirements to protect workers, provides medical care for injuries and diseases, and provides timely and accurate wage-replacement benefits when workers are harmed.

The Governor's Budget for this program is \$51.4 million Other Funds. This is a 3.9 percent increase from the 2019-21 Legislatively Approved Budget, which continues current program operations. The program operates with 181 positions. The Workers' Compensation Division ensures employers provide workers' compensation coverage for their employees, as well as treatment and benefits to help injured workers return to work and helps to resolve disputes quickly, fairly, and with as little litigation as possible.

Oregon Occupational Safety and Health Division

The Oregon Occupational Safety and Health Division administers the Oregon Safe Employment Act passed in 1973 and has regulatory authority over most Oregon employers. The division reduces the cost of workers' compensation insurance and indirect costs of injuries and illnesses by making sure the workplace is safe.

The Governor's Budget for this program is \$61.7 million total funds. This is a 7.6 percent increase from the 2019-21 Legislatively Approved Budget. The budget moves support for OSHA inspection and work safety consultation capacity from Federal Funds to Other Funds, due to a revenue shortfall. The program operates with 205 positions.

Division of Financial Regulation

The Division of Financial Regulation protects Oregonians' access to financial products and services through education, regulation and consumer assistance. The Division oversees the safety and soundness of banks, trusts, and credit unions and the financial solvency of insurance institutions. The Division licenses finance and insurance professionals and ensures products and services comply with applicable laws and rules. The Division also regulates mortgage lending and a large variety of non-depository financial service providers.

The Governor's Budget for this program is \$263.6 million total funds and supports 172 positions. This is an 11.5 percent increase from the 2019-21 Legislatively Approved Budget; the Governor's Budget adds \$209.6 million total funds from existing assessment levels and federal waiver funding to support reinsurance payments to insurers in the individual health insurance market, which will support the stability of premiums in that market. The Governor's Budget also transfers in the Senior Health Insurance Benefits Administration program, which was in the Health Insurance Marketplace budget structure.

Health Insurance Marketplace

The Governor's Budget transfers the operations of the Oregon Health Insurance Marketplace and the COFA Premium Assistance Program from DCBS to the Oregon Health Authority. Lastly, the Senior Health Insurance Benefits Administration program is transferred to the Division of Financial Regulation.

Building Codes Division

The Building Codes Division adopts construction codes for 13 specialty areas, licenses trade workers and businesses and oversees a statewide inspection system of local government services to protect property and building occupants. The Division ensures safe and efficient building construction while supporting a positive business climate. Building Codes also provides building code services directly on behalf of certain local governments.

The Governor's Budget for this program is \$42.5 million total funds. This is a 5.9 percent increase from the 2019-21 Legislatively Approved Budget and maintains current services. The program operates with 134 positions.

Central Services Division

The Central Services Division includes the Director's Office, Central Services, Employee Services, Communications, and the Assessments Section, which administers the Workers Benefit Fund Assessment and the Workers Compensation Premium Assessment.

The Governor's Budget for this program is \$51.2 million total funds. This is a 9.2 percent increase from the 2019-21 Legislatively Approved Budget and adds funding for information technology positions to work on planning for the Department's workers' compensation information system replacement. The program operates with 163 positions.

Mental Health Regulatory Agency

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 3,180,556 | 3,941,338 | 4,893,297 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$3,180,556 | \$3,941,338 | \$4,893,297 |
| Positions | 12 | 12 | 14 |
| Full-time Equivalent | 11.79 | 12.00 | 14.00 |

OVERVIEW

The Mental Health Regulatory Agency was established in 2018 to provide administrative and regulatory oversight of the Board of Licensed Professional Counselors and Therapists and the Oregon Board of Psychology. The mission of the Board of Licensed Professional Counselors and Therapists is to protect the health and well-being of Oregon citizens by setting a strong ethical standard of practice through the regulation of counselors and marriage and family therapists. The mission of Oregon Board of Psychology is to promote, preserve, and protect health and welfare by ensuring the ethical and legal practice of psychology.

The Agency performs budgeting, recordkeeping, staffing, contracting, as well as procedure and policymaking, and sets performance standards for both regulated boards. Both boards maintain their own separate statutory authority to investigate complaints, enforce regulations, establish and collect fees, instill licensing criteria for education, training and examination, and instill practice standards including the adoption of a code of ethics.

GOVERNOR'S BUDGET

The Governor's Budget for the Mental Health Regulatory Agency is \$4.9 million total funds and includes 14 positions, an increase of 24.2 percent and adds two positions from the 2019-21 Legislatively Approved Budget for the two boards. The Governor's Budget invests in a Licensing Manager to support the board's growing licensee base and a limited duration Investigator 2 position to assist with a backlog of cases.

REVENUE SUMMARY

The Boards are supported by Other Funds revenues primarily generated from licensing and renewal application fees, examinations, and other miscellaneous sources.

AGENCY PROGRAMS

Board of Licensed Professional Counselors and Therapists

The Board of Licensed Professional Counselors and Therapists (BLPCT) sets requirements for voluntary licensure, establishes Board policies, investigates complaints against licensees and takes disciplinary or other action where appropriate. The Board consists of eight members, three are professional counselors, two are marriage and family therapists, one is a member of the faculty of a school that trains counselors or therapists, and two are from the general public. It also appoints and reviews the work of the Executive Director. Board staff perform background checks on applicants for licensure, issue and renew licenses, investigate complaints and monitor disciplined licensees. The Board's programs ensure clients receive high quality services and appropriate treatment of mental illness and dysfunctional behavior by setting high standards for license requirements. The budget for BLPCT is \$3.1 million Other Funds.

Board of Psychology

The Oregon Board of Psychology (OBOP) sets requirements for licensure, establishes Board practices, reviews investigative cases and takes disciplinary or other action when appropriate. The Board consists of nine members, six are licensed psychologists and three are from the general public. Board staff issue and renew licenses, review continuing education standards and compliance, investigate complaints, and monitor disciplined licensees. The Board's programs ensure clients receive high quality services and appropriate treatment of mental illness and dysfunctional behavior by setting high standards for license requirements. Highly qualified and experienced psychologists and psychologist associates contribute towards better outcomes in the mental health system. The budget for the OBOP is \$1.8 million Other Funds.

Oregon Board of Dentistry

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 3,013,093 | 3,535,260 | 3,658,308 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$3,013,093 | \$3,535,260 | \$3,658,308 |
| Positions | 8 | 8 | 8 |
| Full-time Equivalent | 8.00 | 8.00 | 8.00 |

OVERVIEW

The Oregon Board of Dentistry is an entirely Other Funded agency, established in 1887, with a mission to promote high quality oral healthcare in the state of Oregon by equitably regulating dental professionals. The Board of Dentistry is charged with the regulation of the practice of dentistry and dental hygiene. The Board is comprised of 10 members appointed by the Governor and confirmed by the Senate for four-year terms. The Board is made up of six dentists, one of whom must be a dental specialist, two dental hygienists and two public members. The Board sets standards for entry to practice dentistry, conducts examinations of applicants, issues and renews licenses, and enforces the standards of practice established in statute.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Board of Dentistry is \$3.7 million total funds. This represents a 3.5 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget provides funding for the implementation of a new IT data processing project and ongoing technical support. The budget supports eight positions and board operations to license approximately 3,734 dentists and dental assistants and 4,340 dental hygienists during the 2021-23 biennium.

REVENUE SUMMARY

The Oregon Board of Dentistry is supported by Other Funds revenue generated primarily from examination fees, licensing and renewal application fees charged to dentists and dental hygienists. Less than six percent of the Board's revenue is from miscellaneous revenues generated from the sale of documents and records, late fees, interest, and civil penalties.

Board of Medical Imaging

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 904,834 | 1,175,429 | 527,791 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$904,834 | \$1,175,429 | \$527,791 |
| Positions | 3 | 4 | 4 |
| Full-time Equivalent | 3.00 | 3.50 | 1.63 |

OVERVIEW

The mission of the Board of Medical Imaging is to promote, preserve, and protect the health and welfare of Oregonians while undergoing medical imaging studies performed by licensees for the purpose of medical diagnosis and therapy. The Governor appoints the 12-member board, consisting of four licensed physicians representing different medical specialties (at least one radiologist and at least one licensed medical imaging specialist), three public members and one member from each of the five major medical imaging modalities (MRI technology, nuclear medicine technology, radiation therapy, radiology therapists, and limited x-ray machine operators). The Board's programs set high standards for license requirements to ensure patients receive high quality services while undergoing medical imaging studies.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Medical Imaging is \$0.5 million total funds. The budget is reflective of the Board receiving its first year of funding under the current structure of the Health Related Licensing Board and its second year of funding while operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its authority, oversight, and structure; however, it will administratively operate in the Health Licensing Office. This budget funds four positions with a slight reduction in full time equivalent positions from the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

The Board is funded entirely by Other Funds revenues from limited scope examinations, as well as initial licensing and renewal application fees. The budget supports a fee increase to support general operations.

Oregon Mortuary and Cemetery Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,922,723 | 2,343,995 | 1,392,291 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,922,723 | \$2,343,995 | \$1,392,291 |
| Positions | 7 | 7 | 7 |
| Full-time Equivalent | 7.00 | 7.00 | 3.50 |

OVERVIEW

The Oregon Mortuary and Cemetery Board is responsible for licensing and regulating the practice of individuals and facilities engaged in the care, preparation, processing, transportation, and final disposition of human remains. The Board's licensees include funeral service practitioners, embalmers, apprentices, interns, pre-need sales people, funeral establishments, immediate disposition companies, cemeteries, and crematories. The Board consists of 11 members appointed by the Governor; two funeral service practitioners, one embalmer, three cemetery representatives, one crematory operator, and four public members. The Board provides consumer protection for potentially vulnerable, grieving individuals by regulating deceptive practices or unsafe services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Mortuary and Cemetery Board is \$1.4 million total funds. The budget is reflective of the board receiving its first year of funding under the current structure of the Health Related Licensing Board and the second year of funding operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its current authority, oversight, and structure; however, it will administratively operate in the Health Licensing Office. This budget funds seven positions, which represents no change from the 2019-21 Legislatively Approved Budget. Additionally, the budget supports travel resources for investigators.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue from license and examination fees and the death registration filing fee. The budget includes a fee increase to the death registration filing fee, which supports the Indigent Disposition Program Fund.

Board of Naturopathic Medicine

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 831,172 | 1,166,035 | 511,817 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$831,172 | \$1,166,035 | \$511,817 |
| Positions | 3 | 4 | 3 |
| Full-time Equivalent | 3.00 | 4.00 | 1.38 |

OVERVIEW

The mission of the Board of Naturopathic Medicine is to protect the public by licensing and regulating naturopathic physicians, including certification of practitioners qualified to perform natural childbirth. The Governor appoints the seven-member board, which includes five licensed naturopathic physicians and two public members. The Board determines the qualifications and fitness of applicants for licensure; establishes standards of professional responsibility, practice, and continuing education for licensees; and conducts hearings on complaints concerning violations of those standards to determine the appropriate sanction when a violation is found.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Naturopathic Medicine is \$0.5 million total funds. The budget is reflective of the Board receiving its first year of funding under the current structure of the Health Related Licensing Board and its second year of funding while operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its authority, oversight, and structure; however, it will administratively operate in the Health Licensing Office. This budget funds three positions with a slight reduction in full time equivalent positions from the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

The Board is funded by Other Funds revenue primarily derived from license, certification, and examination fees. Less than 10 percent of the Board's revenue is generated by fines, forfeitures, and sales income. The budget supports a fee increase to support general operations.

Oregon Occupational Therapy Licensing Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 427,315 | 619,842 | 334,104 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$427,315 | \$619,842 | \$334,104 |
| Positions | 2 | 2 | 2 |
| Full-time Equivalent | 1.50 | 1.75 | 0.75 |

OVERVIEW

The Oregon Occupational Therapy Licensing Board's mission is to protect the public by supervising the occupational therapy practice and assuring safe and ethical delivery of occupational therapy services in Oregon. The Board consists of five members appointed by the Governor, including three licensed occupational therapists and two public members. The Board develops policy and sets standards of practice; reviews applications and issues licenses to qualified applicants; investigates complaints; takes appropriate disciplinary action when violations are found to have occurred; and monitors and enforces continuing education requirements. The Board's programs keep consumers safe and set high standards for licensure designed to ensure clients receive high quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Occupational Therapy Licensing Board is \$0.3 million total funds. The budget is reflective of the Board receiving its first year of funding under the current structure of the Health Related Licensing Board and its second year of funding while operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its authority, oversight, and structure; however, it will administratively operate in the Health Licensing Office. This budget funds two positions with a slight reduction in full time equivalent positions from the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue from license application and reinstatement of licensure fees, renewal fees, limited permit fees, civil penalties, and the sale of licensee lists and interest. The budget includes a fee increase to support general operations.

Board of Examiners for Speech-Language Pathology and Audiology

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 611,106 | 979,115 | 524,135 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$611,106 | \$979,115 | \$524,135 |
| Positions | 3 | 3 | 3 |
| Full-time Equivalent | 2.31 | 3.00 | 1.50 |

OVERVIEW

The Board of Examiners for Speech-Language Pathology and Audiology protects the public by licensing and regulating the performance of speech-language pathologists, speech-language pathology assistants, and audiologists. The Governor appoints the seven-member board, consisting of two audiologists, two licensed speech-language pathologists, one medical doctor who holds board certification from the American Board of Otolaryngology, and two public members. The Board's programs keep consumers safe by setting high standards for licensure designed to ensure clients receive high quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Examiners for Speech-Language Pathology and Audiology is \$0.5 million total funds. The budget is reflective of the Board receiving its first year of funding under the current structure of the Health Related Licensing Board and its second year of funding while operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its authority, oversight, and structure; however, it will operate in the Health Licensing Office. This budget funds three positions, which represents no change from the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

The Board of Examiners for Speech-Language Pathology and Audiology is funded by Other Funds revenues received primarily from application fees, initial license fees, and renewal fees. The remaining revenue is generated through delinquent fees, civil penalties, interest income, and sales of mailing lists. The budget supports a fee increase to support general operations.

Oregon State Veterinary Medical Examining Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,063,350 | 1,203,614 | 657,323 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,063,350 | \$1,203,614 | \$657,323 |
| Positions | 4 | 4 | 4 |
| Full-time Equivalent | 3.75 | 3.75 | 1.88 |

OVERVIEW

The Oregon State Veterinary Medical Examining Board regulates the veterinary professions in Oregon through enforcement of the Veterinary Practice Act. The Governor appoints the eight-member board, consisting of five members licensed to practice veterinary medicine, surgery, and dentistry in Oregon, two public members, and one certified veterinary technician. The Board investigates consumer complaints and takes appropriate remedial or disciplinary action. The Board's programs ensure veterinary care conforms to medical standards and practices and is consistent with the best interests of the public and ensures animal euthanasia in public and private shelters is conducted humanely.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Veterinary Medical Examining Board is \$0.7 million total funds. The budget is reflective of the Board receiving its first year of funding under the current structure of the Health Related Licensing Board and its second year of funding while operating under the structure of the Oregon Health Authority's Health Licensing Office. The Board will retain its authority, oversight, and structure; however, it will administratively operate in the Health Licensing Office. This budget funds four positions, which represents no change from the 2019-21 Legislatively Approved Budget.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue. Ninety-nine percent of the Board's revenue is from application, examination, and license fees, while the remaining revenue is from the sale of license lists and collection of civil penalties.

Bureau of Labor and Industries

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$12,855,950 | \$14,894,178 | \$17,238,841 |
| Lottery Funds | 0 | 250,000 | 0 |
| Other Funds | 11,457,934 | 13,953,296 | 14,719,219 |
| Federal Funds | 1,186,762 | 1,335,294 | 1,802,960 |
| Other Funds (Nonlimited) | 612,180 | 900,000 | 938,700 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$26,112,826 | \$31,332,768 | \$34,699,720 |
| Positions | 106 | 113 | 119 |
| Full-time Equivalent | 105.00 | 109.80 | 117.50 |

OVERVIEW

The Bureau of Labor and Industries' mission is to protect employment rights, advance employment opportunities, and protect access to housing and public accommodations free from discrimination. The Commissioner for the Bureau of Labor and Industries is a publically elected official. Under the Commissioner's leadership, the Agency strives to promote and support the economy and Oregon jobs. BOLI consists of four divisions:

- Commissioner's Office – develops policy, strategic planning, partnerships with local, state, and federal governments and the general public, and provides overall administrative and management services. The Technical Assistance for Employer program provides Oregon employers with education and training resources through multiple media platforms.
- Civil Rights – enforces laws prohibiting unlawful discrimination in employment, housing, public accommodation, and career schools. These protections are provided on the basis of race, color, national origin, sex, religion, age, marital status, sexual orientation, disability, and injured worker status. Protection is also provided against retaliation for filing civil rights complaints and for reporting illegal activity (“whistleblower” protection) or violation of family leave laws.
- Wage and Hour – enforces laws relating to wages and hours worked and terms and conditions of employment; investigates claims and complaints from workers involving wages and working conditions, including the minimum wage and overtime; protects children in the workplace; enforces regulations pertaining to private employment agencies; calculates prevailing wage rates for public works projects; and licenses and regulates farm and forest labor contractors.
- Apprenticeship and Training – registers and regulates apprenticeship training programs and certifies journey workers through collaboration with business, labor, government, and education partners promoting the development of a highly skilled workforce.

GOVERNOR'S BUDGET

The Governor's Budget for the Bureau of Labor and Industries is \$34.7 million total funds. This is a 10.8 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 119 positions (117.50 FTE) and supports current agency programs while investing in a permanent Diversity, Equity, and Inclusion Specialist, additional resources to reduce caseloads and improve claims processing, and much-needed support for the Technical Assistance for Employers program during the COVID-19 pandemic.

REVENUE SUMMARY

Core functions of the Agency are funded predominately with General Fund and Other Funds. Other Funds make up nearly 59 percent of the Agency's available revenue, mostly through the collection of unemployment insurance taxes paid by employers each biennium. Other Funds also come from employers' participation in purchasing publications, attending seminars and workshops, as well as civil rights enforcement actions. Additional Other Funds revenue is generated through the Workers' Benefit Fund, Wage Security Fund, Prevailing Wage Fees, and Oregon Occupational Safety and Health Administration contracts. General Fund revenue supports critical agency functions without dedicated revenue sources.

AGENCY PROGRAMS

Commissioner's Office and Program Support Services

The Commissioner's Office provides leadership, planning, policy direction, and public outreach services for the Bureau of Labor and Industries. This office oversees all agency programs and ensures advancement of the Agency's mission.

The Technical Assistance for Employers program provides Oregon employers with education and training resources. The program delivers these services through direct responses to telephone and website inquiries from employers, and by providing public seminars, workshops and customized training sessions. The unit fields nearly 24,000 telephone and website inquiries on average and conducts approximately 190 public and customized seminars each year, when not in the midst of a pandemic. The program is in high demand under standard circumstances. However, employer outreach has significantly increased during the COVID-19 pandemic. During March and April 2020, the Agency saw a combined increase of 40 percent, over 2018.

The Fiscal Services unit is responsible for processing monetary awards to wage claimants and civil rights claimants and ensuring timely payment for Oregonians who unlawfully lost wages or were discriminated against. The Administrative Prosecution unit provides adjudication and alternative dispute resolution of contested wage and hour claims, civil rights complaints, prevailing wage violations, farm and forest labor contractor violations and licensing matters, and child labor violations.

The Governor's Budget for this program is \$9.8 million total funds, which consists of \$5.8 million General Fund, \$3.7 million Other Funds, and \$0.3 million Federal Funds. The program includes 30 positions.

Civil Rights Division

The Civil Rights Division protects Oregonians from unlawful discrimination by investigating allegations of civil rights violations in workplaces, career schools, housing, and public accommodations. In addition to enforcing Oregon laws, the unit has contracts for processing civil rights cases with the U.S. Equal Employment Opportunity Commission and the Oregon Occupational Safety and Health Administration.

The Division responds to more than 40,000 civil rights inquiries each year. Approximately 94 percent of the complaints are employment-related and the remaining six percent involve housing, public accommodations and career schools. In October 2021, the Bureau of Labor and Industries will begin handling investigations and prosecutions in fair housing claims, instead of transferring the cases to the federal office in Seattle.

The Governor's Budget for this program is \$8.8 million total funds, which consists of \$5.5 million General Fund, \$1.7 million Other Funds, and \$1.5 million Federal Funds. The division has 40 positions.

Wage and Hour Division

The Wage and Hour Division is responsible for the administration and enforcement of state laws regarding minimum wage; overtime and wage collection; child labor; farm, forest and construction labor; prevailing wages; and sick time. The Division also enforces regulations pertaining to private employment agencies, conducts wage surveys, and publishes prevailing wage rates to be paid to workers employed on public works contracts. It also licenses and regulates farm, forest, and construction labor contractors.

There are approximately 2.1 million workers employed in Oregon and approximately 1,400 wage claims are filed every year. The Division largely serves employees who are not represented by a labor union, have low-income jobs, and are considered "at risk" or vulnerable to exploitation. This includes children, migrant farm workers, and those who are not fluent in English. Wage claims are filed for a variety of reasons including failure to pay final wages; failure to pay minimum wage rate or overtime; failure to pay for all hours worked; or making unlawful deductions from wages.

The Governor's Budget for this program is \$10.6 million total funds, which consists of \$2.9 million General Fund and \$6.8 million Other Funds. The Division has 34 positions.

Apprenticeship and Training Division

The Apprenticeship and Training Division promotes the development of a highly skilled, competitive workforce in a variety of occupations and trades. The Division provides technical assistance to employers, labor unions, and government and education partners to increase training and employment opportunities by promoting apprenticeships. The program supports the statewide economy through the following:

- reducing income inequality;
- providing pathways to employment with wages exceeding the national average;
- promoting Oregon's middle-class growth and inclusiveness; and
- promoting Black, Indigenous, Native American, Tribal, Latino, Latina, and Latinx, Asian, Pacific

Islander, and people of color and women-owned businesses to win a larger portion of state contracts.

The number of apprentices in Oregon has increased by 60 percent in the last five years. As of June 30, 2020, there were more than 10,000 active apprentices and 5,108 employers participating in 150 approved programs in the state. Registered apprenticeship is an industry-driven training program for high-skill technical and craft occupations. The combination of on-the-job training and classroom instruction prepares individuals for employment while learning advanced skills.

The Division includes the Heavy Highway Supportive Services program, which targets outreach, recruitment, retention and supportive services to individuals interested in careers in the heavy highway constructions trades. The Division also contracts with the U.S. Department of Veterans Affairs to provide apprenticeship training services for qualified veterans.

The Governor's Budget for this program is \$5.5 million total funds, which consists of \$3.0 million General Fund and \$2.5 million Other Funds. The Division has 15 positions.

Oregon Medical Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|---------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 11,555,508 | 13,662,415 | 16,496,735 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$11,555,508 | \$13,662,415 | \$16,496,735 |
| Positions | 40 | 41 | 42 |
| Full-time Equivalent | 40.00 | 41.00 | 42.00 |

OVERVIEW

The Oregon Medical Board was established in 1889, and its mission is to protect the health, safety, and well-being of Oregon's citizens by regulating the practice of medicine in a manner promoting quality care. The Board is responsible for the licensure and regulation of 18,308 medical doctors and doctors of osteopathic medicine, 220 podiatric physicians, 2,317 physician assistants, and 1,649 licensed acupuncturists. The Governor appoints the 14-member board, which includes seven medical doctors, two doctors of osteopathy, one doctor of podiatry, one physician's assistant and three public members not employed in the medical field. The Board sets requirements for licensure, establishes board policies, reviews investigative cases, and takes disciplinary action where appropriate.

The Board keeps Oregonians safe by ensuring patients receive quality medical services from licensed individuals who meet rigorous standards aimed at preventing harm caused by the practice of medicine by unqualified persons. Ensuring only highly qualified individuals are licensed to practice medicine also contributes towards better health care outcomes.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Medical Board is \$16.5 million total funds. This is a 20.8 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 42 positions, which is an increase of one position from last biennium. The budget supports new investments in the modernization of the board's core business suite software, information security software, and an additional investigator 2 position.

REVENUE SUMMARY

The Oregon Medical Board is solely funded by Other Funds revenue. The Board receives approximately 97 percent of its revenue from fees for licensure and registration. Approximately three percent of the Board's revenue is derived from sales of lists, directories, or labels; from fees for license verification; and from fines or forfeitures imposed as disciplinary measures.

Oregon State Board of Nursing

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|---------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 16,500,862 | 19,719,954 | 20,321,598 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$16,500,862 | \$19,719,954 | \$20,321,598 |
| Positions | 49 | 54 | 54 |
| Full-time Equivalent | 48.90 | 53.90 | 53.90 |

OVERVIEW

The Oregon State Board of Nursing was established in 1911, with a mission to safeguard the public’s health and well-being by regulating the practice of nursing. The Board sets standards for the nursing practice, guidelines for education programs, and minimum competency requirements for entry into the professions it regulates. The Board also imposes discipline upon licensees who violate the Oregon Nurse Practice Act.

The Board consists of nine members appointed by the Governor, which includes two public members, four Registered Nurses, one Licensed Practical Nurse, one Certified Nursing Assistant, and one Nurse Practitioner. The four Registered Nurse members represent the following areas of nursing practice: one nurse educator, one nurse administrator, and two direct-care non-supervisory nurses. The Board’s programs help ensure patients receive quality health care services by setting high standards for license requirements.

GOVERNOR’S BUDGET

The Governor’s Budget for the Oregon State Board of Nursing is \$20.3 million total funds. This is a 3.1 percent increase from the 2019-21 Legislatively Approved Budget (LAB). The budget includes 54 positions (53.90 FTE), which represents no change from the 2019-21 LAB.

The Governor’s Budget maintains the current service level that supports the licensing and registration of approximately 72,000 registered and practical nurses and 19,300 nursing assistants.

REVENUE SUMMARY

The Oregon State Board of Nursing is supported by Other Funds revenue, primarily generated from examination, licensing, and renewal application fees charged to Registered Nurses, Licensed Practical Nurses, Nurse Practitioners, Certified Registered Nurse Anesthetists, Clinical Nurse Specialists, Certified Nurse Assistants, and Certified Medication Aides. The Board also receives nine percent

matching federal revenue, through the Department of Human Services, for regulating the nursing assistants program in Oregon in compliance with the Federal Omnibus Reconciliation Act of 1987.

Oregon Board of Pharmacy

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 6,963,846 | 8,761,878 | 9,104,052 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$6,963,846 | \$8,761,878 | \$9,104,052 |
| Positions | 20 | 22 | 22 |
| Full-time Equivalent | 20.00 | 22.00 | 22.00 |

OVERVIEW

The Board of Pharmacy was established in 1891, with a mission to promote and protect public health, safety and welfare by ensuring high standards in the practice of pharmacy and through effective regulation of the manufacture and distribution of pharmaceutical drugs in Oregon. The Board licenses and disciplines its professionals, as well as regulates drug outlets and the distribution of drugs. The Board is made-up of five practicing pharmacists, two pharmacy technicians and two public members. The Board licenses and regulates county health clinics, manufacturers, wholesalers, pharmacies, pharmacists, pharmacist interns and technicians, controlled substances, and hospital drug rooms, in addition to a variety of other drug-related occupations and facilities.

The Board protects Oregon consumers by regulating the practice of pharmacy and the commerce of drugs from the manufacturer to the end user. The Board also ensures Oregon has an adequate and safe drug supply and only highly qualified persons engage in the practice of pharmacy. The Board registered 20,362 individual licensees and 9,639 statewide drug outlets.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Pharmacy is \$9.1 million total funds. This is a 3.9 percent increase from the 2019-21 Legislatively Approved Budget (LAB). The budget includes 22 positions, which represents no change from the 2019-21 LAB. This budget funds several position reclassifications to streamline processes.

REVENUE SUMMARY

The Board of Pharmacy is supported by Other Funds revenue primarily generated from examination, licensing and renewal application fees charged to pharmacists, pharmacy technicians, pharmacy interns, and various types of drug outlets. The Board also receives revenues from miscellaneous charges including delinquent license fees, charges for printing and mailing laws and rules, civil penalties, re-inspection fees and interest income.

Public Utility Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|-------------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 40,169,387 | 49,252,175 | 55,132,523 |
| Federal Funds | 686,647 | 1,025,117 | 1,174,921 |
| Other Funds (Nonlimited) | 61,898,461 | 54,312,163 | 45,945,047 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$102,754,495 | \$104,589,455 | \$102,252,491 |
| Positions | 124 | 130 | 129 |
| Full-time Equivalent | 122.63 | 127.75 | 128.00 |

OVERVIEW

The Public Utility Commission (PUC) ensures Oregon utility consumers have access to safe, reliable, and high quality utility services at just and reasonable rates through detailed analysis and independent decision-making conducted in an open and fair process. PUC regulates customer rates and services of the state's investor-owned electric, natural gas, and telephone utilities, as well as certain water companies, allowing regulated companies an opportunity to earn an adequate return on their investment. The three-member Commission is appointed by the Governor and is subject to Senate confirmation.

There are approximately 2.8 million customers of utilities regulated by PUC, which:

- Sets utility rates charged to Oregon homes and businesses;
- Resolves customer complaints about utility service;
- Ensures Oregon's electricity and natural gas systems operate safely and reliably at a reasonable cost;
- Manages a program to provide affordable phone service in high-cost areas of the state and administers Oregon's telephone assistance programs;
- Advocates for Oregon's customer interests in regional and federal forums on energy and telecommunications; and
- Sets and enforces rules for fair, effective competition in Oregon's utility industries.

The Oregon Board of Maritime Pilots is an independent occupational licensing and regulatory agency for state maritime pilots, which is part of PUC for budget and administrative purposes. The Board protects public safety and the environment by ensuring only qualified individuals are licensed to pilot vessels.

GOVERNOR'S BUDGET

The Governor's Budget is \$102.3 million total funds. This is a 2.2 percent decrease from the 2019-21 Legislatively Approved Budget and funds 129 positions. The budget includes an increase in fees paid by utilities on their gross operating revenue. The fee increase will be used to adjust the Oregon Telephone Assistance Program discount from \$3.50 to \$10.00 for eligible Oregonians with low incomes subscribing to phone or broadband internet access services.

REVENUE SUMMARY

The Commission is funded primarily by Other Funds from utility fees, the Residential Service Protection Fund, the Oregon Universal Service Fund, and the Public Purpose Charge. The Commission also receives Federal Funds from the United States Department of Transportation for the Natural Gas Pipeline Safety Program.

The Oregon Board of Maritime Pilots is funded by Other Funds from license fees paid by pilots, operations fees from vessels using licensee services, reimbursements from rate hearings, and miscellaneous receipts.

AGENCY PROGRAMS

Utility Regulation

The Utility Regulation Program conducts research and analysis and provides the Commission with technical support. It ensures private utilities provide safe, reliable, and high quality service at reasonable rates and promotes effective competition in utility industries. The Utility Program serves 1,488,185 customers of electric utilities, 824,265 customers of natural gas utilities, 506,073 customers of Incumbent Local Exchange Carriers (telecommunications), and 35,000 customers of water/wastewater companies.

In addition to administrative and management staff, the program is organized into the following sections by industry and distinct critical functions:

- The Consumer Services Section responds to questions from consumers about the utility industry and assists in resolving consumer complaints.
- The Administrative Hearings Division conducts legal proceedings brought under the Commission's jurisdiction. The Administrative Law Judges in this division are experts in utility law. The section makes recommendations to the Commissioners, conducts contested case hearings, manages the regulatory utility filing process, and performs utility tariff review and coordination, among other duties.
- The Commission is an independent policy-making body making final determinations on utility rates and service matters, while providing direction to the agency and regulated utilities. The Commission is comprised of three members, including a commission chair, all of whom are appointed by the Governor to staggered four-year terms.
- The Commissioners, supported by the Commission Services Office, are responsible for the Commission's external agenda, media and public information activities, conducting analysis, and

making recommendations to the Commissioners regarding major policy initiatives and emerging legislation in the energy sector.

- The Energy Resources and Planning Division assists the Commission in its responsibility to ensure least cost, least risk planning by Oregon's investor-owned utilities, and cost-effective energy efficiency acquisition through the Energy Trust of Oregon. They also assist the Commission in its responsibility to ensure the Renewable Portfolio Standard is met by Oregon's investor-owned utilities and strategic pilots and programs meet the goals of the Legislature and the needs of ratepayers.
- The Energy Rates, Finance, and Audit Division assists the Commission with rate cases to allow regulated utilities to recover costs and earn a reasonable return on capital investments. The Division also audits utilities to verify costs incurred and makes purchased gas and power cost adjustments.
- The Utility Safety, Reliability, and Security Division oversees the operation of electric power, natural gas supply networks and telecommunication lines throughout Oregon. The Division focuses on right-of-way utility joint use, safety, reliability, security, emergency response, disaster mitigation and service quality.
- The Telecommunications and Water Division promotes competition in Oregon's telecommunications market while maintaining strong regulatory oversight where necessary, to ensure Oregon consumers receive high-quality service and access to basic service at affordable rates. The program includes the Oregon Universal Service Fund, which provides subsidies to eligible carriers to offset the cost of providing basic telephone service in high-cost areas. The Division also regulates privately- and association-owned water providers. Water program staff regulates rates and services and service quality standards.

Residential Service Protection

The Residential Service Protection Fund consists of four programs to ensure accessible and affordable basic phone service for all Oregonians. The programs provide assistance to:

- Oregonians with low incomes who require assistance with paying for monthly phone service;
- Oregonians with hearing, speech, mobility, cognitive, or vision impairments in need of adaptive telecommunications equipment to communicate effectively on the phone;
- Oregonians with medical hardships who must have phone access at all times; and
- Oregonians with hearing or speech disabilities who need to place or receive calls through specially trained relay operators.

Administration

The Administration Program encompasses administration and information systems, which includes Business Services (accounting, procurement, and reception), Information Systems, and Human Resources for the Agency.

Board of Maritime Pilots

The Oregon Board of Maritime Pilots is an independent occupational licensing and regulatory agency for state maritime pilots. The Board's mission is to protect public health, safety and welfare by ensuring only the best-qualified persons are licensed to pilot vessels in Oregon's four pilot-required areas, including Yaquina Bay, Coos Bay, the Columbia River, and the Willamette River. A maritime (or marine) pilot is a local navigational and ship-handling expert who directs the course and speed of vessels based upon knowledge of wind, weather, tides, currents and local geography.

Pilots are selected competitively from experienced professional mariners. The Board qualifies pilot applicants, as well as selects pilot trainees and apprentices. Any maritime incident involving a pilot that occurs within Oregon's four pilot-required areas is investigated by the Board to determine its cause and the consequences.

The Board was transferred from the Oregon Department of Transportation to PUC by the 2007 Legislature to accommodate its rate setting abilities. The Board is a part of PUC for the budget and administrative purpose; however, it retains authority for all policy decisions regarding the regulation of pilots. The nine member Board is appointed by the Governor and is comprised of three pilot-members, three industry members (including one member from the ports), and three public members. The Board is supported by a staff of two: one Executive Director and one Administrator.

Oregon Real Estate Agency

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 7,470,242 | 8,499,070 | 9,515,923 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$7,470,242 | \$8,499,070 | \$9,515,923 |
| Positions | 29 | 29 | 29 |
| Full-time Equivalent | 29.00 | 29.00 | 29.00 |

OVERVIEW

The mission of the Oregon Real Estate Agency is to provide quality protection for Oregon consumers of real estate, escrow, and land development services, balanced with a professional environment conducive to a healthy real estate market. The Agency is responsible for the licensing, continuing education, and enforcement of Oregon’s real estate laws applicable to brokers, property managers, and real estate firms.

The Agency also provides oversight for escrow agents, campground contract brokers, subdivisions, time-shares, and condominium developments. The Agency approves courses and develops curriculum requirements for its licensees, administers real estate examinations, audits licensees and investigates complaints made concerning its licensees and regulated activities.

GOVERNOR’S BUDGET

The Governor’s Budget is \$9.5 million total funds. This is a 12.0 percent increase from the 2019-21 Legislatively Approved Budget. The budget enables the agency to continue existing levels of service and funds 29 positions to carry out its mission. The Agency’s activities encompass efforts to prevent financial losses among consumers and real estate purchasers. Additionally, the Agency provides oversight of continuing education requirements through periodic audits. The Agency has oversight of approximately 24,000 individual licensees.

REVENUE SUMMARY

The Agency’s revenues are exclusively Other Funds and principally derived from annual licensing and business registration fees. License (new and renewal), application, and exam fees account for more than 97 percent of all revenue collected by the Agency. The remaining revenue is derived from charges for services, fines and forfeitures—a portion of which is transferred to the General Fund.

Oregon State Board of Licensed Social Workers

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 1,643,073 | 1,804,612 | 2,222,536 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,643,073 | \$1,804,612 | \$2,222,536 |
| Positions | 6 | 6 | 7 |
| Full-time Equivalent | 6.00 | 6.00 | 7.00 |

OVERVIEW

The Oregon State Board of Licensed Social Workers mission is to protect the citizens of Oregon by setting a strong standard of practice and ethics through the regulation of Social Workers. The Governor appoints the seven-member board, which includes three Licensed Clinical Social Workers, one member representing one of the other license categories, and three public members. The Board sets policy, writes and adopts rules, renews licenses annually, and audits continuing education as part of the license renewal process.

The Board has the authority to discipline licensees and to deny, suspend, revoke, or refuse to renew a certificate or license. The licensure program covers two clinical licenses (Clinical Social Work Associate and Licensed Clinical Social Worker) and two non-clinical license types (Licensed Master Social Worker and Registered Baccalaureate Social Worker). Staff is responsible for issuing and renewing licenses, investigating complaints, and monitoring disciplined licensees. The Board ensures patients receive high quality services and appropriate treatment by setting high standards for license requirements.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Board of Licensed Social Workers is \$2.2 million total funds. This is a 23.2 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget provides funding for one limited duration Investigator 2 position for the 2021-23 biennium. The budget supports seven positions (7.00 FTE), which is an increase in one position from 2019-21 LAB. The budget operates at a level to provide services for approximately 6,600 social workers.

REVENUE SUMMARY

The Board is funded exclusively with Other Funds; primarily from fees paid for professional licenses. The last fee increase was approved by the Legislature in the 2015-17 budget. The Board did not request

any fee increases for the 2021-23 biennium. The Board has seen biennial growth in its licensing base ranging from seven and seventeen percent and is anticipated to grow by ten percent in the current biennium.

State Board of Tax Practitioners

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 966,391 | 1,091,888 | 1,069,266 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$966,391 | \$1,091,888 | \$1,069,266 |
| Positions | 3 | 3 | 2 |
| Full-time Equivalent | 2.50 | 2.50 | 2.00 |

OVERVIEW

The Board of Tax Practitioners protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities. The Board coordinates education for practitioners and administers competency exams to new applicants to ensure practitioners have a solid comprehension of the state and federal tax code before being issued a license. The Board also monitors continuing education requirements by reviewing and approving courses.

The Board is empowered to investigate complaints alleging fraudulent, deceptive or dishonest tax preparation practices by licensees and unlicensed persons and to take disciplinary action when appropriate. Compliance efforts also include education, mediation, and legal proceedings. Close coordination with the Oregon Department of Revenue and Oregon Department of Justice has facilitated complaint investigations, identification of suspicious tax returns, and joint legal actions under the Unlawful Trade Practices Act.

GOVERNOR'S BUDGET

The Governor's Budget is approximately \$1.1 million total funds, a 2.1 percent decrease from the 2019-2021 Legislatively Approved Budget. The budget eliminates a License Specialist position and funds two positions.

The Board regulates approximately 3,600 individual licensees and 1,200 business licensees and anticipates a flat to minimal growth in licensure for the upcoming biennium. The Board has improved testing services for licensees this biennium.

REVENUE SUMMARY

The Board of Tax Practitioners is funded through Other Funds, primarily from annual licensing, business registration and exam application fees. The remaining revenue is from civil penalties, fines and forfeitures, and interest.

ADMINISTRATION

Program Area and Agency Information



ADMINISTRATION AGENCIES

Administration Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|-------------------------|--------------------------------|------------------------------|
| General Fund | \$256,387,565 | \$388,130,726 | \$279,594,914 |
| Lottery Funds | 23,244,791 | 26,546,069 | 55,319,630 |
| Other Funds | 1,535,348,192 | 1,947,512,358 | 2,160,651,111 |
| Federal Funds | 11,941,003 | 10,608,560 | 10,853,103 |
| Other Funds (Nonlimited) | 11,041,880,207 | 12,644,164,101 | 13,061,455,673 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$12,868,801,758 | \$15,016,961,814 | \$15,567,874,431 |
| Positions | 3,228 | 3,288 | 3,426 |
| Full-time Equivalent | 3,050.67 | 3,185.86 | 3,343.68 |

OVERVIEW

The Administration Program Area includes statewide elected officials, commissions and state agencies. The program area provides policy direction and core services throughout state government, including:

- Guiding state operations and ensuring accountability of public officials and state agencies.
- Providing central support services for state agencies.
- Managing elections and tax collections activities.
- Managing retirement benefits for public employees.
- Regulating the sale and distribution of alcoholic beverages and marijuana.
- Working to increase diversity and eliminate barriers to equity in governance.
- Managing the state's financial investments.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The 2021-23 Governor's Budget for the Administration Program Area agencies is \$15,567.9 million total funds, which represents a 3.7 percent increase from the 2019-21 Legislatively Approved Budget. Nearly 84 percent of this budget pays for public employee retirement benefits.

The remaining expenditures total \$2,506.4 million, which represents a 5.6 percent increase over the 2019-21 Legislatively Approved Budget. These expenditures are primarily Other Funds (98 percent) and are supported by assessment, fee, and particular tax revenues.

The following are key highlights in how the Governor’s Budget invests in administrative improvements and efficiencies:

Cultural Change. The budget establishes the Office of Cultural Change to coordinate enterprise-wide cultural change, promote the workforce equity and retention, Diversity, Equity and Inclusion training, and inclusive communications in state government. Staffing for the Oregon Advocacy Commission Office increases to help develop community-informed policy and partnerships that engage and center diverse community stakeholders, while the Medical Board and Mental Health Regulatory Agency gain staff focused on diversity, equity, and inclusion.

Information Technology Security. The Governor’s Budget enhances investments in cyber security to enable new capabilities to detect, prevent, and manage security risks.

Clean Energy. Investments are made to replace aged vehicles in the Department of Administrative Services Fleet with high efficiency, low carbon impact vehicles and funding is provided for investments in sustainable alternatives and innovative technologies to realize energy, water and waste water savings.

Inclusive Facilities. Increased funding is provided for mothers’ lactation rooms, wellness rooms, and gender neutral bathrooms at Department of Administrative Services’ facilities.

Immigration Defense. Invests in universal legal representation for Oregonians in our immigrant communities. This program is designed to stop deportation and provides legal services through community-based navigation, community-based legal services, and removal defense services.

Revenue Generation and equity. The Governor’s Budget includes investments at the Department of Revenue to maintain and modernize information technology systems for improved revenue collection, while also adding staff to help low income Oregonians receive tax assistance and expand the Earned Income Tax Credit. It also includes resources for implementation of Measure 109 – psilocybin and proposed retail tobacco licensure. Additionally, the budget includes bond funding for the Oregon Liquor Control Commission to acquire a new warehouse and additional resources to maintain the state’s revenue stream generated by the sale of liquor.

Department of Administrative Services

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$26,417,214 | \$36,464,185 | \$24,456,495 |
| Lottery Funds | 19,701,680 | 22,613,333 | 31,543,133 |
| Other Funds | 972,499,058 | 1,134,383,875 | 1,250,566,367 |
| Federal Funds | 847,000 | 0 | 0 |
| Other Funds (Nonlimited) | 113,406,098 | 137,281,908 | 138,691,080 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,132,871,050 | \$1,330,743,301 | \$1,445,257,075 |
| Positions | 915 | 916 | 944 |
| Full-time Equivalent | 904.89 | 906.95 | 943.13 |

OVERVIEW

The Department of Administrative Services (DAS) is the central administrative agency of Oregon state government. DAS provides management oversight and technical and administrative support to state government. The Agency is the state's enterprise provider of accounting, finance, budgeting, purchasing, human resources, information technology, facilities, fleet, and publishing and distribution services. DAS also provides leadership and policy direction statewide for agencies who provide their own services in these domains. Enterprise customers provide input into DAS' rate methodology, rate development, and performance.

DAS leads the pursuit of excellence in state government by maintaining effective processes, providing accurate information to make state government accountable by creating and maintaining a consistent management framework and holding agencies responsible, and by delivering support services provided most efficiently from a central government agency.

The DAS budget houses the Economic Development Fund, Education Stability Fund, Parks and Natural Resources Fund, and the Oregon Education Fund. Lottery proceeds flow through these funds to state agencies. In addition, DAS manages the collection and distribution of tobacco settlement funds and oversees outstanding appropriation and pension bonds.

Additionally, DAS distributes funds to mass transit districts. State agencies pay these funds instead of payroll or transit taxes under ORS 291.407. DAS also distributes a variety of funds, including Federal Funds, to Oregon cities and counties. Other distributions to cities and counties include portions of Oregon Liquor Control Commission revenues, cigarette taxes, amusement device taxes, and video poker receipts.

GOVERNOR'S BUDGET

The Governor's Budget for DAS is \$1,445.3 million total funds. This is an 8.6 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget establishes the Office of Cultural Change within DAS to coordinate enterprise-wide cultural change, promote workforce equity and retention, Diversity, Equity, and Inclusion training, and inclusive communications in state government. The budget includes investments to provide funding for universal legal representation to Oregonians in our immigrant communities and funding for mothers' lactation rooms, wellness rooms, and gender neutral bathroom facilities. Additionally, this budget provides for replacing aged vehicles with high efficiency, low carbon impact vehicles.

The Department will distribute \$108.5 million Other Funds from the Tobacco Settlement Funds Account. The bulk of those funds will be transferred to the Oregon Health Authority to help fund the Oregon Health Plan in addition to paying the debt service on the outstanding Oregon Opportunity bonds that were issued on behalf of the Oregon Health and Science University.

The budget also includes debt service payments on outstanding Article XI-O pension obligation bonds. Funding for the payments is provided by state agencies. Lastly, the budget includes Lottery Funds distributions to county fairs from the County Fair Account.

REVENUE SUMMARY

DAS is financed primarily through two sources of Other Funds: assessments on state agencies and fees for services charged to state agencies for program usage. Agency assessments rely on several variables for statewide services that cannot reasonably be attributed to individual cost items. The source of Other Funds received by DAS from assessed agencies, is a combination of General Fund, Other Funds, and Federal Funds.

General Fund supports a portion of corrections population forecasting activities in the Office of Economic Analysis and the Court Appointed Special Advocate Program. In addition to revenues used to fund DAS operations, the Agency serves as a pass-through for certain statewide revenues. DAS receives the quarterly transfer from the Oregon Lottery and makes constitutional and legislative distributions to state agencies and local governments. DAS receives and transfers a variety of other payments on behalf of other entities. Finally, DAS tracks and distributes tobacco settlement money received from the Tobacco Master Settlement Agreement.

AGENCY PROGRAMS

OFFICE OF THE CHIEF OPERATING OFFICER

The Office of the Chief Operating Officer (COO) leads the Department of Administrative Services and provides statewide operations and policy leadership. The COO coordinates work teams and initiatives across jurisdictional and agency boundaries with a goal of achieving transformative, long-term change, and developing an agile organization that can meet current and future challenges. The Office of Economic Analysis, Office of the Public Records Advocate, and the Court Appointed Special Advocate (CASA) Program also resides in this office.

The COO plays a crucial role in developing statewide solutions and providing policy leadership. The COO brings together state agencies to develop long-term strategic policies, statewide initiatives, performance management, communication, and budget processes through the convening of the Enterprise Leadership Team (ELT). This shared leadership model creates a mechanism for governance and management of state government as an enterprise.

The Governor's Budget for this program is \$15.2 million total funds. This is a 13.2 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 23 positions. The Governor's Budget provides funding for a Public Records Request management system.

DAS INFORMATION TECHNOLOGY

DAS Information Technology provides IT support for DAS and client agencies. The program provides leadership and strategic direction within DAS, including project planning and execution services on projects. Services provided are comprised of IT service engineering solutions, purchasing, integration and development teams, and an application delivery team that provides services to meet the needs of business partners.

The Governor's Budget for this program is \$16.8 million Other Funds. This is a 14.5 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 40 positions. The budget includes additional investments to address information security threats.

CHIEF FINANCIAL OFFICE

The Chief Financial Office (CFO) provides direct oversight of agency fiscal performance and is an integral part of assisting the Governor and the Chief Operating Officer in managing state government. CFO oversees the state's biennial budget process, the preparation of the state's annual financial statements and the overall accounting policies of the state, and works with the State Treasurer to administer the state's debt financing and capital planning. Through the work of these sections, CFO provides oversight and guidance to state agencies, helping to ensure agency compliance with the law and the Governor's policy goals.

The Governor's Budget for this program is \$16.0 million Other Funds. This is a 7.1 percent increase from the 2019-21 Legislatively Approved Budget. The division has 43 positions.

OFFICE OF THE STATE CHIEF INFORMATION OFFICER

The Office of the State Chief Information Office (OSCIO) provides enterprise policy leadership, planning, and oversight to state government in enterprise information resource management. OSCIO was established as a result of House Bill 3099, during the 2015 Legislative Session. OSCIO sets statewide IT policy and implements the state's IT governance framework for new projects, providing project planning, quality assurance, vendor management, and oversight through the Stage Gate process. Working with various state agencies and ELT, the CIO reviews and assesses information technology initiatives that have the potential for generating significant program related operating efficiencies or cost reductions on a statewide basis. OSCIO is responsible for providing information security services for the enterprise.

The Governor's Budget for this program is \$119.0 million Other Funds. This is a 48.1 percent

increase from the 2019-21 Legislatively Approved Budget. The Division has 140 positions. The Governor's Budget invests additional resources in the Office of Data Governance and Transparency. The budget also enhances investments in cyber security to enable new capabilities to detect, prevent, and manage security risks.

OREGON STATE CHIEF INFORMATION OFFICER (OSCIO) – STATE DATA CENTER

The State Data Center (SDC) is the leading supplier and expert in managed computing technology for Oregon state government. The services offer flexibility and choices aimed at meeting the varying needs and sizes of government customers. The SDC focuses on maximizing the value of state technology investments so the business of government runs efficiently, securely, and reliably.

The Governor's Budget for this program is \$161.8 million Other Funds. This is an 8.1 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 143 positions. The budget invests in a new resilient site for data center services and provides funding for lifecycle replacement at the State Data Center.

CHIEF HUMAN RESOURCE OFFICE

The Chief Human Resources Office (CHRO) provides the enterprise-wide policy leadership necessary to maintain a reliable and qualified workforce for the state of Oregon. The Office's centralized policy functions enable executive branch agencies to share resources and expertise with which to manage their human resource assets and capital in a cost-effective way. The Enterprise Human Resource Services provides human resource services and data systems to agencies to attract, select, and maintain a reliable and qualified workforce for the state enterprise. The program promotes effective and efficient use of the workforce and reduces employment litigation risk while ensuring accountability to workplace conduct and performance standards.

The Governor has established an Office of Cultural Change to coordinate enterprise-wide cultural change and promote workforce equity and retention in state government. This includes funding to develop and implement Diversity, Equity and Inclusion training and to ensure state agencies can provide information to individuals with disabilities and with limited English proficiency, through co-creating and implementation of the Language Access and Inclusive Communications Plan & Policy with agency partners.

The Governor's Budget for this program is \$33.4 million Other Funds. This is a 17.7 percent increase from the 2019-21 Legislatively Approved Budget. The division has 81 positions. This budget provides for the centralization of collective bargaining for non-state employee contracts within CHRO. An additional investment is made to assist with enterprise recruitment and retention needs.

ENTERPRISE ASSET MANAGEMENT

Enterprise Asset Management is comprised of the Facilities Services program, the Statewide Fleet Administration and Parking Services program, and the Oregon Surplus Property program. The core focus of these programs is property management, both real and personal, for the benefit and optimal use of space, travel, and operational needs. Enterprise Asset Management is responsible for cost-effective, quality, and efficient asset life-cycle management, acquisition, operation, maintenance, and disposal. These are value-added services that allow state agencies and some local governments to

focus on their primary missions.

Enterprise Asset Management operates and maintains DAS-owned buildings and services other state-owned buildings covering over three million square feet throughout Oregon. These facilities include general government offices, forensic crime and health labs, computer data centers, printing operations, and the Governor's Executive Residence. The program maintains a portfolio of private sector leases of office, storage, and special use facilities.

The Governor's Budget for this program is \$103.8 million Other Funds. This is a 1.2 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 202 positions. The budget makes an investment to replace aged vehicles in the DAS Fleet with high efficient, low carbon impact vehicles.

ENTERPRISE GOODS AND SERVICES

Enterprise Goods and Services supports its customers by providing services in publishing and distribution, risk management, procurement services, shared financial services, and financial business systems. The Division focuses on providing assistance through responsive customer service, operational efficiency, flexible delivery, and continuous performance improvement.

The Governor's Budget for this program is \$235.8 million total funds, including \$121.8 million Other Funds and \$114.0 million Other Funds Nonlimited. This is an 8.4 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 262 positions. The budget provides continued funding for planning, testing, and implementation resources for the replacement of Oregon's Payroll System and the timekeeping system used by state agencies.

BUSINESS SERVICES

Business Services provides budget, business continuity, performance management, and data analysis services for DAS. This program is also responsible for DAS' records management, information security, and administrative rules programs. It coordinates rate development; calculates rates, fees, and assessments; performs financial analysis for DAS divisions; develops the statewide price list of goods and services; and prepares and monitors the DAS biennial budget.

The Governor's Budget for this program is \$17.1 million Other Funds. This is a 9.3 percent increase from the 2019-21 Legislatively Approved Budget. The Division has 10 positions.

CAPITAL IMPROVEMENTS

The Capital Improvements program is responsible for remodeling and renovation projects that cost less than \$1.0 million for DAS owned property. The purpose of the program is to maintain health and safety standards both inside and outside of the buildings, keep buildings in compliance with new building code and ordinance requirements, maintain Capitol Mall buildings and grounds, adjust or modify existing mechanical and electrical programs to minimize energy consumption, upgrade building grounds, evaluate and conserve maximum efficiency and use of state owned buildings, and adapt buildings to required occupancy changes.

The Governor's Budget for this program is \$4.8 million Other Funds; no positions are budgeted in

this Division.

CAPITAL CONSTRUCTION

The DAS Capital Construction program manages the acquisition or construction of any structure or group of structures, all land acquisitions, assessments, improvements or additions to an existing structure, which is to be completed within a six-year period with an aggregated cost of one million or more, as well as planning for proposed future Capital Construction projects.

The Governor's Budget includes funding for mothers' lactation rooms, wellness rooms, and gender neutral bathrooms at DAS facilities. It also provides funding for investments in sustainable alternatives and innovative technologies to realize energy, water and waste water savings.

The Governor's Budget for this program is \$152.8 million Other Funds; no positions are budgeted in this Division.

MISCELLANEOUS DISTRIBUTION

In accordance with legislative directives, DAS receives and distributes certain federal, lottery, and state moneys to state agencies and local governments. The Governor's Budget for this program is \$24.7 million Other Funds Nonlimited for payment of mass transit assessments.

DAS DEBT SERVICES

This program includes debt service payments that are specific to DAS. Payments are for Certificates of Participation, State Energy Loan Programs, and Article XI-Q Bonds. The Governor's Budget for this program is \$29.0 million Other Funds.

BONDS

The Bonds program includes payments of specific amounts as directed by law. Payments are made on Article XI-Q Bonds and Oregon Appropriation Bonds. The Governor's Budget for this program is \$461.4 million Other Funds.

SPECIAL GOVERNMENTAL PAYMENTS

This program includes payments of specific amounts from the General Fund and from other sources as directed by law. Payments include debt service payments for the Oregon Historical Society, Oregon Public Broadcasting, the Oregon State Fair Council, Mill Creek, and Go! Oregon. There is also \$3.8 million Lottery Funds to support county fair programs across the state.

The Governor is providing \$10.0 million General Fund for the Oregon Worker Relief Coalition to provide universal legal representation for Oregonians in our immigrant communities. This program is designed to stop deportation and provides legal services through community-based navigation, community-based legal services, and removal defense services.

The Governor's Budget for this program is \$52.6 million total funds, including \$20.8 million General Fund, \$31.5 million Lottery Funds, and \$0.3 million Other Funds.

Oregon Advocacy Commissions Office

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$714,860 | \$756,596 | \$1,120,823 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 4,694 | 9,841 | 9,841 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$719,554 | \$766,437 | \$1,130,664 |
| Positions | 3 | 3 | 4 |
| Full-time Equivalent | 2.50 | 2.50 | 4.00 |

OVERVIEW

The mission of the Oregon Advocacy Commissions Office is to promote equity, leadership and public policy. The Office accomplishes their mission by providing administrative support to the Oregon Commissions on Asian and Pacific Islander Affairs, Black Affairs, Hispanic Affairs, and the Oregon Commission for Women. The four Commissions function independently and statute charges the Commissions with monitoring the impact of legislation and state programs on their respective constituencies and with working to establish economic, social, legal, and political equality in Oregon.

Each commission is comprised of nine commissioners appointed by the Governor and two Legislators appointed by the Senate President and Speaker of the House and confirmed by the Senate. There are 11 members in each commission for a combined total of 44 commissioners. By statute, the commissions meet annually, in a joint session to consider issues and actions of mutual interest, to include improved outcomes in employment, education, justice, health, civic engagement, housing, and environmental justice for Asian and Pacific Islander Oregonians, Black Oregonians, Hispanic Oregonians, and women in Oregon.

GOVERNOR'S BUDGET

The Governor's Budget is \$1.1 million total funds. This is a 47.5 percent increase from the 2019-21 Legislatively Approved Budget. This budget funds four positions, which includes a new permanent full-time public affairs/community engagement position; additionally a policy/research analyst position has been changed from part-time to full-time.

The Governor's Budget investment in the Office will increase the agency's ability to support the commissions, enhance opportunities for inter-agency collaboration, and improve legislative advocacy. The 1.50 full time equivalent increase to staff will help the Office develop community-informed policy and partnerships to engage and center diverse community stakeholders and leaders across the state,

to be an essential part of the data-informed public policy decision-making process.

REVENUE

Core operations of the Oregon Advocacy Commissions Office are funded with General Fund. The Office and the four commissions also benefit from donation funds, which represent one percent of the overall budget. Donation funds received are dedicated by statute to the commission to which the donation was made and must be expended in accordance with the conditions and purposes of the donation.

Employment Relations Board

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$2,451,129 | \$2,956,273 | \$3,186,292 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 2,297,704 | 2,404,621 | 2,504,923 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$4,748,833 | \$5,360,894 | \$5,691,215 |
| Positions | 13 | 13 | 13 |
| Full-time Equivalent | 13.00 | 13.00 | 13.00 |

OVERVIEW

The Employment Relations Board resolves disputes concerning employment relations for an estimated 3,000 different employers and 250,000 employees in public and private employment within the state. The Board is a three-member panel appointed by the Governor and approved by the Senate. The agency performs the following functions:

- Administers the collective bargaining law covering public employers and employees of the State of Oregon and its cities, counties, school districts, fire and other local governments.
- Assists public employers and employees in resolving labor disputes through mediation, interest-based bargaining and problem-solving training and facilitation.
- Hears and decides appeals from state employees concerning personnel actions.
- Administers the collective bargaining law concerning private employers who are not covered by the National Labor Relations Act.

The Employment Relations Board participates in the process of redefining state government's relationships with the people, local governments and institutions it partners with by promoting workplace stability and reducing workplace disputes, which may disrupt public services.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Relations Board is \$5.7 million total funds, a 6.2 percent increase from the 2019-21 Legislatively Approved Budget. The budget supports 13 positions.

REVENUE SUMMARY

The agency is funded by General Fund and Other Funds. The Agency receives Other Funds by charging fees to resolve disputes and support labor relations functions conducted on behalf of local government.

State government-related activities are supported by Other Funds through an assessment to state agencies.

About 40 percent of the agency's budget is funded through the state assessment, set at \$2.40 per employee per month. The Agency's mediation functions and contested cases are funded by fees from local governments.

AGENCY PROGRAMS

Administration

The three-member Board issues final agency orders in declaratory rulings, contested case adjudications of unfair labor practice complaints, representation matters, appeals from state personnel actions and related matters. The Board administers state labor laws covering private sector employees exempt from the National Labor Relations Act. The Board Chair is the agency administrator.

The Governor's Budget for this program is \$3.0 million total funds, \$1.7 million General Fund, and \$1.3 million Other Funds. The program has five positions.

Mediation

The Mediation program provides mediation and conciliation services to resolve collective bargaining disputes, contract grievances, unfair labor practices, and state personnel relations law appeals. The Governor's Budget for this program is \$1.3 million total funds, \$0.7 million General Fund, and \$0.6 million Other Funds. The program has four positions.

Hearings

Administrative Law Judges conduct contested case hearings on the following:

- Unfair labor practice complaints filed by state and local government labor/management representatives;
- All state personnel appeals; and
- Representation matters referred by the elections coordinator that require a hearing.

After a contested case hearing, the Administrative Law Judge issues recommended orders that parties can appeal to the Board. When possible, the program works with opposing parties to reach a mutually agreeable settlement without a hearing, refers cases to the agency's Conciliation Service Office for mediation and expedites cases as needed.

The Governor's Budget for this program is \$1.4 million total funds, \$0.8 million General Fund, and \$0.6 million Other Funds. The program has four positions.

Oregon Government Ethics Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 2,571,969 | 2,903,298 | 3,191,597 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$2,571,969 | \$2,903,298 | \$3,191,597 |
| Positions | 9 | 9 | 9 |
| Full-time Equivalent | 9.00 | 9.00 | 9.00 |

OVERVIEW

The mission of the Oregon Government Ethics Commission is to impartially and efficiently administer and enforce Oregon’s government ethics laws for the benefit of Oregonians. The Commission is empowered to investigate claims involving the use of public office for financial gain, failure to declare conflicts of interest, violation of rules governing executive session, and receipt of gifts over allowable limits. Oregon’s ethics laws often seek to provide increased transparency and voter accountability.

The Commission is responsible for:

- Providing education and training on Oregon ethics laws to public officials, public bodies and lobbyists;
- Conducting investigations into alleged violations of Oregon ethics laws;
- Interpreting and applying Oregon ethics laws within adjudicatory proceedings; and
- Managing mandatory filings, such as Statements of Economic Interests.

GOVERNOR'S BUDGET

The Governor’s Budget is \$3.2 million total funds. This is a 9.9 percent increase from the 2019-21 Legislatively Approved Budget.

There are an estimated 200,000 public officials under the Commission’s jurisdiction, the vast majority serving at the local government level. Increasing reliance on staff advice, increased complaints, and continuing uncertainty regarding the conduct of executive sessions have contributed to the Commission’s workload. In recent years, the Commission has shifted from a focus on investigations to education, with in-person and online trainings on Oregon government ethics laws conducted for state agencies, local government bodies, and special districts. Since there are always new public officials

coming into office, education is an ongoing need.

REVENUE SUMMARY

The Commission's revenue is derived from an Other Funds assessment model. Operating costs are equally shared between state agencies and local government entities, comprising approximately 1,760 jurisdictions. State agencies are assessed based on the number of full-time equivalent positions. Consequently, a portion of the assessment revenue originates as General Fund. The agency sends out assessment bills to state agencies and local government entities, annually. The Commission also imposes civil penalties, in addition to collecting fines and forfeitures. These revenues are transferred to the General Fund and are not used to support agency operations.

Office of the Governor

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$12,948,557 | \$16,491,702 | \$17,593,820 |
| Lottery Funds | 3,543,111 | 3,932,736 | 4,439,445 |
| Other Funds | 3,012,098 | 3,910,275 | 4,231,034 |
| Federal Funds | 3,030,525 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$22,534,291 | \$24,334,713 | \$26,264,299 |
| Positions | 61 | 62 | 63 |
| Full-time Equivalent | 59.13 | 61.63 | 63.00 |

OVERVIEW

The Governor is vested with the executive power of the state and charged with faithful execution of the laws. She provides Executive Branch agencies with leadership, planning and direction – ensuring responsiveness to the needs of Oregonians, efficient and effective management and statutory compliance. Her appointment power extends to most agency heads within the Executive Branch and includes the membership of nearly 300 policymaking, regulatory and advisory boards and commissions. The Governor reviews all legislative enactments and proposes a statewide budget to the Legislative Assembly. She is supported by the Office of the Governor.

Policy advisors and policy staff within the Office of the Governor work within the following programs:

- Economic and Business Equity
- Health Care
- Housing and Homelessness
- Natural Resources
- Regional Solutions
- Transportation
- Climate
- Diversity, Equity and Inclusion/Affirmation Action
- Education
- Human Services
- Marijuana Policy
- Public Safety
- State Resilience Officer
- Veterans
- Workforce and Labor

In addition to policy development, the Office of the Governor coordinates federal affairs for state agencies, directs and monitors affirmative action efforts within state agencies, staffs the Arrest and Return program and maintains a Constituent Services Office – ensuring Oregonians receive assistance in resolving issues with state agencies. The Administration also includes a Chief of Staff, Legislative

Director, Legal Counsel, Communications Office and Office of Executive Appointments.

GOVERNOR'S BUDGET

The Governor's budget includes \$17.6 million General Fund, \$4.4 million Lottery Funds and \$4.2 million Other Funds, for a total funds budget of \$26.3 million. This is a 7.9 percent increase from the 2019-21 Legislatively Approved Budget. The budget funds 63 positions. With the need to address systemic racism in social systems and structures, the budget invests in staffing to support the Racial Justice Council, which was created in September 2020. The Council consists of representatives from diverse backgrounds across Oregon and provides principles and recommendations that center racial justice. Given the significant foundational reform needed to address racial disparities, as well as coordination of recommendations and creation of action plans, the Council will rely on the staffing in the Office of the Governor for support.

REVENUE SUMMARY

The Office of the Governor relies on a combination of General Fund, Other Funds and Lottery Funds. General Fund is the primary funding source for the Office. Lottery Funds are the funding source for the Regional Solutions program. Other Funds includes revenue transfers from other agencies. These transfers finance the Diversity, Equity and Inclusion programs. The Diversity, Equity and Inclusion/Affirmative Action program is funded from a transfer from the Department of Administrative Services, Chief Human Resources Office assessment. The Economic and Business Equity program is funded from assessments on agencies and also receives funds from sponsoring conferences.

Oregon Liquor Control Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 204,862,429 | 247,046,671 | 388,546,500 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$204,862,429 | \$247,046,671 | \$388,546,500 |
| Positions | 326 | 364 | 391 |
| Full-time Equivalent | 312.77 | 362.00 | 388.71 |

OVERVIEW

The Oregon Liquor Control Commission's (OLCC) mission is to support businesses, public safety, and community livability through education and the enforcement of liquor and marijuana laws. OLCC is the agency responsible for regulating the sale and service of alcoholic beverages in Oregon. OLCC administers the state's Liquor Control Act and regulates the production, processing and sale of recreational marijuana in Oregon through the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act. The Agency also regulates the production, processing, and sale of medical products sold to Oregon Medical Marijuana Program (OMMP) cardholders in OLCC licensed marijuana retail shops.

OLCC contracts with private agents to operate retail liquor stores, licenses private businesses, such as grocery stores, to sell packaged beer and wine, and licenses restaurants, bars, and taverns to sell alcohol by the glass. OLCC ensures only qualified people and businesses are licensed to sell and serve alcoholic beverages. Additionally, to control underage drinking and alcohol problems, the Commission conducts liquor law enforcement, outreach education, publicity, and communications.

In addition to regulating Oregon's liquor and cannabis industries, OLCC is also charged with overseeing Oregon's bottle bill.

GOVERNOR'S BUDGET

The Governor's Budget for OLCC is \$388.5 million total funds. This is a 57.3 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 391 positions. The Governor's Budget includes the sale of Article XI-Q bonds for a new OLCC warehouse and office facility, as well as provides resources to replace warehouse distribution center equipment. The Governor's Budget provides necessary staffing resources for alcohol compliance and licensing to address issues related to the growth in licensees and provides additional resources for alcohol licensing and enforcement activities. The budget also adds administrative hearings cases presenters to address the growth of cases

due to increased field compliance.

The Governor's Budget makes some staffing changes related to long-term vacant positions, but adds positions in the Human Resources division to enhance the agency's ability to recruit and on-board employees, adds additional Information Technology support staff, invests in a permanent liquor auditor position, and provides the resources necessary to operate and maintain the new privilege tax system. The Governor's Budget provides for an additional thirteen positions for marijuana business licensing activities to help address a backlog in the licensing of those businesses. The budget provides the Agency with resources necessary to accompany a legislative concept providing OLCC with the authority to regulate CBD vaping products. Finally, the Governor's Budget increases funding to update the compensation formulas for both liquor store agents and distillery agents.

REVENUE SUMMARY

Alcohol Related Revenues

The OLCC receives revenues from multiple sources; the three major contributors are the sale of distilled spirits, privilege taxes on malt beverages and wines and licensing fees. After subtracting the cost of distilled spirits, freight, a reserve for encumbrances and the agency's operating expenditures, surplus proceeds from sales, taxes, fees, and fines are allocated as follows:

- Privilege taxes on beer and wine sales: Two cents per gallon of wine tax is distributed to the Oregon Wine Board; the balance is allocated 50 percent to fund Oregon Health Authority addiction and mental health programs, 28 percent to the General Fund, 10 percent to cities based on population, five percent to counties based on population and seven percent to cities based on a revenue sharing distribution formula.
- Revenues from liquor sales, license fees, civil penalties and fines, and miscellaneous revenues: 56 percent to the General Fund, 20 percent to cities based on population, 10 percent to counties based on population and 14 percent to cities based on a revenue sharing distribution formula.

On October 15, 2020, the Commission voted to extend its \$0.50 surcharge on distilled spirits through June 30, 2023. Based on the current OLCC forecast, this surcharge is expected to generate an additional \$41.2 million in revenue for the General Fund during the 2021-23 biennium, and this amount has been included in the state revenue forecast published by the Office of Economic Analysis on November 18, 2020.

The Governor's Budget includes an additional \$0.25 surcharge on the sale of distilled spirits for the period beginning July 1, 2021, estimated to generate an additional \$20.4 million in General Fund revenues.

Marijuana Related Revenues

OLCC's Recreational Marijuana Program is funded by marijuana application and license/permit fees and fines. Revenues support the marijuana program as well as the program's proportional share of agency-wide shared management, support staff, and expenses. The agency estimates it will receive \$27.0 million in marijuana revenues in 2021-23, up slightly from revenues in 2019-21.

The marijuana tax program is administered through the Department of Revenue. The OLCC's Medical Marijuana Regulation program receives a transfer of \$7.0 million from the Marijuana Administrative Fund (tax revenues) to the Marijuana Regulatory Account to fund the OMMP Medical Marijuana Tracking Program, now administered by OLCC.

AGENCY PROGRAMS

DISTILLED SPIRITS

The Distilled Spirits Program makes distilled spirits available for sale by the bottle through liquor stores run by independent, contracted business people (liquor agents), appointed by the liquor Commissioners in a competitive process, which balances customer service, access, and revenue generation. The program regulates legal and responsible sales through the liquor stores. In addition, distilled liquor is available for sale in distillery tasting room outlets. The program centrally purchases, warehouses, and distributes distilled spirits to Oregon's liquor stores. Through oversight of retail operations, the program ensures responsible sales in the liquor stores. Oregon is one of 17 control states where the state maintains the exclusive right to sell packaged distilled spirits. The business of OLCC takes place in communities throughout the state.

The Governor's Budget for the Distilled Spirits program is \$68.7 million Other Funds. This is a 129.0 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 77 positions. The budget makes a significant investment for a new warehouse and OLCC offices through bond sales. Within this program, the expenditures related to the new warehouse include development of new IT systems for the new warehouse, costs of issuance, and debt service. Finally, the budget provides additional resources to the distribution center for essential equipment replacements.

PUBLIC SAFETY SERVICES

The Public Safety Services (PSS) Program regulates the manufacture, distribution and sale of alcohol beverages, and provides management of personnel who oversee the production, processing, and sale of recreational marijuana. This program focuses on ensuring the legal sale of alcohol and marijuana, service of alcohol to responsible adults, and minimizing alcohol and marijuana-related public safety risks. This program implements all fundamental agency responsibilities and strategies related to licensing, education and enforcement. A primary mission for this work is to prevent the sale of alcohol and marijuana to minors. As of June 1, 2020, OLCC was responsible for the oversight of more than 18,000 alcohol licensees, including nearly 13,500 restaurants, bars, grocery and convenience stores, plus 282 liquor stores, 135 distiller licenses, 93 tasting rooms, and more than 165,000 alcohol service permittees throughout the state.

In addition, the program provides oversight for 2,267 marijuana licenses including producers, processors, wholesalers, retailers, laboratories, and 56,650 marijuana worker permittees. To ensure statewide reach, the program has five regional offices (including its headquarters in Milwaukie) and eight satellite offices.

The Governor's Budget for Public Safety Services is \$30.6 million Other Funds. This is a 9.7 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 123 positions. Major investments for the Governor's Budget include additional compliance and licensing staff for liquor inspections, and processing alcohol licenses and information requests. Additional Administrative Hearings Case Presenters have been added to assist OLCC in addressing a backlog of cases, which escalated with growing field compliance and the citation of marijuana licenses.

ADMINISTRATION AND SUPPORT

The Administration and Support program provides policy, management, financial, information technology, and communications services to the Agency. The program supports other agency programs in a cost effective manner, develops and maintains regulatory rules, and enables programs to efficiently supply and support local businesses. OLCC engaged in a partial reorganization of its structure during the 2019-21 biennium, and created a new division with the Administration and Support Services program called the Policy, Analysis, Communication, and Education Division (PACE). The PACE program is designed to streamline and lead improvements to agency-wide policy, analysis, communication, and education services.

The Governor's Budget for this program is \$30.8 million Other Funds. This is a 9.6 percent increase above the 2019-21 Legislatively Approved Budget. The program operates with 87 positions. The Governor's Budget enhances the operations of this program by providing additional human resources staff, information technology staff, a Liquor Auditor position, and the resources to contract with the Department of Administrative Services for payroll services. The Governor's Budget also includes expenditure limitation necessary for subscription and maintenance costs for the Beer and Wine Privilege Tax information system.

RECREATIONAL MARIJUANA PROGRAM

The Recreational Marijuana Program is responsible for enforcing regulations throughout the marijuana production and sale process. The program also manages compliance and enforcement of a product tracking system, which is required to be used by licensees to track all marijuana and marijuana products from plant viability to final sale to the consumer. Additionally, the program is responsible for implementation of a marijuana workers permitting program for all recreational marijuana businesses, and conduct investigations and enforcement actions.

The Governor's Budget for this program is \$24.2 million Other Funds. This is a 22.9 percent increase from the 2019-21 Legislatively Approved Budget. The program operates with 83 positions. The Governor's Budget enhances the operations of this program with the provision of additional marijuana licensing specialists and provides resources associated with a Legislative Concept to provide OLCC with the authority to regulate CBD vaping products.

AGENTS COMPENSATION PROGRAM

The Agent Compensation Program contains the funds OLCC distributes to liquor agents to operate the stores and a commission for sales in distillery tasting room outlets. OLCC contracts with individual and private business people to operate exclusive and nonexclusive liquor stores and distillery tasting rooms around the state to make distilled spirits available in a managed and socially responsible manner. These independent contractors (called liquor agents) receive funds from which they pay all

store expenses. From the net proceeds, they fund their own salary and benefits.

The Governor's Budget for this program is \$165.4 million Other Funds. This is a 22.2 percent increase from the 2019-21 Legislatively Approved Budget, which increases liquor and distillery agent compensation by updating the formula through which agent compensation is determined. For liquor store agents, the formula is changed to increase the number of compensation classes from six to ten and includes retail lease and wage escalators to reflect costs in various regions of the state. The Governor's Budget updates the compensation formula and provides an incentive for agents to invest in their businesses and provide better services to customers. For distillery agents, the distiller compensation formula is changed to provide 45 percent commission on the first \$250,000 in sales from all tasting rooms connected to a distiller and 17 percent for all sales over \$250,000.

MEDICAL MARIJUANA PROGRAM

The Medical Marijuana Program resulted from the passage of Senate Bill 1057 (2018), which requires medical marijuana grow sites, with more than two patients, and medical marijuana processors and retailers, to be tracked by OLCC's cannabis tracking system. OLCC administers the tracking system and performs inspections to assure medical marijuana is properly accounted for.

The Governor's Budget for this program is \$6.1 million Other Funds and 21 positions. The Governor's Budget maintains the operations of this program.

CAPITAL IMPROVEMENTS

The Capital Improvements program provides for stewardship of OLCC's building and grounds. OLCC owns its main office and distribution center complex on McLaughlin Blvd., in Milwaukie. OLCC's distribution center encompasses the warehouse connected to the main office building and a second warehouse on Millport Road, which was acquired in 2007. The entire campus houses approximately 219 employees; and 109 employees are located in 13 different leased field offices.

The Governor's Budget for this program is \$0.2 million Other Funds. This is a 37.1 percent decrease from the 2019-21 Legislatively Approved Budget. The decrease is largely due to the phase-out of one-time funding associated with a policy package from the 2019-21 budget, which essentially results in maintaining this program. This program does not include positions.

CAPITAL CONSTRUCTION

The OLCC Capital Construction program is newly created for the 2021-23 biennium, for expenditures associated with the construction of a new warehouse and office facility through the issuance of Article XI-Q General Obligation Bonds. The Governor's Budget for this program is \$62.5 million Other Funds.

Public Employees Retirement System

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|-------------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$100,000,000 | \$0 |
| Lottery Funds | 0 | 0 | 19,337,052 |
| Other Funds | 95,220,643 | 263,256,648 | 151,698,075 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 10,928,474,109 | 12,504,627,192 | 12,919,864,593 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$11,023,694,752 | \$12,867,883,840 | \$13,090,899,720 |
| Positions | 376 | 419 | 424 |
| Full-time Equivalent | 371.31 | 414.32 | 422.80 |

OVERVIEW

The Public Employees Retirement System (PERS) is responsible for administering retirement programs for more than 900 public employers, including state, school, and local government workers. The agency manages a number of programs, including the Tier One-Tier Two Retirement programs, the Oregon Public Service Retirement Program and the Individual Account Program, three health insurance programs, Social Security Administration activities, and a deferred compensation program.

GOVERNOR'S BUDGET

The 2021-23 budget is \$13,090.9 million and is a 1.7 percent total funds increase from the 2019-21 Legislatively Approved Budget. This includes a 42.4 percent decrease in Limited Other Funds, which support operations and a computer project to implement Senate Bill 1049 (2019). The decrease results from the removal of a one-time investment in an incentive program for school districts, higher education, and local governments to finance their potential future retirement plan shortfalls. Nonlimited Other Funds increases by 3.3 percent and pays for benefits to retirees. The Governor's Budget supports 424 positions and includes 35 limited duration positions and funding to complete an infrastructure project for implementing Senate Bill 1049. This funding and positions will end with the 2021-23 biennium. The budget also includes funding to begin modernizing the legacy benefit system, reduce risk, address workload increases due to demographics and system complexity, provide for deferred maintenance, improve member education, and continue recovering overpayments.

REVENUE SUMMARY

PERS provides administrative support to a number of programs and related retirement activities, every program account, and activity has dedicated revenue sources authorized by statute. Revenue sources include investment earnings, contributions, and fees from employers and public employees. In a typical year, the majority of the agency's revenue is generated from investment earnings from the Oregon Investment Council. For 2019, 64.0 percent of revenue was from investment earnings, while employers

and employees provided 34.0 percent, with the remainder derived from charges for services.

AGENCY PROGRAMS

Tier One and Tier Two

In 2019, Active Tier One-Tier Two membership totaled 78,000 non-retired members and 143,000 retirees and beneficiaries receiving monthly retirement benefits. Because the plan was closed to new members as of August 29, 2003, the number of Tier One and Tier Two active members will continue to shrink as a share of the total active PERS membership.

The Tier One-Tier Two Plan program unit accounts for employee and employer contributions and interest earnings related to the plans and reflects the retirement payments made to Tier One-Tier Two retirees, as well as side account revenues. The funds are transferred from plan assets included in this program unit to other program units to pay for agency administrative activities. This program unit is made-up entirely of \$11.1 billion Nonlimited Other Funds expenditures. This is an 8.1 percent increase from the 2019-21 Legislatively Approved Budget.

Retirement Health Insurance

PERS serves as a group sponsor providing health insurance services to more than 60,000 retired members and their dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, and analyze carrier responses and award contracts. PERS uses a third-party administrator to provide insurance services directly to members. Revenues come from member paid insurance premiums, employer contributions, return on investments, and federal sources, such as the Centers for Medicare and Medicaid Services.

This program unit is made-up entirely of \$372.5 million Nonlimited Other Funds expenditures, a 49.2 percent decrease from 2019-21 Legislatively Approved Budget.

Oregon Public Service Retirement Pension

The Oregon Public Service Retirement Program (OPSRP) serves public employees who began public employment after August 28, 2003. The plan has a higher retirement age and less generous benefits than either the Tier 1 or Tier 2 programs. It is funded by employer contributions and investment earnings.

In 2019, OPSRP had over 124,915 non-retired members, more than either the Tier One or Tier Two plans. This program unit is made up of \$109.6 million Nonlimited Other Funds expenditures. This is a 45.8 percent increase from the 2019-21 Legislatively Approved Budget.

Individual Account Program

The Individual Account Program (IAP) is the defined contribution component of the PERS retirement plan. The IAP has no guaranteed payment or rate of return. Until June 30, 2020, the IAP required PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. Starting July 1, 2020, a portion of employee contributions to the IAP have gone to partially fund an employee's defined benefit or pension plan. This member redirect of contributions applies to employees making \$30,000 or more and when the PERS funded status is less than 90 percent. As of December 31,

2018, there were 276,739 active IAP accounts. This program unit is made up entirely of \$1,298.6 million Nonlimited Other Funds expenditures. This is an 8.8 percent decrease from the 2019-21 Legislatively Approved Budget.

Employer Incentive Program

Senate Bill 1566 (2018) established a one-time matching fund for PERS employers to address their Unfunded Actuarial Liabilities (UAL). The State provided up to 25 percent and PERS employers up to 75 percent of the amount employers may apply against their UAL. All PERS entities, including school districts, community colleges, and public universities, were eligible to participate in the matching funds program; however, in order to become eligible for matching funds, an employer must have an approved Unfunded Actuarial Liability Resolution plan. In 2019, Senate Bill 1049 made a one-time \$100 million General Fund appropriation to fulfill the state's share of the Employer Incentive Fund. The Employer Incentive Fund budget is \$19.3 million for the 2021-23 biennium, a decrease of 90.3 percent from the 2019-21 LAB. The budget is entirely Lottery Funds as required by Senate Bill 1566.

School District Unfunded Liability Fund Program

In addition to the Employer Incentive Program, Senate Bill 1566 also requires excess capital gains, estate, marijuana, wine, cider, and malt beverage taxes go to accounts to pay for school district Unfunded Actuarial Liabilities (UAL). The School District Unfunded Liability Fund program budget is \$33.3 million for the 2021-23 biennium, an increase of 100 percent from the 2019-21 Legislatively Approved Budget. This amount is entirely from excess estate tax revenue.

Central Administration

Central Administration, in conjunction with the PERS Board, provides the central direction, planning and leadership for PERS. The division consists of the executive director, deputy director, senior policy director, human resources, procurement, facilities, logistics, and the Strategic and Operational Planning section. The Governor's Budget for Central Administration totals \$13.5 million total funds and 51 positions. An internal reorganization moved basic business services from other programs to this one. Also, the budget includes investments in deferred maintenance for gender-neutral restrooms and workspace adaption for telecommuters.

Financial and Administrative Service Division

The Financial and Administrative Services Division provides comprehensive financial and administrative services to the agency. The Division is responsible for billions of dollars of transactions, including the receipt, posting and depositing of contributions and disbursing of benefits. Other fiscal activities include preparation, execution of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, and accounts payable.

The total budget for Financial and Administrative Services Division is \$25.2 million Other Funds and 35 positions. The Governor's Budget includes an internal reorganization, which moved some of the functions of this program to another program. The budget continues a position to manage collections of pension overpayments and to pay fees to collection agencies.

Information Services Division

The Information Services Division provides technical support to all divisions of the agency. Information Services ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers and other stakeholders. Help Desk support, installation and training, software development, application support, database management, network support and quality assurance all fall under Information Services responsibilities. In addition, the Imaging and Information Management unit within the Business Information and Technology section maintains records from numerous sources. It also provides operations technical support.

The total budget for the Information Services Division is \$37.8 million total funds and 78 positions. The Governor's Budget adds funding for the first stage of modernizing the legacy benefits system, adds security capacity specific to PERS needs, and corrects an employee classification.

Operations Division

The Operations Division provides comprehensive retirement plan information and assistance to PERS members and employers for the Tier 1, Tier 2, OPSRP and IAP programs. It also includes the Oregon Savings Growth Plan and PERS Health Insurance Program. The Division is the primary point of contact for PERS members and employers through its call center and correspondence units. The Division processes benefit applications, determines benefit eligibility, reviews disability applications and calculates and adjusts benefit payments.

The total budget for the Operations Division is \$43.0 million Other Funds and 203 positions. The Governor's Budget includes an internal reorganization, which moved some of the functions of this program to another program. It also adds positions to address workload caused by an aging workforce, which results in more retirements and greater member mortality, and complex qualification rules.

Compliance, Audit and Risk Division

The Compliance, Audit and Risk Division provides risk management and compliance services for all agency programs. The Division oversees and coordinates legal activities, assists in the identification and management of risk, provides independent audit and consulting services to ensure legal and policy compliance, and manages section 218 of the State Social Security Program.

The Governor's Budget continues the current program level. It totals \$9.7 million total funds and 22 positions. The Governor's Budget includes an internal reorganization, which moved functions from another program to this one. It also adds funding to support costs for a disaster recovery organization, which will help assess PERS' capacity to recover and train staff in recovery.

Core Retirement System Applications Division

This Division includes funding for project costs needed to implement Senate Bill 1049. This bill included provisions, which shift a portion of member contributions from the IAP to the employee pension plan. This is known as member redirect. A short-term solution was implemented in the 2019-21 biennium, and the Governor's Budget funds the long-term system solution. The long-term solution budget is \$22.5 million and supports 35 limited duration positions (34.88 FTE).

Oregon Racing Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 6,179,495 | 3,899,658 | 6,590,140 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$6,179,495 | \$3,899,658 | \$6,590,140 |
| Positions | 14 | 14 | 14 |
| Full-time Equivalent | 12.27 | 6.14 | 10.39 |

OVERVIEW

Established in 1933 as part of the Pari-Mutuel Wagering Act, the Oregon Racing Commission regulates all aspects of the pari-mutuel industry in Oregon for the benefit of citizens, licensees, participants and the State of Oregon. Pari-mutuel wagering is a system of betting through which winners divide the total amount bet after management expenses have been deducted.

The Commission oversees horseracing at Grants Pass Downs and at county fair race sites, including Union, Prineville, Tillamook, and Burns. In order to provide a safe and fair racing environment, the Commission oversees year-round licensing of race participants, pari-mutuel wagering operations, and specific rules on horse racing.

During race meets, Commission staff provide onsite monitoring of races, ensure equine competitors are “racing sound” and not exposed to unnecessary risk of injury, and monitor race participants and patrons to guard the integrity of the sport and the safety of the contestants, public, and animals.

The Commission also regulates all aspects of on-track and off-site wagering operations, including race simulcasts and Multi-jurisdictional Simulcasting and Interactive Wagering Totalizator Hubs (hubs). There are approximately 3,700 licensed race meet participants, 10 licensed hubs, and 11 off-track betting locations in Oregon.

GOVERNOR'S BUDGET

The Governor’s Budget is \$6.6 million total funds. This is a 69.0 percent increase from the 2019-21 Legislatively Approved Budget. Due to the closure of Oregon’s only commercial race during the previous biennium, the 2019-21 Legislatively Approved Budget provided only one year of budgeted funds for the Oregon Racing Commission. In 2019, the Commission issued a new license for a commercial race meet at Grants Pass Downs, ensuring a future for commercial racing in Oregon. Subsequently, the Legislature authorized the Commission’s second year funding at the June 2020 meeting of the Emergency Board. The Governor’s Budget continues current services funding for the Commission.

REVENUE

The Commission's operations are funded with Other Funds revenue derived from its share of wagering receipts, license fees, licensee fines and uncollected wins from wagers. Under statute, 25 percent of funds from the Commission's share of pari-mutuel hub wagers are allocated to the state General Fund. The remaining 75 percent of the Commission's proceeds are distributed to racing industry participants to support and develop race meets throughout Oregon.

Department of Revenue

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------|--------------------------------|------------------------------|
| General Fund | \$190,620,511 | \$213,103,682 | \$215,064,325 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 115,143,687 | 126,095,425 | 141,720,264 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 2,255,001 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$305,764,198 | \$341,454,108 | \$356,784,589 |
| Positions | 1,092 | 1,057 | 1,082 |
| Full-time Equivalent | 960.75 | 983.39 | 1,018.29 |

OVERVIEW

The Department of Revenue (DOR) administers more than 30 tax programs, including the state's Income and Property Tax programs. It collects more than 96 percent of the state's General Fund, oversees the county property tax function, and collects and distributes taxes and fees for other state agencies and local governments. The Department also operates a tax relief program for the elderly and persons with disabilities who rent or own their homes, the Senior Citizens and Disabled Citizens Property Tax Deferral Program.

GOVERNOR'S BUDGET

The Governor's Budget total funds expenditures for 2021-23 is \$356.8 million and 1,082 positions, a 4.5 percent increase from the 2019-21 Legislatively Approved Budget. The Governor's Budget continues funding at the current level of service and invests in efforts to strengthen revenue collections, including modernizing the property tax valuation system, which provides local government with critical information. Other investments include increasing agency capacity to maintain and modify its core information systems in the long term, adding seasonal staff to help low-income Oregonians receive refunds in a timely manner, expanding the Earned Income Tax Credit, implementing Ballot Measure 109 (psilocybin), and administering a proposed retail tobacco licensure program. The budget also continues support for matching data with financial institutions.

The Governor's Budget also makes reductions to non-core operations at the Department to balance to General Fund constraints. These reductions include eliminating reimbursements to counties for the Nonprofit Homes for the Elderly property tax exemption and other administrative funding not critical to the ongoing operations of the Department.

REVENUE SUMMARY

The Department is dependent on the General Fund to support its main programs and functions. The Other Funds revenue in the Department's budget is derived from administrative charges to various tax, fee, assessment, collections, and other programs. Most Other Funds revenue collected gets transferred to other departments or to local governments. Revenues from interest paid on delinquent property taxes, a document recording fee, and from a reduction in the early filing discount for business taxpayers are used to help administer the Property Tax program.

AGENCY PROGRAMS

Administration

The Administration Division provides overall Department leadership and supports the work of the rest of the DOR by providing services in the following areas: the Director's Office, Finance (including the Accounting, Procurement and Budget and Payroll sections), Communications, Facilities, Project Management, the Disclosure Office, Human Resources, Internal Audit and Research. It provides critical business supports necessary to achieve the mission of the Agency. The 2021-23 Governor's Budget is \$39.2 million total funds and 71 positions. This is 8.6 percent over the 2019-21 Legislatively Approved Budget. The budget includes increased vacancy savings.

Property Tax Division

The Property Tax Division consists of five major program areas: (1) Cadastral Information Systems, (2) Industrial and Utility Valuation, (3) Review of County Administration, (4) Forestland Valuation and Timber Taxes, and (5) Senior and Disabled Citizen Property Tax Deferral Program. This Division is supported primarily by General Fund revenues. Most Other Funds revenues are from the County Mapping and County Assessment Funding programs. The document recording fees, plus a portion of the interest collected on delinquent property tax payments support the Department's appraisal of industrial sites and utility and transportation companies, as well as the Department administration of the county grant process.

The 2021-23 Governor's Budget is \$64.5 million total funds and 80 positions. This is a 5.1 percent increase from the 2019-21 Legislatively Approved Budget and supports the current level of service.

Personal Tax and Compliance Division

The Personal Income Tax and Compliance Division has program responsibility for the Personal Income Tax and the Nonprofit Housing for the Elderly programs. It also provides enforcement and collection services for the Personal Income Tax Program and for TriMet and Lane Transit District Self-Employment taxes. This section is supported primarily by General Fund revenues. Personal Tax and Compliance Other Funds expenditures are primarily for the administration of Tri-Met and Lane County Transit Self-Employment Tax programs.

The Governor's Budget for Personal Tax and Compliance is \$58.6 million total funds and 254 positions. This represents a 28.2 percent decrease from the 2019-21 Legislatively Approved Budget, due to consolidation of collections activity in a separate program. This decrease is partially offset with

an investment in additional seasonal staff to improve customer service for Oregonians with low-income as they file their tax returns.

Business Division

The Business Division administers several tax programs, including Corporation Income and Excise taxes, Employer Income Tax Withholdings, Transit Payroll Taxes, Fiduciary, Inheritance, Cigarette Tax, Other Tobacco Products Tax, and other Special Programs. The Business Division is responsible for the collection of delinquent business taxes. The Division also audits corporation income and excise tax returns, fiduciary returns and transit self-employment tax returns.

The Governor's Budget for the Business Division is \$35.4 million total funds and 150 positions. This is a 0.2 percent decrease from the 2019-21 Legislatively Approved Budget, which reflects a combination of consolidating collection activity in a separate program and administrative costs for three new efforts: the psilocybin ballot measure, proposed legislation for tobacco retail licensure, and expansion of the Earned Income Tax Credit.

Collections Division

The Collections Division consists of the Other Agency Accounts (OAA) section, formerly part of the Business Division. The OAA section acts as an in-house collections agency for state government, collecting on debts for 180 state departments, boards and commissions. The Agency collects the debts and transfers the amount collected less a fee for its work. Senate Bill 1067 (2017) recently expanded the work of the section by requiring that executive branch agencies send their liquidated and delinquent debt to OAA sooner than previously required. This division also manages all of the debt assigned to private collection firms. The budget consists of \$50.1 million Other Funds and 248 positions. This is an increase of 276.0 percent from the 2019-21 Legislative Approved Budget, which results from the consolidations of collection activities from the Business and Personal Tax and Compliance programs.

Corporate Division

This division resulted from the passage of HB 3427 (2019), which created a new Corporate Activity Tax (CAT) to fund public education. The Corporate Activity Tax applies to business receipts earned on or after January 1, 2020. Proceeds from the tax support investments in education. This program includes administrative resources and the revenue receipts, which are transferred to the Oregon Department of Education. The Governor's Budget is \$4.7 million total funds and 21 positions. This is a 67.4 percent increase from the 2019-21 LAB.

Information Technology Services Division

The Information Technology Services Division supports the technology platforms on which the Department operates, processes incoming paper returns and correspondence, and processes and deposits all payments received by the Agency. The recommended budget for the Information Technology Services Division consists of \$51.9 million total funds and 232 positions. This budget includes ongoing vendor support for advanced scanners and for GenTax, the Department's tax processing software. It also includes investments for building internal agency capacity to reduce reliance on the Gen Tax vendor in the future and for complying with Federal risk mitigation requirements.

Marijuana Program

The Marijuana Program consists of the staff needed to administer the Marijuana Tax, including communications, policy analysis and the development of administrative rules and forms. In addition, the Marijuana Program administers over 70 local marijuana taxes on behalf of local governments.

The Marijuana Program's budget is \$4.8 million, an increase of 8.6 percent from the 2019-21 Legislatively Approved Budget and includes 16 positions. The budget maintains the existing level of service.

Nonprofit Homes for the Elderly Program

The Nonprofit Homes for the Elderly Program funds a property tax exemption for certain nonprofit homes for the elderly. This program reimburses counties for the tax exemption. The Governor's Budget eliminates funding for this program in 2021-23.

Senior Property Tax Deferral

The Department administers the Senior Citizens' Property Tax Deferral program, the Senior Citizens' Special Assessment Deferral program and the Disabled Citizens' Property Tax Deferral program. These programs pay the property taxes and special property assessments for qualified senior and disabled citizens in exchange for a lien against the property in the amount of the deferred taxes. The deferred taxes are repaid when either the participant no longer lives in their home, sells the home, or the participant dies.

The program's expenditures are for staff to administer the program and for payments to counties. The program has a total funds budget of \$35.4 million, a 4.9 percent increase from the 2019-21 Legislatively Approved Budget, and eight positions. The budget maintains the current level of services.

Core System Replacement

This program was created to track major information technology projects, such as the multi-biennia effort to replace the legacy tax processing system with a new system called GenTax. While the GenTax project is complete, the system used to estimate property values for local government needs modernization. The system must estimate the Real Market Value for about 4,750 industrial accounts and 600 central assessment companies statewide. The investment in modernizing the property tax valuation system is \$4.2 million with two positions and is funded with bond proceeds.

Debt Service

This program unit includes the total cost of all debt service for the Agency. The \$7.9 million total funds Governor's Budget represents a 57.3 percent decrease from the 2019-21 Legislatively Adopted Budget. The decrease results from completing the Gen Tax core system replacement project and adding bonds for modernizing the property valuation system.

Revenue Clearinghouse

This program unit records all of the non-program specific revenues and transfers for the Department of Revenue. It does not contain any expenditures or positions.

Secretary of State

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|--------------------|--------------------------------|-----------------------------------|
| General Fund | \$14,010,930 | \$14,158,129 | \$20,481,269 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 53,558,916 | 63,888,057 | 80,021,220 |
| Federal Funds | 3,452,394 | 5,387,041 | 5,892,838 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$71,022,240 | \$83,433,227 | \$106,395,327 |
| Positions | 215 | 224 | 231 |
| Full-time Equivalent | 212.86 | 223.42 | 230.75 |

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included \$13,855,207 million General Fund, \$79,359,351 Other Funds and \$5,886,909 Federal Funds, for a total amount of \$99,101,467 in her budget as a placeholder.

OVERVIEW

The Secretary of State is an elected constitutional office. Its duties include:

- Interpreting, applying and enforcing election laws;
- Publishing the Voters' Pamphlet;
- Auditing state agencies' financial operations and program performance;
- Publishing the state's administrative rules;
- Storing and preserving public records;
- Making records accessible to the citizens of Oregon; and
- Providing registration and other services to Oregon businesses.

The office has increased its services to citizens and other customers over recent years, particularly through the use of technology. The Agency's Requested Budget continues that effort.

REQUESTED BUDGET

The Agency Request Budget is \$106.4 million total funds. This is approximately a 27.5 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget funds position reclassifications and adds nine new positions in the Administrative Services, Audits, Elections, and Archives Divisions to enhance the Secretary of State's core functions.

In addition to funding positions, the requested budget funds upgrades to the Secretary of State's computing, network equipment, and migration of a data center. The requested budget provides funding for application development and replacement of ORESTAR, the system used for campaign finance reporting, and other tasks and activities associated with elections activities. Additionally, the requested budget provides funding for the continuation of Oregon Motor Voter payments to counties.

REVENUE SUMMARY

The Secretary of State uses General Fund to cover part of its operational costs, specifically for the Elections and Administration Divisions. The Secretary of State also transfers revenue from Voters' Pamphlet fees, election-filing fees, and business registration fees to the General Fund. The Agency collects Other Funds revenues from document sales and fees for service, such as charges to state agencies for audits. The Agency administers the State Election Fund as required by the Help America Vote Act, which consists of amounts appropriated or otherwise made available by Congress and the Oregon Legislative Assembly for carrying out mandates and activities involved in administering the Help America Vote Act.

Oregon State Library

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|----------------------------|--|--------------------------------------|
| General Fund | \$4,033,676 | \$4,200,159 | \$4,317,952 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 6,009,988 | 6,987,429 | 7,087,183 |
| Federal Funds | 4,611,084 | 5,221,519 | 4,966,194 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$14,654,748 | \$16,409,107 | \$16,371,329 |
| Positions | 42 | 41 | 39 |
| Full-time Equivalent | 40.04 | 39.04 | 38.16 |

OVERVIEW

The Oregon State Library’s vision is to provide equitable access to library and information services for all Oregonians. The mission is to cultivate, preserve, and deliver library and information services to foster lifelong learning and community engagement. The Oregon State Library (Library) was established as the Oregon Library Commission in 1905, and today the Library operates the following programs:

- The Operations division – provides support to the Library Board and provides basic business services.
- Library Support and Development – provides grants, consultation services, and resources to improve local libraries.
- Talking Book and Braille Library – circulates library materials in audio and Braille formats to Oregonians who are blind or have disabilities preventing them from reading printed materials.
- Government Information and Library Services – provides research assistance to state government.

GOVERNOR’S BUDGET

The Governor’s Budget for the Oregon State Library is \$16.4 million total funds and includes 39 positions. This is a 0.2 percent decrease from the 2019-21 Legislatively Approved Budget. The budget provides sufficient funding to continue existing operations.

REVENUE SUMMARY

Revenue includes General Fund, which provides 26 percent of the agency’s funding. Assessments levied against state agencies provide 43 percent of the funding. Federal Funds from the Library Services and Technology Act provide about 30 percent of available resources. The remaining one percent of revenue comes from charges for services, donations, interest, and sales income.

AGENCY PROGRAMS

Operations

The Operations Division is responsible for administrative functions and program support including strategic leadership, fiscal management, information technology, volunteer coordination, communications, and State Library Board support. The unit includes a biennial budget of \$2.3 million total funds and eight positions.

Library Support and Development

The Library Support and Development Services Division provides consultation services, professional development, statewide library services, and state and federal grant administration to libraries across the state. The Division administers state funded Ready to Read grants to all officially recognized public libraries in Oregon which support summer reading and early literacy programs. The Division administers federal grant funding from the Institute of Museum and Library Services Grants to States Program and provides leadership and consulting services to approximately 1,600 public, academic, school, and tribal libraries throughout Oregon. The unit includes a biennial budget of \$7.5 million total funds and eight positions.

Talking Book and Braille Library

The Talking Book and Braille Library program supplies reading material to Oregonians who are blind or have other disabilities preventing them from reading conventional printed materials. This is a free service to eligible Oregonians, with over 5,000 active users and an average of approximately 30,000 items circulated every month. The unit includes a biennial budget of 1.9 million total funds and eight positions.

Government Information and Library Services

The Government Information and Library Services Division provides library services to state employees including research assistance, professional development, and instruction. Through the embedded librarian program, each state agency is assigned a librarian to provide specialized assistance and resources to support state agency staff in their work. The Division preserves state agency publications and makes them accessible through the Oregon Digital Collections website. The Division collects and manages print and online resources focused on the research needs of government employees and provides inter-library loan services to acquire requested resources owned by other libraries. The Governor's Budget is \$4.7 million total funds and includes 15 positions.

Oregon State Treasury

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|--------------------|--------------------------------|-----------------------------------|
| General Fund | \$5,190,688 | \$0 | \$0 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 73,987,511 | 92,726,560 | 125,044,441 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 2,900,000 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$79,178,199 | \$92,726,560 | \$127,944,441 |
| Positions | 162 | 166 | 209 |
| Full-time Equivalent | 152.15 | 164.47 | 199.45 |

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included \$128,045,836 Other Funds in her budget as a placeholder.

OVERVIEW

The Oregon State Treasury is a multi-billion dollar cash, debt and investment management center that provides services to all Oregon state agencies, financial solutions for hundreds of Oregon's local government entities, and financial planning programs for individual Oregonians. The State Treasurer is a statewide elected constitutional official with responsibility for the sound management of Oregon's financial resources.

REQUESTED BUDGET

The Oregon State Treasury Agency Request Budget (ARB) is \$128 million total funds. This is a 38 percent increase over the 2019-21 Legislatively Approved Budget. The budget requested accounts for the restructuring of Oregon State Treasury programs, in addition to the transfer of the Trust Property program from Department of State Lands.

REVENUE SUMMARY

The ongoing administrative operations of the State Treasury are financed entirely with Other Funds. Some of the revenue comes from investment administrative fees. Additional revenues come from the direct billing of customers for the costs of banking services, bond and coupon redemption services, as well as bond issuance activities. Banks and credit unions pay the cost of operating the Public Funds Collateralization Program, in which bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts to provide additional protection for public funds.

The Treasury's public savings programs are funded primarily by administrative fees. Program administrative fee revenues, network investment plan managers and interest earnings fund the Oregon 529 College Savings Program. The Oregon 529 Achieving a Better Life Experience (ABLE) Savings Plan and the Oregon Retirement Savings Board were both launched using General Fund loans but now operate with Other Funds derived from fees.

AGENCY PROGRAMS

Oregon Treasury operates five service areas: State and Local Government Financial Services, Public Savings Services, Investment Services, Trust Property Services, and Administrative Services. A summary of each program unit is included below.

State and Local Government Financial Services

The State and Local Government Financial Services program helps Oregon governments of all sizes manage money efficiently and safely. Treasury enables these activities by providing important financial tools and services to state agencies, public universities, and local governments, which allow governments to do business, stretch tax dollars, and better serve Oregonians.

Public Savings Services

Under Public Savings Services, Oregon Treasury Savings Network oversees several public "defined contribution" investment programs, which advance the connected policy goals of increasing individual savings and quality of life, and reducing long-term government costs. Public Savings Services consists of three program units: Oregon 529 College Savings Program, Oregon 529 ABLE Program, and Oregon-Saves program.

Investment Services

Investment Services manage funds and trust funds in accordance with policies and asset allocation targets set by the Oregon Investment Council. The State Treasurer is the investment officer for the Council and Treasury is the investment organization. Investment Services consists of three program units: Investment Management Program, Investment Operations Program, and Investment Legal & Compliance Program.

Trust Property Services

Trust Property is the depository of record for unclaimed and presumed abandoned property and funds. These unclaimed funds and properties include dormant bank accounts, safe deposit box contents, utility deposits and refunds, insurance dividends, matured insurance policies, securities such as stocks and mutual funds, wages, credit balances, etc.

Administrative Services

Administrative Services is the centralized administrative function for Treasury business units and staff directly supporting the State Treasurer. The program provides the support needed to ensure the State Treasury and all Treasury programs have the administrative infrastructure, operational resources, and technology necessary to fulfill their mission and statutory requirements.

LEGISLATIVE BRANCH



LEGISLATIVE BRANCH AGENCIES

Legislative Program Area Budget

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Agency Request Budget |
|----------------------------|----------------------------|--|--|
| General Fund | \$113,045,207 | \$142,327,537 | \$179,862,837 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 30,473,798 | 18,296,815 | 8,853,942 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 1,035,844 | 8,697,132 | 1,240,880 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$144,554,849 | \$169,321,484 | \$189,957,659 |
| Positions | 665 | 573 | 572 |
| Full-time Equivalent | 452.33 | 459.00 | 460.85 |

OVERVIEW

The Legislative Assembly, including its members and their employees, the Commission on Indian Services, and five supporting agencies comprise the Legislative Branch. The supporting agencies provide administrative services and specialized analysis, and include the Legislative Administration Committee, the Legislative Counsel Committee, the Legislative Policy and Research Office, the Legislative Fiscal Office and the Legislative Revenue Office.

REQUESTED BUDGET

The requested budgets for the seven agencies within the Legislative Branch maintain program operations at existing levels.

GOVERNOR'S ADJUSTMENT

The Legislative Assembly and supporting agencies comprise a separate and independent branch of state government over which the Governor exercises no budgetary authority. Notwithstanding, the Governor is required by statute to submit a balanced budget for all of state government. For this reason, the Governor's Budget reflects funding for all Legislative Branch agencies at \$265.9 million total funds, which accounts for additional debt service costs since the requested budget was submitted.

Legislative Administration Committee

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------------|--|---|
| General Fund | \$41,388,918 | \$50,784,229 | \$69,526,384 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 25,792,528 | 11,826,630 | 1,840,725 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 450,144 | 7,935,562 | 458,476 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$67,631,590 | \$70,546,421 | \$71,825,485 |
| Positions | 91 | 79 | 78 |
| Full-time Equivalent | 76.68 | 74.42 | 75.46 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$77,134,181 General Fund, \$70,800,725 Other Funds and \$458,476 Other Funds Nonlimited for a total funds budget of \$148,393,382 in her budget as a placeholder: to account for increased debt services costs.

OVERVIEW

The Legislative Administration Committee appoints an administrator to direct and manage services and support systems for the Legislative Assembly and other legislative branch agencies. Services include staffing for information systems and technology support, building operations and maintenance for the State Capitol, accounting, payroll, personnel functions, and providing information to Legislators and the public.

REQUESTED BUDGET

The Agency Request Budget is \$71.8 million total funds. The requested budget allows the Committee to continue at existing program levels.

REVENUE SUMMARY

General Fund supports 96.8 percent of the Committee's requested expenditures. The Agency also receives Other Funds revenues for rent of office space, parking fees, and other items. Nonlimited Other Funds are from the Capitol Gift Shop and the Property and Surplus Stores account.

Legislative Assembly

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------------|--|---|
| General Fund | \$43,411,502 | \$54,495,347 | \$65,946,868 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 4,176 | 27,580 | 147,199 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 115,094 | 135,000 | 150,000 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$43,530,772 | \$54,657,927 | \$66,244,067 |
| Positions | 423 | 335 | 335 |
| Full-time Equivalent | 251.52 | 253.44 | 253.02 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$65,532,335 General Fund, \$147,199 Other Funds and \$150,000 Other Funds Nonlimited for a total funds budget of \$65,829,534 in her budget as a placeholder.

OVERVIEW

The Legislative Assembly represents the voice of the people, providing a forum for agenda setting, deliberation, and determination of public policy. It is tasked with revising and enacting laws pertaining to the health, education, and general welfare of Oregonians. The Legislative Assembly is also responsible for balancing the state's biennial budget. In ultimately deciding the allocation of state moneys amongst agencies and programs, the Legislature establishes state policy priorities. In addition to enacting laws, influencing public policy, and balancing the budget, Legislators also review administrative rules drafted by state agencies. An additional responsibility is the Senate's confirmation of certain executive appointments made by the Governor.

The Legislature meets in a longer session every odd-numbered year and enacts a biennial budget. In November 2010, voters approved shorter annual sessions that meet during even-numbered years. During the interim, interim committees examine specific topics or program areas and a Joint Committee, the Emergency Board, meets periodically to address certain fiscal issues, which are unable to wait until the next regular session. The Emergency Board has limited authority, so there are fiscal circumstances requiring the full Legislature to meet in a special session to ensure the budget remains balanced.

The Legislative Assembly budget includes salaries and per diem for legislative members and their staff, the leadership and caucus offices, the Secretary of the Senate, the Chief Clerk of the House, session staff and Senate Executive Appointments. The portion of the Legislative Assembly budget to cover the costs for members is divided to reflect session and interim activities, as well as Senate and House costs.

REQUESTED BUDGET

The Agency Request Budget is \$66.2 million total funds. This is a 21.2 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget allows the Assembly to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 99.6 percent of the Legislative Assembly budget. The Assembly receives Other Funds revenues from charging customers for the duplication of legislative materials and miscellaneous receipts. The Assembly also receives Nonlimited Other Funds for use of the House and Senate lounges by legislative members during session.

Legislative Commission on Indian Services

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------------|--|---|
| General Fund | \$518,737 | \$730,962 | \$848,419 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 729 | 7,302 | 7,604 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$519,466 | \$738,264 | \$856,023 |
| Positions | 2 | 2 | 2 |
| Full-time Equivalent | 2.00 | 2.00 | 2.00 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$835,286 General Fund and \$7,604 Other Funds for a total funds budget of \$842,890 in her budget as a placeholder.

OVERVIEW

Established in 1975, the Legislative Commission on Indian Services was created to improve services to Indians in Oregon and to provide a forum where Indian concerns can be raised and considered. The Commission compiles information on services available to Indians, assesses state programs and services, and advises on matters relating to the preservation and protection of Indian historic and archaeological resources. The Commission must be consulted on matters related to the preservation and protection of fish, wildlife, historic and archaeological resources.

The 13-member Commission is appointed by the President of the Senate and Speaker of the House of Representatives for two-year terms. The Commission members select their own officers to serve one-year terms of office.

REQUESTED BUDGET

The Agency Request Budget is \$0.9 million total funds. This is a 16.0 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget enables the Commission to continue existing levels of service.

REVENUE SUMMARY

The Commission receives most of its budget from the General Fund. The Other Funds revenue comes from registration and other fees derived from the sponsorship of special meetings. The funds are used to cover costs associated with the events.

Legislative Counsel Committee

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Agency Request Budget |
|----------------------------|----------------------------|--|--|
| General Fund | \$11,712,733 | \$14,657,440 | \$18,510,968 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 985,146 | 2,000,148 | 2,007,900 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 470,606 | 626,570 | 632,404 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$13,168,485 | \$17,284,158 | \$21,151,272 |
| Positions | 58 | 62 | 62 |
| Full-time Equivalent | 50.84 | 55.08 | 55.08 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$18,356,791 General Fund, \$2,007,900 Other Funds and \$632,404 Other Funds Nonlimited for a total funds budget of \$20,997,095 in her budget as a placeholder.

OVERVIEW

Overseen by the Legislative Counsel Committee, the Office of the Legislative Counsel provides legal and publication services to the Legislative Assembly and its members and other state agencies. The office drafts measures and amendments for Legislators, legislative committees, statewide elected officials, and state agencies. The office provides legal advice to Legislators and legislative committees. It prepares indexes and tables for all measures introduced during legislative sessions and publishes and distributes the Oregon Revised Statutes every two years. Finally, the office reviews all administrative rules adopted by state agencies to determine if they are consistent with the agencies' enabling statute.

REQUESTED BUDGET

The Agency Request Budget is \$21.2 million total funds. This is a 22.4 percent increase from the 2019-21 Legislatively Approved Budget and continues existing program levels.

REVENUE SUMMARY

General Fund supports 87 percent of Legislative Counsel Committee's expenditures. Other Funds are derived from sales of the Oregon Revised Statutes, Oregon Laws, bill drafting services and other Legislative Counsel publications. A portion of the publication sales income is used to defray part of the agency's General Program expenses related to Oregon Revised Statutes publication editing. The balance of the publication sales income is expended as Nonlimited within the Oregon Revised Statutes Publications Program.

Legislative Fiscal Office

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------------|--|---|
| General Fund | \$4,633,272 | \$7,807,489 | \$8,694,928 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 3,691,219 | 4,435,155 | 4,850,514 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$8,324,491 | \$12,242,644 | \$13,545,442 |
| Positions | 22 | 27 | 27 |
| Full-time Equivalent | 22.00 | 25.77 | 27.00 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$8,677,007 General Fund and \$4,850,514 Other Funds for a total funds budget of \$13,527,521 in her budget as a placeholder.

OVERVIEW

The Legislative Fiscal Office (LFO) is a permanent, non-partisan legislative service agency. The LFO workload changes between legislative sessions and the interim. During sessions, budget analysis and the number of bill introductions and amendments are the primary drivers of workload for the agency. The office also spends a significant amount of time educating and providing information to members, legislative staff, and other stakeholders about the budget process and current budget issues, and:

- Provides research, analysis and evaluation of state expenditures, financial affairs, program administration, and agency organization.
- Makes recommendations and works with the Legislative Assembly to balance the state's biennial budget.
- Reports to the Joint Committee on Ways and Means during legislative sessions and the meetings of the Emergency Board and the Interim Joint Committee on Ways and Means between sessions.
- Determines the fiscal impact of all legislative measures and, when applicable, publishes fiscal impact statements accompanying bills through the legislative process.

REQUESTED BUDGET

The Agency Request Budget is \$13.5 million total funds. This is a 10.6 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget enables LFO to continue existing levels of service.

REVENUE SUMMARY

The General Fund supports 64 percent of the LFO's expenditures. Other Funds revenue is derived from a portion of the Central Government Service Charge assessment associated with the work of the office.

Legislative Policy and Research Office

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|-----------------------------|----------------------------|--|---|
| General Fund | \$8,650,956 | \$11,018,643 | \$12,930,532 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$8,650,956 | \$11,018,643 | \$12,930,532 |
| Positions | 61 | 61 | 61 |
| Full-time Equivalent | 41.29 | 41.29 | 41.29 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$12,872,239 General Fund in her budget as a placeholder.

OVERVIEW

The Legislative Policy and Research Office (LPRO) provides centralized, professional and non-partisan research, analysis and committee management services for the Legislative Assembly.

Senate Bill 1569 established LPRO in 2016. The LPRO is responsible for preparing and assisting in the preparation of legislative research, facilitating the development of legislative policy, and providing advice and assistance to legislative committees.

REQUESTED BUDGET

The Agency Request Budget is \$12.9 million total funds. This is a 17.4 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget supports the office at existing levels of service and funds 61 positions.

REVENUE SUMMARY

The Legislative Policy and Research Office is supported solely by General Funds.

Legislative Revenue Officer

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|--------------------|--------------------------------|-----------------------------------|
| General Fund | \$2,729,089 | \$2,833,427 | \$3,404,838 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$2,729,089 | \$2,833,427 | \$3,404,838 |
| Positions | 8 | 7 | 7 |
| Full-time Equivalent | 8.00 | 7.00 | 7.00 |

*The Governor makes no recommendation on this budget, since it is part of a separate branch of government. As part of the statutorily required balanced budget, the Governor included \$3,397,055 General Fund in her budget as a placeholder.

OVERVIEW

The Legislative Revenue Office (LRO) provides non-partisan analysis to the Oregon Legislature on tax policy and school finance issues. The office provides staff assistance to the Senate Finance and Revenue Committee and House Revenue Committee during legislative sessions and to interim revenue committees, task forces and workgroups between sessions. The LRO staff provides research for other members, representatives, and committees upon request. Additionally, the staff prepares research reports and writes revenue impact statements on initiatives, proposed legislation affecting state or local public finances, personal and corporate income taxes, property taxes, consumption taxes, school funding, and distribution of the State School Fund.

As with other committee staff, the work of LRO changes between legislative sessions and the interim. During sessions, the number of bill introductions and amendments along with tax-related voter initiatives and legislative referrals are the primary driver of workload for the agency. During the interim, workload is driven by the number of revenue, school finance committee, task force, and workgroup meetings.

REQUESTED BUDGET

The Agency Request Budget is \$3.4 million total funds. This is a 20.2 percent increase from the 2019-21 Legislatively Approved Budget. The requested budget enables the Legislative Revenue Office to continue existing levels of service.

REVENUE SUMMARY

The Legislative Revenue Office is supported solely by General Fund.

JUDICIAL BRANCH



JUDICIAL BRANCH AGENCIES

Judicial Branch Summary

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|------------------------|--------------------------------|--------------------------------------|
| General Fund | \$761,420,641 | \$862,417,437 | \$1,041,667,843 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 247,063,880 | 221,853,486 | 479,466,039 |
| Federal Funds | 900,036 | 1,355,846 | 1,476,446 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$1,009,384,557 | \$1,085,626,769 | \$1,522,610,328 |
| Positions | 1,973 | 2,017 | 2,056 |
| Full-time Equivalent | 1,850.20 | 1,898.52 | 2,010.85 |

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$955,414,566 General Fund, \$488,396,039 Other Funds, and \$1,476,446 Federal Funds for total funds of \$1,445,287,051 in her budget as a placeholder.

OVERVIEW

The mission of the Judicial Branch is to provide fair and accessible justice services, protect the rights of individuals, preserve community welfare and inspire public confidence.

Three independent state entities compose the Judicial Branch program area. These entities provide policy, programs, administrative support and oversight for Oregon’s judicial system and ancillary services.

REQUESTED BUDGET

Highlights of the Chief Justice’s Requested Budget for the Judicial Department include:

- Increased support staffing and resources for Trial Courts intended to reduce pre-trial populations, provide judges and staff with diversity, equity and inclusion training, and improve outcomes for justice involved individuals with behavioral health challenges,
- Technology improvements to provide online dispute resolution and connect courts, rural communities and vulnerable populations,
- New support positions dedicated to providing better outcomes for children and families,
- Three new circuit court judgeships and support staffing to alleviate heavy caseloads in Deschutes and Douglas counties,

- Bonding support for courthouse replacements in Clackamas, Lane and Linn counties, as well as renovation of the Oregon Supreme Court building, and
- Collaborative projects to provide technology services for the Public Defense Services Commission, support the Multnomah County Legal Resource Center, and provide specialty court grants with Criminal Justice Commission funding.

The Public Defense Services Commission requested a budget intended to continue a three-biennium strategy of investments toward its goals. Highlights include:

- Addition of 30 representational units to add capacity to historically overloaded locations, lowering attorney caseloads,
- Expansion of the Parent Child Representation Program into three new counties (Clatsop, Douglas, and Clackamas) to achieve positive outcomes for children and families in juvenile dependency and termination of parental rights cases,
- Additional staffing to support core business functions in the Contract and Business Services Division, and
- Funding to cover increased mandated caseload costs.

The total requested Judicial Branch budget represents a 40.3 percent increase from the 2019-21 Legislatively Approved Budget. The Branch's General Fund request represents a 20.8 percent increase from the 2019-21 Legislatively Approved Budget. This increase is primarily due to bond funding and General Fund planning monies for the Oregon Supreme Court building and county courthouse construction projects.

GOVERNOR'S ADJUSTMENTS

The Judicial Branch agencies are a separate and independent branch of state government. The Governor does not have budgetary authority over them. The law, however, requires the Governor to submit a balanced budget for the state. For this reason, the Governor's Budget includes a placeholder for the Judicial Branch of \$1,445.3 million total funds, including \$955.4 million General Fund.

Oregon Judicial Department

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------------|--|---|
| General Fund | \$452,089,382 | \$519,823,309 | \$618,413,369 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 242,363,787 | 217,814,418 | 475,016,372 |
| Federal Funds | 900,036 | 1,355,846 | 1,476,446 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$695,353,205 | \$738,993,573 | \$1,094,906,187 |
| Positions | 1,896 | 1,935 | 1,943 |
| Full-time Equivalent | 1,773.90 | 1,817.22 | 1,904.30 |

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$575,497,680 General Fund, \$474,946,372 Other Funds and \$1,476,446 Federal Funds for total funds of \$1,051,920,498 in her budget as a placeholder.

OVERVIEW

The Judicial Department’s budget contains the resources necessary to operate a statewide court system for the Judicial Branch of Oregon state government. Effective January 1983, the Legislature created a unified, state-funded court system with general jurisdiction trial courts (circuit courts) located in all 36 counties. Municipal courts and justice courts, both with limited jurisdiction, still remain outside the state-funded system and are operated by cities and counties.

The Chief Justice of the Supreme Court is the administrative head of the Department with authority over the unified state court system’s operations, programs and functions. The Chief Justice appoints the State Court Administrator, who is responsible for assisting in the Department’s administration and coordination. The Chief Justice also appoints presiding judges, who in turn appoint trial court administrators to assist in administering the daily operations of the individual courts.

The Judicial Department includes:

- Operations of the Oregon Supreme Court, the Court of Appeals, the Tax Court, and the Office of the State Court Administrator.
- Operations of the 36 circuit courts organized into 27 judicial districts statewide. These trial courts, located in every county, rule on a full range of criminal, civil, juvenile, and domestic relations cases, among other matters.
- Administration of mandated payments for the cost of jurors, transcripts in certain civil appeals, Americans with Disabilities Act compliance, and court provision of interpreters.

- Administration of centralized management and support functions, such as statewide systems for case management and information, budget and finance, legal counsel services, education and training, internal auditing, inter-branch and interagency relations, court operations program review, personnel rules and services, collection of court-imposed financial obligations, and a statutory citizen review board, which reviews child permanency plans in out-of-home placements and makes recommendations to the circuit court judges on the feasibility and progress of these plans.

REQUESTED BUDGET

The Chief Justice's Agency Request Budget is \$1,094.9 million total funds. It includes \$618.4 million General Fund (including General Fund debt service), \$475.0 million Other Funds and \$1.5 million Federal Funds. This requested budget includes all programs and all policy packages submitted for legislative consideration, and supports 1,943 positions.

The Department's requested budget continues a long-range plan to meet minimum security standards in all circuit courts and provide seismic and other upgrades to the Supreme Court building and four circuit court facilities including Benton, Clackamas, Lane, and Linn County courthouses. The budget includes judges and staff compensation and benefit adjustments, as well as funding court operations and continuing drug, mental health, and domestic violence courts. The budget also requests additional judges and staff and technology investments to improve timely services to the public and increase access to justice.

A portion of the Judicial Department budget is passed through to other entities, primarily counties, for courthouse capital repairs and replacement, court security, and other services. Most of the operating costs are for personnel, located statewide as required by statute.

REVENUE SUMMARY

The Judicial Department generates revenue for the General Fund from filing fees, trial and hearing fees, collections fees, and copy sales. Other Funds revenues also are generated by the Judicial Department from fines, assessments, sales of publications, access to the Oregon Judicial Case Information Network, drug court grants, and grants from other state agencies to leverage federal funding sources. The Federal Funds revenues are from the U.S. Department of Health and Human Services for continuation of the Juvenile Court Improvement Project.

Commission on Judicial Fitness and Disability

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|--------------------|--------------------------------|-----------------------------------|
| General Fund | \$243,060 | \$274,890 | \$306,164 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$243,060 | \$274,890 | \$306,164 |
| Positions | 1 | 1 | 1 |
| Full-time Equivalent | 0.50 | 0.50 | 0.50 |

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$289,534 General Fund in her budget as a placeholder.

OVERVIEW

The Commission on Judicial Fitness and Disability investigates complaints filed against Oregon judges. The Commission may recommend the Oregon Supreme Court discipline a judge for misconduct, which includes censure, suspension, or removal of a judge from the bench.

REQUESTED BUDGET

The requested budget for the Commission on Judicial Fitness and Disability is \$0.3 million General Fund. This is an 11.4 percent increase from the 2019-21 Legislatively Approved Budget. The increase is attributable to standard inflation, statewide price list adjustments, and Personal Services increases.

REVENUE SUMMARY

The Commission on Judicial Fitness and Disability's entire budget is funded with General Fund.

Public Defense Services Commission

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23* Agency Request Budget |
|----------------------------|----------------------|--------------------------------|-----------------------------------|
| General Fund | \$309,088,199 | \$342,319,238 | \$422,948,310 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 4,700,093 | 4,039,068 | 4,449,667 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$313,788,292 | \$346,358,306 | \$427,397,977 |
| Positions | 76 | 81 | 112 |
| Full-time Equivalent | 75.80 | 80.80 | 106.05 |

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$379,627,352 General Fund and \$13,449,667 Other Funds for a total amount of \$393,077,019 in her budget as a placeholder.

OVERVIEW

The Public Defense Services Commission is the judicial branch agency responsible for establishing and maintaining a public defense system. Their mission is to “ensure that eligible individuals have timely access to legal services, consistent with Oregon's standard of justice.”

The Public Defense Services Commission consists of three divisions:

- Appellate Division — provides direct legal services for representation on criminal appeals.
- Professional Services Account — contains funding used to pay expenses for trial-level representation and appellate cases not handled by the Appellate Division.
- Contract and Business Services — administers the Public Defense Services Account, negotiates contracts, pays bills for trial-level representation, and appellate cases not handled by the Appellate Division, and provides all administrative office support.

REQUESTED BUDGET

The requested budget for the Public Defense Service Commission is \$427.4 million total funds. This includes \$422.9 million General Fund and \$4.4 million Other Funds. This is a 23.4 percent increase from the 2019-21 Legislatively Approved Budget. The budget includes 112 positions.

The requested budget provides for the following:

- Funding to expand the Parent Child Representation Program into three additional counties including Clackamas, Douglas, and Clatsop. This program ensures reasonable caseloads, improved compensation, and multidisciplinary representation for parents and children in Oregon’s Child Welfare system;

- Addition of 30 representational units to add capacity to historically overloaded locations, lowering attorney caseloads;
- Additional staffing to support core business functions in the Contract and Business Services Division; and
- Funding to cover increased mandated caseload costs.

REVENUE SUMMARY

The Commission is funded primarily with General Fund. Other Funds come from the Application and Contribution program, which collects application fees and contributions for services from people who can afford to pay for a portion of their defense services.

EMERGENCY BOARD



EMERGENCY BOARD

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|----------------------------|--------------------|--------------------------------|------------------------------|
| General Fund | \$0 | \$316,496,094 | \$501,000,000 |
| Lottery Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds (Nonlimited) | 0 | 0 | 0 |
| Federal Funds (Nonlimited) | 0 | 0 | 0 |
| Total Funds | \$0 | \$316,496,094 | \$501,000,000 |
| Positions | 0 | 0 | 0 |
| Full-time Equivalent | 0.00 | 0.00 | 0.00 |

OVERVIEW

The Emergency Board acts to meet emergency needs when the Legislature is not in session. It can allocate money from the Emergency Fund to state agencies. It can also take other action on agency budget requests. The Governor’s Budget provides a total of \$501 million for the Emergency Fund. The components of this are described below.

GENERAL PURPOSE

The Governor’s Budget proposes \$50 million for the General Purpose Emergency Fund. The Emergency Board can use this for any purpose during the biennium. Items that would be appropriate for consideration for this fund include situations in which the state must deal with unforeseen but critical needs or when additional investment is critical to an agency or service.

SPECIAL PURPOSE APPROPRIATIONS

The Governor’s Budget sets aside \$190 million in the Emergency Fund for state employee compensation. The funds will help cover cost increases for health and benefit plans and wages for all state employees. The Governor’s Budget also includes a \$20 million Special Purpose Appropriation (SPA) to cover bargained compensation changes for represented non-state employees including child care workers, home care workers, and personal support workers. Additionally, a SPA of \$20 million is established for the Oregon Public Defense Services Commission to address pay parity.

In response to catastrophic wildfire damage experienced recently in Oregon, a \$135 million SPA is included for wildfire recovery and an additional \$40 million SPA is provided to address recommendations from the Governor’s Council on Wildfire Response. Additionally, a separate \$8 million SPA is included in the Emergency Fund for fire protection severity suppression resources in the Department of Forestry. The appropriation reimburses costs for the state’s share of the purchase of

catastrophic fire insurance for large fire costs over \$50 million and reimbursement for the agency's costs for seasonal aviation and ground-based emergency "initial attack" resources.

The Governor has set aside \$10 million in a SPA to support racial justice reform. This funding is provided to support the Racial Justice Council Bills and recommendations, as well as the Department of Public Safety Standards & Training Task Force Bills.

Two SPA's are included for the Oregon Secretary of State; \$2.5 million is provided for an Oregon Diversity Procurement program in the Small Business Advocate Office and \$3 million is provided for expanding access to the ballot box and voter registration.

In support of local communities across Oregon, the Governor included a \$22.5 million SPA for cities and counties to be used to mitigate the impacts of Ballot Measure 110, which redistributes marijuana revenues to provide funding for addiction recovery centers and other addiction treatment services.

STATE AND LOCAL SHARED SERVICES



State and Local Shared Services

Introduction

Revenue stability and the capacity of tax revenue to keep pace with economic expansion are pivotal issues for both state and local governments. Local governments depend on the property tax. The property tax is inelastic, which tends to make it a very stable revenue source. However, these revenues may not grow fast enough to keep up with inflation and population growth.

The state depends heavily on the income tax. It is a more elastic source of revenue that increases or decreases as fast as or faster than the economy. Given the relatively gradual growth of the property tax and the volatility of the General Fund, revenue sharing is crucial to achieving a level of balance between state and local shared services.

State services that benefit local governments and state funding of locally administered programs are vital connections. The most climactic example rises from the passage of Ballot Measure 5 in 1990. Before its passage, education was mainly funded locally, by the property tax through school districts. Since then, education has been principally financed by the income tax-driven state General Fund and has become the largest portion of the state budget. During the 2019 Legislative Session, the Legislature passed House Bill 3427, referred to as the Student Success Act, which created a Corporate Activity Tax (CAT) dedicated to school funding. As part of the legislation that created the CAT, and effective the beginning of the tax year 2020, the Legislature reduced Oregon's first three income tax brackets from 5 percent, 7 percent, and 9 percent, to 4.75 percent, 6.75 percent, and 8.75 percent respectively.

The Governor recognizes the importance of working locally to identify priorities, resolve problems, and pursue opportunities for improvement. The Governor's budget seeks to cultivate collaborative approaches to allocating state resources for critical services to constituents at both state and local levels of government. Coordinated efforts address common goals in the state and result in good inter-governmental partnerships.

Budget Overview

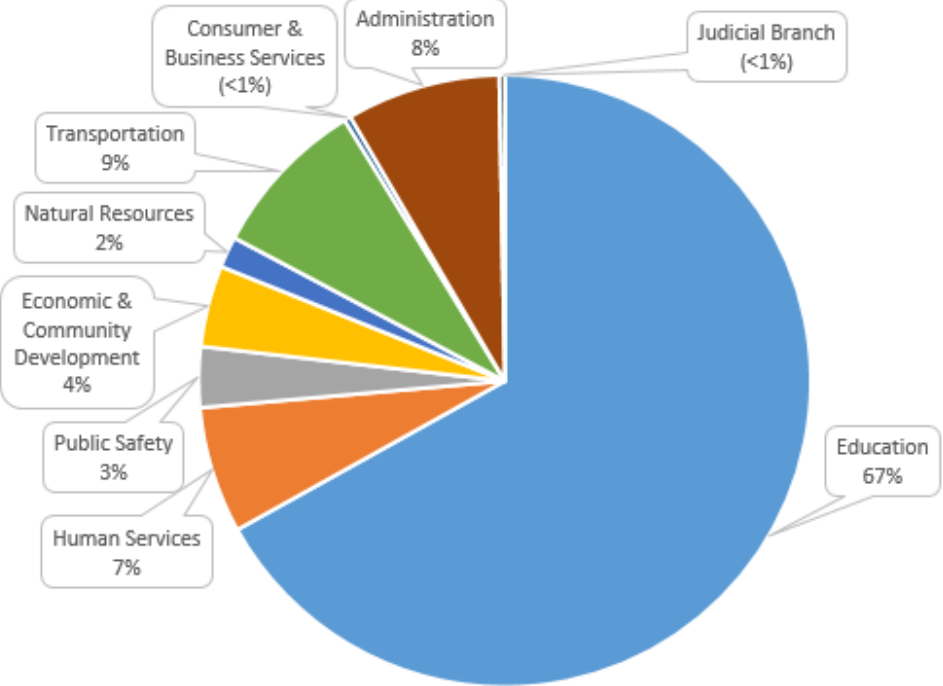
There are three primary types of shared services between state and local government:

- Funds paid by state agencies to local governments for locally administered programs (primarily county human services, public education, etc.).
- Revenues collected by state agencies and shared with local governments (shared revenues) for the purpose of funding local government services, such as the gas tax.
- Services delivered by state agencies that benefit local governments, for example, directly funding local infrastructure projects.

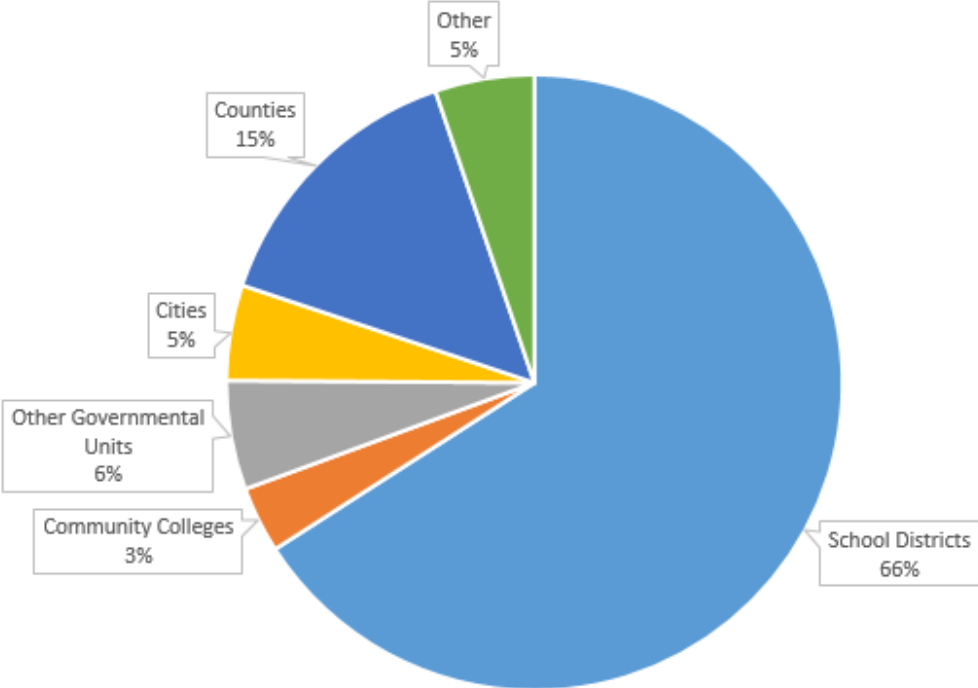
Resources to non-governmental units, individuals and tax relief are not included.

The 2021-23 Governor's budget contains \$20,239 million total funds in state and local shared services (see charts on the next page for specific program area distributions).

2021-23 STATE AND LOCAL SHARED SERVICES BY PROGRAM AREA (\$20,239 MILLION)



2021-23 STATE AND LOCAL SHARED SERVICES BY RECIPIENT (\$20,239 MILLION)



The following narrative provides a sampling of state and local shared services but is not a complete documentation of all services. Services are both direct and indirect. Indirect services may not be reflected in state budgets. Individual agencies can be contacted for more information.

Administration Program Area

The Administration Program Area represents approximately eight percent of total shared services. Agency budgets apportion \$1,645 million total funds to local government. Examples of shared services include:

- *Department of Administrative Services.* The Department administers a number of funds distributed to cities and counties in Oregon. In the 2021-23 biennium, transfers of revenue total more than \$344 million. The support includes cigarette, marijuana, tobacco and amusement tax revenues received from the Department of Revenue, as well as 14 percent of liquor revenues and seven percent of beer and wine taxes from the Oregon Liquor Control Commission. Federal Funds come from U.S. Land Sales, forest reserve rentals and leases, Taylor Grazing Act funds, and mineral leases. Distributions to counties from video lottery proceeds pass through the Economic Development Fund.
- *Oregon Liquor Control Commission.* A portion of the privilege tax revenue is transferred to local governments, 10 percent to cities based on population, five percent to counties based on population, and seven percent to cities based on a revenue sharing distribution formula. Twenty percent of net liquor revenues from sales, license fees, civil penalties, fines, and miscellaneous revenues are distributed to cities based on population, 10 percent to counties based on population, and 14 percent to cities based on a revenue sharing distribution formula.
- *Department of Revenue.* The Department of Revenue distributes over a billion dollars to local governments from a variety of resources. The Department of Revenue collects local transit taxes on behalf of local governments. The Department also collects and transfers revenues for programs such as the Heavy Equipment Rental Tax, Electric Co-op, Emergency Phone, and Private Rail Car programs. The department also gives grants to counties to help maintain local property tax assessment functions.
- *Oregon State Library.* The State Library provides resources to local governments in the form of Library Services and Technology Act competitive grants totaling \$2.5 million Federal Funds. These grants are distributed to city, county and other libraries across the state. In addition, nearly \$1.6 million General Fund in Ready-to-Read grants are distributed to public libraries throughout Oregon.

Economic and Community Development Program Area

The Economic and Community Development Program Area includes four percent of total shared services and \$870 million total funds. Agencies in this area help provide economic and cultural enhancement. Examples of shared services include:

- *Oregon Business Development Department.* The Department through its Infrastructure program assists communities to build infrastructure capacity to address community facilities for public health, safety and compliance issues as well as support communities' ability to attract, retain and expand businesses. Local infrastructure projects are funded through technical assistance, grants, loans and bond financing supported by Other Funds, Lottery Funds, and Federal Funds. The

Department also administers the Community Development Block Grant program for the non-entitlement areas of the state (those local governments that do not receive a block grant directly from the United States Housing and Urban Development Department).

- *Housing and Community Services Department.* The Department provides approximately \$77.0 million to local government. The Agency collaborates with community development corporations, community action agencies, housing authorities, local non-profits, and local governments, and school districts to expand affordable housing, revitalize rural, and distressed communities and provide utility assistance to households with low income.
- *Department of Veterans' Affairs.* The Department of Veterans Affairs budget includes a total of \$10.4 million for 36 county veterans' service organizations in a service-delivery partnership with counties. The Department's budget also includes \$0.5 million to county partners for the Rural Veteran Healthcare Transportation grant to provide free transportation to veterans in rural areas seeking healthcare; and \$0.5 million to continue the Campus Veteran Resource Grant Program, which provides grants to Oregon's community colleges and public universities to enhance campus resource centers and services for veterans.

Education Program Area

The Education Program Area represents 67 percent, or \$13,545 million, of state resources to local government, more than any other program area. State aid to schools has grown significantly since Ballot Measure 5 (1990) amended the Oregon Constitution to reduce property tax growth and required the state to replace property tax revenues lost by schools. The Oregon Legislature, in the 2019 Legislative Session, passed House Bill 3427 referred to as the Student Success Act, which in turn created the Corporate Activity Tax (CAT). The CAT funding created through this bill is a 0.57 percent tax on commercial activity in Oregon above one million dollars, which is dedicated to funding schools and early learning programs. Some examples of shared services are:

- *Department of Education.* Approximately 97 percent of the budget for ODE is for services to local governments. This aid consists of the State School Fund payments to local education districts, as well as numerous Grant-in-Aid programs. Additionally, the Department provides grants to local governments for the delivery of services related to early childhood education and school readiness. This includes grants for pre-kindergarten and early education services and contracts with organizations in local service delivery areas to provide child care resource and referral services. The Department also provides funding for Healthy Families and Relief Nurseries.
- *Higher Education Coordinating Commission.* Support for community colleges and local workforce programs is included in the Higher Education Coordinating Commission. This includes Community College Support Fund payments to local community college districts; distribution of the federal Workforce Innovation and Opportunity funds to regional, county, or community service delivery agents; grants for AmeriCorps programs, and distribution of state funding for local workforce and Oregon Youth Conservation Corps programs.

Human Services Program Area

The Human Services Program Area promotes health and safety. Agencies foster self-sufficiency and

independence. State and local partnerships are vital in providing social supports. The program area represents seven percent of total shared services. The agencies provide \$1,353 million total funds to local governments. Some examples of these services are:

- *Department of Human Services*. The Department contracts with local government to provide a variety of developmental disability services and case management for seniors and people with disabilities. In addition, other local governmental units, like school districts, community action agencies and cities, also play key roles in providing or coordinating services. DHS distributes \$625.2 million for services to seniors and people with physical, intellectual, and developmental disabilities. The senior and disabled services system is primarily managed through contracts with local Area Agencies on Aging. The developmental disability program is managed through contracts with local brokerages and county offices.
- *Oregon Health Authority (OHA)*. The Health Authority contracts with local governments to deliver a significant number of state services. These contracts include payments for county-based mental health organizations, alcohol and drug abuse treatment services, communicable disease testing, prenatal/parental services and various other public health initiatives. OHA distributes \$355 million for addiction and mental health programs and \$158 million for public health services.

Natural Resources Program Area

The Natural Resources Program Area represents two percent of total shared services. Agencies apportion \$332 million total funds to local governments. Agencies in this program area manage, protect, and preserve Oregon's natural resources. This is done with the best interests of present and future generations in mind, with the goal of protecting a sound, diversified and sustainable economy. The Oregon Plan for Salmon and Watersheds is a cooperative endeavor among the state, local communities and the private sector. The agreement works toward improving and restoring salmon and steelhead runs, habitat and watershed health. Some examples of shared services include:

- *Department of Environmental Quality*. The Department provides a subsidy to the Lane Regional Air Pollution Authority. It also provides grants to improve solid waste planning and recycling, and loans for sewage treatment infrastructure.
- *Department of Agriculture*. The Department coordinates with the Oregon Watershed Enhancement Board to award OWEB Lottery Funds grants for various cities, counties, and other local government entities for weed control activities consistent with past levels of support.
- *Forestry Department*. The Department manages some state forests for benefits to counties. These lands were transferred to the state in the early part of the 20th century. Revenues from these lands help support county operations. Also, counties and schools receive a share of revenues from the harvesting of timber on forestland managed by the department on behalf of the State Land Board.
- *Department of Energy*. The Department provides for the coordination of emergency response activities for the Hanford and Columbia Generating Station, and for assistance in evaluating energy facility siting applications.
- *Department of Land Conservation and Development*. Through its Grants program unit, the Department distributes funds to cities and counties. Grants are awarded to maintain, improve,

and carry out comprehensive plans and land use regulations, and to help local governments meet the statutory obligation for periodic review of those plans.

- Department of State Lands. The Department transfers revenue to the Department of Education; this revenue becomes part of the funding for primary and secondary public schools (Kindergarten through 12th grade).
- Marine Board. The Marine Board serves local communities through programs that support boating within their jurisdictions. The Boating Safety program provides state boater funds to local and county law enforcement to assist with marine patrols on Oregon's waterways and boating education in local schools. This money is matched with federal money to support these programs. The Boating Facilities program provides engineering, environmental, and contract services to support facility construction grants, and provides direct grant assistance for construction and maintenance. The Marine Board leverages boater money with additional Federal Funds for these projects.
- Oregon Parks and Recreation Department. The Department operates grant programs that provide funding to counties and other local governments for recreation and historic preservation. Each grant program has specific eligibility requirements. Some are designed for county governments only; others can include cities, counties, metropolitan service districts, park and recreation districts and port districts.

There are six recreational grant programs, five of which distribute grants primarily for outdoor recreation purposes. Two of the five are pass-through using Federal Funds. The other grant program assists local governments in the creation or preservation of veterans and war memorials.

Other grant programs include various types of historic preservation and heritage-related projects such as historic buildings and sites, archaeology, museums and cemeteries.

Parks recreational grants:

- The County Opportunity Grant program provides funding for recreational vehicle camping sites funded through RV registration fees.
- The All-Terrain Vehicle (ATV) program distributes grants to local, state and federal entities. Grants are awarded for law enforcement and safety, acquisition and maintenance of trails and facilities, and other ATV-related purposes.
- The Local Government Grant Program provided by the Lottery funded Parks and Natural Resources Fund, distributes funding to local governments for the acquisition and development of outdoor park grounds and facilities.
- The federal Recreational Trail Grant Program grant funds are used by local governments for non-motorized trails.
- The federal Land and Water Conservation Funds are used by local governments for acquisition and development of local parks.
- Grants for veteran and war memorials.

Parks historic preservation grants are for historic resource programs, archaeology, museums and historic cemeteries.

Public Safety Program Area

The Public Safety Program Area provides three percent of all shared services with local government, or \$648 million total funds. County grants for Community Corrections fund 38 percent of the total. Agencies in the public safety area are responsible for ensuring the safety of Oregon's people, property and natural resources. This is done through trained National Guard and law enforcement units. It also includes prosecution and incarceration of juveniles and adults who committed offences. Some examples of shared services are:

- *Criminal Justice Commission*. The budget includes \$60.5 million General Fund for distribution to counties to fund specialty court and Justice Reinvestment grants.
- *Department of Corrections*. The budget includes \$242.7 million total funds for grants to counties for supervision and treatment of people with state felony offences on parole, probation, and post-prison supervision, and for management of people with felony offenses sentenced to incarceration for 12 or fewer months.
- *Department of Justice*. The Department expects to distribute about \$36.7 million total funds to cities and counties for crime victim assistance. These funds come from the Criminal Fines Account and penalties levied against defendants who were found guilty of committing certain crimes by the courts. Included in the total are \$24.1 million Federal Funds and \$1.0 million General Fund. The main programs responsible for the transfers include Prosecutor-based Victim Assistance Programs, Federal Victims of Crime Act Program, Child Abuse Multidisciplinary Intervention Program, and the Federal Violence Against Women Act. The Department also expects to distribute \$17.6 million Federal Funds and \$4.2 million Other Funds to counties to fund District Attorney (DA) costs of the Child Support Program. For the 2021-23 biennium, the Department will also transfer approximately \$2.2 million General Fund to the DAs to offset a funding reduction from passage of the federal Deficit Reduction Act of 2005.
- *Oregon Military Department*. The Oregon Military Department provides a variety of services to local government during state emergencies. National Guard members assist in the design and construction of public improvement projects as part of their training activities. The 9-1-1, federal emergency planning and management grants and homeland security grants will be distributed from the Department. As a result, the Department total funding for local government is \$31.2 million for counties and \$62.4 million for cities.
- *Oregon Youth Authority*. The Oregon Youth Authority provides funds to juvenile departments to purchase services designed to prevent youth from re-offending and to provide focused gang-related programs. The amount is \$21.6 million General Fund.
- *Department of Public Safety Standards and Training*. The Department certifies and trains city and county police officers and state and local corrections, parole and probation, telecommunications and emergency medical dispatchers. It also certifies and provides training for volunteer and professional firefighters. The budget covers continued provision of these services, at no cost to the sending governments or students. An additional \$3.7 million Federal Funds are expended, primarily to counties and primarily for High Intensity Drug Trafficking Area programs and drug enforcement coordination activities.

Transportation Program Area

The Transportation Program Area distributions make up eight percent of total shared services, or \$1,717 million total funds.

- Department of Transportation. Through *ConnectOregon*, the Department provides funding to local governments for multi-modal transportation projects. The Department also provides local governments with public transportation funding for the transportation of seniors and people with disabilities. Finally, cities and counties receive revenue for highway construction. The funds received are Federal Funds, in addition to a portion of the fuels tax, weight-mile tax and driver licensing fees.
- Department of Aviation. Through the General Aviation Entitlement Program, the Department provides grants to airports throughout the state for economic development, FAA grant match, and emergency preparedness. The program also assists with funding of commercial air service to rural Oregon.

CAPITAL BUDGETING



CAPITAL BUDGETING

Capital Construction

Capital Construction projects are presented in appropriation bills separate from agencies' budget bills for ongoing operations. "Major Construction" projects are distinguished from "Capital Improvements" based on a cost of \$1.0 million or more and must receive approval by the Legislature before spending begins. Capital Improvements less than \$1.0 million do not require specific legislative approval and are included in an agency's operating budget.

The recommended major construction projects are included in one appropriation bill. Projects may be funded with proceeds from bonds that are repaid over time or on a "pay-as-you-go" basis (i.e. without borrowing). Sources for bond repayment and "pay-as-you-go" include General Fund,

Other Funds, Lottery Funds and Federal Funds.

Income taxes are the primary source of General Fund resources. Other Funds are revenues dedicated by Oregon Law or Constitution derived from a variety of sources including taxes on fuels, rents, fees for services, grants, and donations. Lottery Funds are net revenues derived from operations of the Oregon Lottery. Federal Funds are moneys from the U.S. Government to pay for specific projects such as armories and airport improvements.

Important investments in the capital construction budget will:

- Provide funds for the Local Innovation and Fast Track (LIFT) housing program to acquire, construct, renovate and furnish affordable housing for Oregonians with low income.
- Expand housing for individuals coming out of chronic homelessness by providing permanent supportive housing.
- Support expansion of broadband infrastructure in communities throughout Oregon to increase data transmission capacity, improve resiliency, and better connect community support organizations.
- Make capital improvements to state office buildings to address outstanding deferred maintenance needs and promote best practices in facilities management.
- Improve and expand campus facilities at various community colleges and address safety and accessibility needs at public university facilities.

The following tables show the major capital construction projects proposed by the Governor for the 2021-23 biennium. The tables also show estimated major capital construction project costs for the four years in the subsequent two biennia, which is a required component of the Governor's Budget under Oregon law (ORS 291.224).

Capital Construction & Acquisition Plans

2021-23 Program funding request summary

| Program Area | General Fund | Other Funds | Federal Funds | Total Funds |
|------------------------------------|--------------|-------------------------|---------------|-------------------------|
| Education | - | 347,429,900 | - | 347,429,900 |
| Human Services | - | 12,622,886 | - | 12,622,886 |
| Public Safety | - | 253,293,693 | - | 253,293,693 |
| Economic and Community Development | - | 350,000,000 | - | 350,000,000 |
| Natural Resources | - | 14,132,842 | - | 14,132,842 |
| Transportation | - | 32,000,000 | - | 32,000,000 |
| Administration | - | 215,287,265 | - | 215,287,265 |
| Judicial Branch | - | 21,700,000 | - | 21,700,000 |
| Total | \$ - | \$ 1,246,466,586 | \$ - | \$ 1,246,466,586 |

2021-2023 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS

| Description | General Fund | Other Funds | Federal Funds | Total |
|---|--------------|----------------|---------------|----------------|
| Education | | | | |
| Higher Education Coordinating Commission | | | | |
| Public Universities Capital Construction | - | 309,429,900 | - | 309,429,900 |
| Community Colleges Capital Construction | - | 32,500,000 | - | 32,500,000 |
| Total Higher Education Coordinating Commission | - | 341,929,900 | - | 341,929,900 |
| Education, Department of | | | | |
| Oregon School for the Deaf - ADA Restrooms | - | 1,024,625 | - | 1,024,625 |
| Oregon School for the Deaf - Fire Alarm System Replacement | - | 3,091,923 | - | 3,091,923 |
| Oregon School for the Deaf - Windows Upgrade | - | 1,383,452 | - | 1,383,452 |
| Total Education, Department of | - | 5,500,000 | - | 5,500,000 |
| Education | - | \$ 347,429,900 | - | \$ 347,429,900 |
| Human Services | | | | |
| Oregon Health Authority | | | | |
| OSH Salem - Well Water Treatment Facility | - | 4,492,750 | - | 4,492,750 |
| OSH Salem - Remodel Therapy Tub Rooms | - | 612,750 | - | 612,750 |
| OSH Salem - Additional Office Space | - | 1,733,586 | - | 1,733,586 |
| OSH Salem/Pendleton - Deferred Maintenance | - | 1,385,300 | - | 1,385,300 |
| OSH Salem/Junction City - Equipment Replacement | - | 898,500 | - | 898,500 |
| OSH Salem/Junction City - Automated Dispensing Cabinets | - | 3,500,000 | - | 3,500,000 |
| Total Oregon Health Authority | - | 12,622,886 | - | 12,622,886 |
| Human Services | - | \$ 12,622,886 | - | \$ 12,622,886 |
| Public Safety | | | | |
| Military Department, Oregon | | | | |
| Kliever Armory Service Life Extension | - | 6,149,437 | - | 6,149,437 |
| Ashland Armory Service Life Extension | - | 5,373,235 | - | 5,373,235 |
| McMinnville Armory Service Life Extension | - | 5,531,595 | - | 5,531,595 |
| Corvallis Armory Service Life Extension | - | 4,317,605 | - | 4,317,605 |
| Total Military Department, Oregon | - | 21,371,872 | - | 21,371,872 |
| State Police, Oregon | | | | |
| Springfield Forensic Lab & Medical Examiner's Office | - | 61,982,733 | - | 61,982,733 |
| Springfield Patrol Area Command Office | - | 14,261,687 | - | 14,261,687 |
| Central Point Office Expansion | - | 33,961,269 | - | 33,961,269 |
| Central Point Office Capital Renewal & Deferred Maintenance | - | 3,150,000 | - | 3,150,000 |
| Total State Police, Oregon | - | 113,355,689 | - | 113,355,689 |
| Corrections, Department of | | | | |
| Capital Improvement & Renewal | - | 70,000,000 | - | 70,000,000 |
| Distribution Services Equipment | - | 1,325,000 | - | 1,325,000 |
| State Penitentiary Minimum Training/Recruiting Center | - | 4,529,955 | - | 4,529,955 |
| Opioid Overdose Prevention Body Scanners | - | 1,042,000 | - | 1,042,000 |
| Off-Net Telephone Infrastructure Replacement | - | 3,602,206 | - | 3,602,206 |
| Mailroom Centralization (VeroVision Mail Screeners) | - | 1,451,752 | - | 1,451,752 |
| AIC Computing Platform Modernization | - | 442,204 | - | 442,204 |
| Skype Video to Microsoft Teams Upgrade | - | 762,200 | - | 762,200 |
| Opioid Overdose Prevention TruNarc | - | 161,796 | - | 161,796 |
| Total Corrections, Department of | - | 83,317,113 | - | 83,317,113 |

**2021-2023 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS
(CONTINUED)**

| Description | General Fund | Other Funds | Federal Funds | Total |
|--|--------------|-------------|---------------|----------------|
| Oregon Youth Authority | | | | |
| Tillamook Dorm Renovation | - | 10,279,899 | - | 10,279,899 |
| Camp Riverbend Dorm Renovation | - | 6,867,101 | - | 6,867,101 |
| Oak Creek - Remove & Replace Parole and Probation Building | - | 1,609,780 | - | 1,609,780 |
| MacLaren West Cottages Renovations | - | 8,000,000 | - | 8,000,000 |
| MacLaren Emergency Generator Replacement | - | 1,750,000 | - | 1,750,000 |
| Capital Improvements - All Facilities | - | 6,742,239 | - | 6,742,239 |
| Total Oregon Youth Authority | - | 35,249,019 | - | 35,249,019 |
| Public Safety | - \$ | 253,293,693 | \$ - | \$ 253,293,693 |
| Economic & Community Development | | | | |
| Oregon Business Development Department | | | | |
| Oregon Broadband Office, Broadband Projects | - | 100,000,000 | - | 100,000,000 |
| Total Oregon Business Development Department | - | 100,000,000 | - | 100,000,000 |
| Housing & Community Services Dept | | | | |
| LIFT, Permanent Supportive Housing & Land Acquisition | - | 250,000,000 | - | 250,000,000 |
| Total Housing & Community Services Dept | - | 250,000,000 | - | 250,000,000 |
| Economic & Community Development | - \$ | 350,000,000 | \$ - | \$ 350,000,000 |
| Natural Resources | | | | |
| Forestry, Oregon Department of | | | | |
| Santiam District Office Replacement | - | 2,500,000 | - | 2,500,000 |
| Toledo Facility Replacement Phase 2 | - | 1,632,842 | - | 1,632,842 |
| Total Forestry, Oregon Department of | - | 4,132,842 | - | 4,132,842 |
| Fish & Wildlife, Oregon Department of | | | | |
| Deferred Maintenance | - | 10,000,000 | - | 10,000,000 |
| Total Fish & Wildlife, Oregon Department of | - | 10,000,000 | - | 10,000,000 |
| Natural Resources | - \$ | 14,132,842 | \$ - | \$ 14,132,842 |
| Transportation | | | | |
| Transportation, Oregon Department of | | | | |
| Meacham Maintenance Station | - | 12,000,000 | - | 12,000,000 |
| South Coast Maintenance Station | - | 16,200,000 | - | 16,200,000 |
| Region 3-5 Headquarters HVAC Upgrades | - | 3,800,000 | - | 3,800,000 |
| Total Transportation, Oregon Department of | - | 32,000,000 | - | 32,000,000 |
| Transportation | - \$ | 32,000,000 | \$ - | \$ 32,000,000 |

**2021-2023 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS
(CONTINUED)**

| Description | General Fund | Other Funds | Federal Funds | Total |
|---|--------------|------------------|---------------|------------------|
| Administration | | | | |
| Administrative Services, Department of | | | | |
| Deferred Maintenance | - | 15,500,000 | - | 15,500,000 |
| Gender Neutral Facilities & Mothers' Rooms | - | 10,000,000 | - | 10,000,000 |
| Capitol Mall Parking Structure Improvements | - | 2,750,000 | - | 2,750,000 |
| Dome Building and Yaquina Hall Improvements | - | 1,500,000 | - | 1,500,000 |
| Climate Adaptation & Net Zero Solutions | - | 2,000,000 | - | 2,000,000 |
| Parking Lot Improvements & EV Charging Station Expansions | - | 2,000,000 | - | 2,000,000 |
| Acquisition & Disposition of State Property | - | 10,000,000 | - | 10,000,000 |
| North Valley Complex Infrastructure Upgrades/Improvements | - | 60,000,000 | - | 60,000,000 |
| Executive Building Interior & Seismic Renovation | - | 45,000,000 | - | 45,000,000 |
| Yellow Parking Lot Paving | - | 4,000,000 | - | 4,000,000 |
| Total Administrative Services, Department of | - | 152,750,000 | - | 152,750,000 |
| Oregon Liquor Control Commission | | | | |
| Liquor Warehouse Conveyor System | - | 10,000,000 | - | 10,000,000 |
| Liquor Warehouse Land & Building | - | 52,537,265 | - | 52,537,265 |
| Total Oregon Liquor Control Commission | - | 62,537,265 | - | 62,537,265 |
| Administration | - | \$ 215,287,265 | - | \$ 215,287,265 |
| Judicial Branch | | | | |
| Oregon Judicial Department | | | | |
| Supreme Court Building Renovation | - | 21,700,000 | - | 21,700,000 |
| Total Oregon Judicial Department | - | 21,700,000 | - | 21,700,000 |
| Judicial Branch | - | 21,700,000 | - | 21,700,000 |
| GRAND TOTAL 2021-23 BIENNIUM | \$ - | \$ 1,246,466,586 | \$ - | \$ 1,246,466,586 |

2023-25 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

| Description | General Fund | Other Funds | Federal Funds | Total |
|--|--------------|----------------|---------------|----------------|
| Education | | | | |
| Higher Education Coordinating Commission | | | | |
| Public Universities Capital Construction | - | 581,432,500 | - | 581,432,500 |
| Community Colleges Capital Construction | - | 75,000,000 | - | 75,000,000 |
| Total Higher Education Coordinating Commission | - | 656,432,500 | - | 656,432,500 |
| Education | - | \$ 656,432,500 | - | \$ 656,432,500 |
| Public Safety | | | | |
| Military Department, Oregon | | | | |
| Coos Bay Armory Service Life Extension | - | 4,985,900 | - | 4,985,900 |
| Hillsboro Readiness Center | - | 5,025,520 | 23,000,000 | 28,025,520 |
| Newport Armory Service Life Extension | - | 3,286,730 | - | 3,286,730 |
| Warrenton Armory Service Life Extension | - | 5,151,470 | - | 5,151,470 |
| La Grande Armory Service Life Extension | - | 6,779,440 | - | 6,779,440 |
| Total Military Department, Oregon | - | 25,229,060 | 23,000,000 | 48,229,060 |
| Corrections, Department of | | | | |
| Facility Improvements | - | 42,400,000 | - | 42,400,000 |
| Total Corrections, Department of | - | 42,400,000 | - | 42,400,000 |
| Oregon Youth Authority | | | | |
| Facility Renovations and Improvements | - | 23,067,001 | - | 23,067,001 |
| MacLaren School Replacement | - | 23,008,665 | - | 23,008,665 |
| Total Oregon Youth Authority | - | 46,075,666 | - | 46,075,666 |
| Public Safety | - | \$ 113,704,726 | \$ 23,000,000 | \$ 136,704,726 |
| Natural Resources | | | | |
| Fish & Wildlife, Oregon Department of | | | | |
| Deferred Maintenance | - | 10,000,000 | - | 10,000,000 |
| Total Fish & Wildlife, Oregon Department of | - | 10,000,000 | - | 10,000,000 |
| Natural Resources | - | \$ 10,000,000 | - | \$ 10,000,000 |
| Transportation | | | | |
| Aviation, Department of | | | | |
| State Airport Renovations | - | 2,800,000 | 5,400,000 | 8,200,000 |
| Total Aviation, Department of | - | 2,800,000 | 5,400,000 | 8,200,000 |
| Transportation, Oregon Department of | | | | |
| Maintenance Station Improvements | - | 19,000,000 | - | 19,000,000 |
| Total Transportation, Oregon Department of | - | 19,000,000 | - | 19,000,000 |
| Transportation | - | \$ 21,800,000 | \$ 5,400,000 | \$ 27,200,000 |
| Administration | | | | |
| Administrative Services, Department of | | | | |
| Facility Capital Improvements | - | 50,000,000 | - | 50,000,000 |
| Total Administrative Services, Department of | - | 50,000,000 | - | 50,000,000 |
| Administration | - | \$ 50,000,000 | - | \$ 50,000,000 |
| GRAND TOTAL 2023-25 BIENNIUM | - | \$ 851,937,226 | \$ 28,400,000 | \$ 880,337,226 |

Note: Funding in the Governor's Budget includes only those items identified in the capital construction bill. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2023-25; they are not yet recommended.

2025-27 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

| Description | General Fund | Other Funds | Federal Funds | Total |
|--|--------------|----------------|---------------|----------------|
| Education | | | | |
| Higher Education Coordinating Commission | | | | |
| Public Universities Capital Construction | - | 183,450,000 | - | 183,450,000 |
| Community Colleges Capital Construction | - | 75,000,000 | - | 75,000,000 |
| Total Higher Education Coordinating Commission | - | 258,450,000 | - | 258,450,000 |
| Education | - | \$ 258,450,000 | - | \$ 258,450,000 |
| Public Safety | | | | |
| Military Department, Oregon | | | | |
| Boardman Multipurpose Machinegun Range | - | - | 16,500,000 | 16,500,000 |
| Lebanon Armed Forces Reserve Center | - | 5,462,525 | 25,000,000 | 30,462,525 |
| Woodburn Armory Service Life Extension | - | 3,840,965 | - | 3,840,965 |
| Hood River Armory Service Life Extension | - | 2,809,915 | - | 2,809,915 |
| St. Helens Armory Service Life Extension | - | 2,810,140 | - | 2,810,140 |
| Total Military Department, Oregon | - | 14,923,545 | 41,500,000 | 56,423,545 |
| Corrections, Department of | | | | |
| Facility Improvements | - | 132,100,000 | - | 132,100,000 |
| Total Corrections, Department of | - | 132,100,000 | - | 132,100,000 |
| Oregon Youth Authority | | | | |
| Facility Renovations and Improvements | - | 7,575,579 | - | 7,575,579 |
| Camp Tillamook Gymnasium | - | 10,131,396 | - | 10,131,396 |
| MacLaren Gatehouse Renovation and Expansion | - | 27,402,268 | - | 27,402,268 |
| Total Oregon Youth Authority | - | 45,109,243 | - | 45,109,243 |
| Public Safety | - | \$ 192,132,788 | \$ 41,500,000 | \$ 233,632,788 |
| Natural Resources | | | | |
| Fish & Wildlife, Oregon Department of | | | | |
| Deferred Maintenance | - | 10,000,000 | - | 10,000,000 |
| Total Fish & Wildlife, Oregon Department of | - | 10,000,000 | - | 10,000,000 |
| Natural Resources | - | \$ 10,000,000 | - | \$ 10,000,000 |
| Transportation | | | | |
| Aviation, Department of | | | | |
| State Airport Renovations | - | 2,900,000 | 5,600,000 | 8,500,000 |
| Total Aviation, Department of | - | 2,900,000 | 5,600,000 | 8,500,000 |
| Transportation, Oregon Department of | | | | |
| Warrenton Resiliency Site | - | 16,300,000 | - | 16,300,000 |
| Total Transportation, Oregon Department of | - | 16,300,000 | - | 16,300,000 |
| Transportation | - | \$ 19,200,000 | \$ 5,600,000 | \$ 24,800,000 |
| Administration | | | | |
| Administrative Services, Department of | | | | |
| Facility Capital Improvements | - | 45,000,000 | - | 45,000,000 |
| Total Administrative Services, Department of | - | 45,000,000 | - | 45,000,000 |
| Administration | - | \$ 45,000,000 | - | \$ 45,000,000 |
| GRAND TOTAL 2025-27 BIENNIUM | - | \$ 524,782,788 | \$ 47,100,000 | \$ 571,882,788 |

Note: Funding in the Governor's Budget includes only those items identified in the capital construction bill. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2025-27; they are not yet recommended.

Bonded Debt Profile

DEBT STRUCTURE AND AUTHORITY

The State of Oregon's borrowing programs consist of many different and separate authorizations, including both constitutional and statutory provisions. Constitutional authorizations permit issuance of general obligation bonds that are backed by the full faith and credit of the state. Statutory authorizations provide for the issuance of revenue bonds and conduit revenue bonds backed only by the moneys derived from operation of the particular enterprise for which the obligations were issued. Appropriation credits include Certificates of Participation (COPs) authorized in ORS Chapter 283 and appropriation bonds which were authorized by Senate Bill 856 (2003), but are no longer outstanding. Both of these are special limited obligations payable solely from funds appropriated by the Legislative Assembly. In addition to these constitutional and statutory limits, the Legislative Assembly approves the volume of bonds and finance agreements that may be issued under each authorization during a given biennium through the budgetary process.

The state's general obligation bond authority is based on the Real Market Value (RMV) of all taxable property in Oregon. Most constitutionally authorized general obligation bond programs have an issuance ceiling based on a percentage of RMV, ranging from 0.2 to 8.0 percent as shown in Table B.

The most recent (January 1, 2019) certified statewide RMV is \$715.8 billion.

The total outstanding general obligation debt at June 30, 2020 was approximately \$6.5 billion. Of the outstanding general obligation debt, 60 percent is General Fund supported and 40 percent is self-supporting, as debt service is paid from various program revenues rather than from General Fund revenues.

In aggregate, the repayment of the state's outstanding general obligation debt is structured conservatively. Approximately 36 percent of outstanding general obligation debt matures in five years, and 64 percent matures in 10 years. The entire debt matures in 31 years as shown in Table D, a schedule of aggregate debt service requirements for general obligation debt as of June 30, 2020. The maturity structure is affected most significantly by required principal payments for pension obligation bonds in 2021 through 2027.

Oregon's gross long-term debt at June 30, 2020 was \$11.2 billion, excluding conduit bonds. Compared to \$10.7 billion outstanding two years earlier, this represents an increase of approximately 4.5 percent. This was primarily driven by an increase in outstanding general obligation bonds, as debt has been more widely used to address capital improvements and seismic retrofits for facilities at local schools, public universities and state agencies.

CURRENT 2019-21 BIENNIUM ISSUANCE

The state is expected to issue approximately \$1.8 billion of bonds in the 2019-21 biennium, excluding pass through revenue bonds, COPs, and Other Financing Agreements. This is \$222.3 million more than the amount issued in the prior biennium. The net change is primarily driven by an increase in the amount of Article XI-Q general obligation bonds, which are used to finance state-owned or state-operated capital assets. Primary uses include public universities' capital projects, improvements to

multiple agency facilities, affordable housing, and several information technology projects. In addition, two county courthouse projects are being funded through a program established by the 2013 Legislature. The amount of bonds expected to be issued in 2019-21 by bond program is shown in Table A.

HIGHLIGHTS OF RECOMMENDED 2021-23 BIENNIUM ISSUANCE AUTHORITY

Each biennium, the Governor recommends up to the maximum amount of debt state agencies may issue, as required by ORS 286A.035. The Governor's Budget takes into consideration debt capacity limits recommended by the Office of the State Treasurer for both General Fund supported debt and Lottery Revenue bonds. Recommended levels of debt issuance authority factor in capital needs over a six-year horizon to strategically focus investments and use debt capacity in a prudent and sustainable manner. The Governor's recommendation for bond issuance authority in the 2021-23 biennium is shown in Table A.

The state's capacity to issue General Fund supported debt is higher than the prior biennium as a result of improved long-term growth estimates for General Fund revenue and the impact of lower debt service requirements after the Pension Obligation Bonds are paid off in fiscal year 2027. The Governor's Budget for 2021-23 includes authority to issue \$1.5 billion of General Fund supported general obligation bonds for various programs and \$101.2 million of COPs for broadband projects in communities throughout the state. Debt service while the COPs are outstanding is expected to be appropriated by the Legislature from the General Fund. Therefore, the amount being authorized counts towards the capacity to issue General Fund supported debt.

A significant investment of \$252.2 million is recommended for affordable housing needs through the LIFT housing program, in conjunction with land acquisition, and permanent supportive housing for individuals coming out of chronic homelessness. Also recommended is \$161.6 million to fund grants for seismic rehabilitation of public education and emergency services buildings and \$138.1 million for matching grants for school district capital improvements. In addition, General Fund supported financing is recommended to fund \$300.1 million in state-owned facility renovations to address deferred maintenance, \$201.7 million of county courthouse improvements, and \$27.5 million to replace and implement various information technology systems.

Approximately \$313.2 million is included in the budget for capital improvements and deferred maintenance for various facilities at public university campuses. In addition, \$69.0 million is budgeted for community college campus improvements, of which \$36.0 million is carryover authority for several projects authorized in prior biennia but were not funded because matching funds were not yet available.

The \$101.2 million of COPs will provide grants for broadband projects to expand broadband infrastructure into rural and remote areas of the state, increase transmission capacity, and better connect community support organizations such as schools and higher education institutions. The Oregon Business Development Department will administer the grant program through the Oregon Broadband Office, also included in the Governor's Budget. The bond bill includes an amendment to ORS 283.085 to expand the authorized uses of COPs for this purpose.

Capacity to issue Lottery Bonds in 2021-23 is higher than the prior biennium, despite a decrease in

Lottery Fund revenues as a result of social distancing. Although near term Lottery Funds revenues are expected to decline, this is offset by growth forecast in later years given that debt capacity is averaged over multiple years. Also, the capacity for 2021-23 is impacted by assumptions related to whether Lottery Bonds will be issued in 2019-21. Given the drop in revenues during the time video lottery terminals were temporarily inactivated in response to the coronavirus, there is insufficient revenue coverage of debt service to issue all Lottery Bonds authorized in 2019-21. The Governor's Budget assumes all \$247.1 million of bonds authorized in 2019-21 will be issued in either 2019-21 or 2021-23, with the exception of the Blue Mountain Community College Facility for Agricultural Resource Management project and the Port of Coos Bay Channel Improvements project. After taking these assumptions into account, capacity to issue Lottery Bonds in 2021-23 is \$342.9 million.

The Governor's budget includes \$342.5 million in Lottery Bonds to fund a variety of projects including grants for wildfire recovery, broadband connecting Oregon schools, and preservation of affordable housing. Significant investments are also being made for water infrastructure and other infrastructure needs to assist communities in Oregon impacted by the devastating effects of the severe 2020 wildfires. Lottery Bonds are also recommended to provide grants for improving the seismic safety and stability of unreinforced masonry buildings for greater resiliency in the event of an earthquake.

In addition to the General Fund supported and Lottery Bond projects described above, the bond bill also includes amounts for self-supporting projects. For example, \$90.7 million is authorized for the Oregon Liquor Control Commission to acquire land, construct and equip a new liquor warehouse, and implement an information technology system. Highway User Tax Revenue Bonds are included in the bond bill to issue \$880.0 million of bonds for financing transportation infrastructure improvement projects. Other bonds that are not tax-supported are authorized for a variety of purposes including veterans' home loans and revenue bonds to finance single-family mortgage loans and multi-family housing projects.

CREDIT RATING CONSIDERATIONS

The State of Oregon continues to be regarded by the capital markets as a well-managed issuer of debt, as evidenced by the state's general obligation debt credit ratings of AA+, Aa1, and AA+ by S&P Global Ratings, Moody's Investors Service, and Fitch Ratings respectively. About 40 percent of Oregon's general obligation debt is paid from non-tax sources, that is, the debt is self-supporting. Because this debt has general obligation backing, some credit rating analysts may treat a portion of it as a General Fund liability, despite its self-supporting character and history. The Lottery Revenue Bond program also continues to garner strong credit ratings of AAA and Aa2 by S&P Global Ratings and Moody's Investors Service respectively.

Several factors are cited by the ratings agencies in maintaining Oregon's strong credit position. These include sound financial controls underscored by strong executive ability to reduce spending, maintenance of budget reserves, and favorable funding ratios in the state's pension system. Credit challenges include heavy reliance on volatile income tax, the "kicker" law, which restricts the state's ability to manage income volatility, and uncertainty created by the voter initiative process.

INTEREST RATES

Oregon bond issuers typically pay lower interest costs when issuing tax-exempt municipal bonds in comparison to their national counterparts, due to their exemption from both federal and state income taxes and given that Oregon is a relatively high income tax state. During fiscal year 2020, the 20-year Oregon Bond Index for Aa-rated debt issues ranged from a high of 2.73 percent in April 2020 to an exceptional low of 1.54 percent at several different times during the year. Although volatility of interest rates over the last two years has been significant, a lack of stability in the global political environment has contributed to keeping interest rates historically low. The state has taken advantage of the low interest rate environment to refinance existing debt at lower rates where permissible, achieving millions of dollars in debt service savings.

State of Oregon Active Borrowing Programs

As previously noted, the state's borrowing programs include general obligation bonds (General Fund supported and self-supporting), revenue bonds (direct revenue and conduit), and appropriation credits. A description of each active authorization follows; inactive programs with no bonds outstanding and no issuance recommended are not included. Refer to Table B for constitutional and statutory debt limits as well as amounts outstanding at June 30, 2020.

ACTIVE GENERAL OBLIGATION AUTHORIZATIONS – GENERAL FUND SUPPORTED

ODOT Highway Improvement Projects – Article XI, Section 7. This article prohibits the Legislative Assembly from authorizing debt in excess of \$50,000 other than for noted exceptions, one of which is to incur debt to build and maintain permanent roads. Outstanding bonds were issued to finance highway improvement projects. As of June 30, 2020, \$28.1 million of bonds were outstanding, all of which was General Fund supported.

Higher Education Institutions and Community Colleges – Article XI-G. Under Article XI-G of the Oregon Constitution, the state may issue general obligation bonds to acquire, construct, improve, repair, and furnish buildings, structures, and land that the Legislative Assembly determines will benefit higher education institutions or community colleges. The bond proceeds fund grants to public universities, community colleges and the Oregon Health and Science University (OHSU), and each grant recipient must certify it has matching funds available for the project. The bonds are repaid with General Fund appropriations and, in addition, are secured by the authority for an unlimited ad valorem tax levied on all taxable property in the State. Total debt outstanding at June 30, 2020 was \$917.2 million, of which \$549.1 million relates to public universities, \$208.9 million relates to community colleges and \$159.2 million relates to OHSU.

Pollution Control – Article XI-H. Article XI-H authorizes debt issuance to finance pollution control facilities for any municipal corporation, city, county, or agency of the state. The bonds may be either General Fund supported or self-supporting from revenues generated by the program the bonds finance. Bonds issued to clean up “orphan sites” are primarily General Fund supported and Clean Water State Revolving Fund bonds are primarily Other Funds supported.

On June 30, 2020, \$29.3 million in Pollution Control bonded debt was outstanding; of this,

\$13.5 million (46 percent) was General Fund supported. Under the Constitution, \$7.2 billion in pollution control bonds could be issued; however, the Legislature has limited the debt that may be issued under this authorization to \$260 million (ORS 468.195). This occurred, in part, because voters approved expanded use of this bonding authority in 1990 for pollution control and disposal activities and exempted pollution control, disposal, and hazardous substance facilities from the self-supporting requirement.

Alternate Energy Projects – Article XI-J. This article authorizes debt issuance to provide loans for development of small-scale local energy projects. Approximately 40 percent of outstanding bonds are General Fund supported while the remaining 60 percent are supported from project revenue streams. At June 30, 2020, outstanding bonds totaled \$125.4 million, of which \$50.2 million was General Fund supported.

Oregon Opportunity Bonds (OHSU) – Article XI-L. This article authorizes bonds to finance capital costs of the Oregon Health and Science University (OHSU) in an aggregate principal amount that produces net proceeds not to exceed \$200 million. The authorizing legislation contemplates the bonds may be paid from tobacco settlement revenues, but those revenues are not pledged to pay the bonds. Principal outstanding was \$50.0 million as of June 30, 2020.

Seismic Rehabilitation – Article XI-M/XI-N. Article XI-M authorizes the state to incur debt to finance seismic rehabilitation of public education buildings. This includes buildings owned by a public university, a school district, an education service district, or a community college district. Article XI-N authorizes the state to incur debt to finance seismic rehabilitation of public emergency services buildings such as hospitals, fire stations, and police stations used by a state, county, district, or municipal law enforcement agency. As of June 30, 2020, \$272.2 million in XI-M (public education buildings) and \$55.1 million in XI-N (emergency services buildings) bonds were outstanding.

Pension Obligation Bonds – Article XI-O. Article XI-O permits the state to incur debt to finance its pension liabilities and to pay the costs of issuing such debt. The article requires the State to pledge its full faith and credit and taxing power to pay such debt, but does not permit the State to pledge its ad valorem taxing power. House Bill 3659 (2003), the implementing legislation for issuance of Oregon's Pension Obligation Bonds, required the net proceeds of the bonds to be deposited in the Public Employees Retirement Fund. As of June 30, 2020, \$1.4 billion remains outstanding. Of this amount, \$906.3 million (66 percent) is considered self-supporting debt and \$460.3 million (34 percent) is considered General Fund supported debt. The State does not currently anticipate issuing any additional XI-O Bonds.

School District Capital Costs – Article XI-P. Article XI-P authorizes debt issuance to provide matching funds to finance the capital costs of school districts that have received voter approval for local general obligation bonds. Grants are distributed through the Oregon School Capital Improvement Matching grant program. Given the condition of many school district facilities and the

anticipated demand for matching grant monies, this program may use a significant portion of the state's General Fund debt capacity in future biennia. As of June 30, 2020, \$178.6 million of XI-P bonds were outstanding.

State Real and Personal Property – Article XI-Q. Article XI-Q bonds may be issued to acquire, construct, remodel, equip, or furnish real or personal property that is or will be owned or operated by the state, including infrastructure related to the property. This program is centrally administered by the Oregon Department of Administrative Services and is the primary borrowing program used by state agencies for facility improvements and information technology projects. As of June 30, 2020, \$2.0 billion in XI-Q bonds were outstanding, of which \$1.8 billion (92 percent) is General Fund supported and \$150.1 million (8 percent) is self-supporting debt.

ACTIVE GENERAL OBLIGATION AUTHORIZATIONS – SELF-SUPPORTING

Veterans' Affairs – Article XI-A. Under this article, the state may issue debt to finance farm and home loans for eligible veterans. These bonds are self-supporting from loan repayments, but carry the additional security of the Legislature's ability to levy an annual statewide property tax. At June 30, 2020, the Department of Veterans' Affairs had \$393.5 million in outstanding bonds.

Higher Education – Article XI-F(1). Article XI-F(1) allows the state to issue bonds for higher education building projects. Under the framework provided in ORS 286A.830 – 286A.863, the State uses bond proceeds to fund loans to public universities, and the loan repayments from universities are used by the State to pay debt service on the bonds. Therefore, bonds issued under this authority are self-supporting. If necessary, a statewide property tax may be used to provide for payment of this debt. On June 30, 2020, \$1.0 billion of debt was outstanding.

Pollution Control – Article XI-H. As noted above, XI-H bonds may be issued to finance pollution control facilities for a municipal corporation, city, county, or state agency. Of the total \$29.3 million outstanding as of June 30, 2020, \$15.8 million (54 percent) is self-supporting debt.

Elderly and Disabled Housing – Article XI-I(2). The state may issue bonds to provide financing for multi-family housing for elderly low-income persons and for disabled persons. The Elderly and Disabled Housing program debt is self-supporting from project revenues and is backed by the state's general obligation pledge, which includes property taxing authority. As of June 30, 2020, approximately \$36.9 million of debt was outstanding.

Alternate Energy Projects – Article XI-J. This article authorizes debt issuance to provide loans for development of small-scale local energy projects. Of the total \$125.4 million outstanding as of June 30, 2020, \$75.2 million (60 percent) is self-supporting debt. Due to a history of loan defaults, this program is projected to have a shortage of cash for bond repayment between the years 2024 and 2025. As a result of refunding bonds in April 2020, no General Fund support will be needed in the 2021-23 biennium.

Pension Obligations – Article XI-O. As previously noted, the state is authorized to incur debt to finance the state's pension liabilities. As of June 30, 2020, \$1.4 billion remains outstanding. Of this amount, \$906.3 million (66 percent) is considered self-supporting debt and \$460.3 million (34

percent) is considered General Fund supported debt. The State does not currently anticipate issuing any additional XI-O Bonds.

State Real and Personal Property – Article XI-Q. As noted above, XI-Q bonds may be issued to acquire, construct, remodel, equip, or furnish real or personal property that is or will be owned or operated by the state. Of the \$2.0 billion outstanding as of June 30, 2020, \$150.1 million (8 percent) is self-supporting debt and \$1.8 billion (92 percent) is General Fund supported debt.

ACTIVE REVENUE BOND AUTHORIZATIONS

Single-Family and Multi-Family Housing. Oregon Housing and Community Services Department (OHCS) may issue revenue bonds to finance both single-family mortgage loans and multi-family housing projects. The sources of repayment for these bonds are pledged rental revenues, mortgage payments, and fees. ORS 456.661 limits total outstanding debt under these programs to \$2.5 billion. As of June 30, 2020, \$1.2 billion was outstanding.

Highway User Tax. The Oregon Department of Transportation may issue highway user tax revenue bonds to provide proceeds for building and maintaining permanent public roads pursuant to Article IX, Section 3a of the Oregon Constitution, ORS 367.605 to 367.665, and ORS Chapter 286A. These bonds are not general obligation bonds; however, they are unlike other state revenue bonds because they are secured by tax proceeds from fuel sales and various other taxes or fees charged for vehicle use and licensing. The Constitution requires the revenues received to be used exclusively for public highways, roads, streets and roadside rest areas in the state. The total statutory authorization for Highway User Tax bonds is approximately \$3.7 billion. As of June 30, 2020, approximately \$2.2 billion of bonds were outstanding, or about 48 percent of all direct revenue-bonded debt.

Lottery Revenue Bonds. In 1994, Oregon became the first state in the nation to issue revenue bonds backed solely by lottery gaming revenues. ORS 286A.560 to 286A.585 authorize the issuance of bonds and establish the framework for the Lottery Revenue Bond program which is administered by the Oregon Department of Administrative Services. Issuance of additional Lottery Revenue bonds is authorized through legislation as part of the budgetary process; the purposes, projects to be financed, and amount that may be issued are specified in the legislation. Although the maximum amount of debt that can be issued is not set by statute, the master indenture under which bonds are issued require an “additional bonds test” to ensure both historical and projected net lottery proceeds provide coverage of four times the maximum annual debt service on all outstanding bonds.

As specified in Article XV(4), lottery proceeds may be used for creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon’s parks, beaches, watersheds and native fish and wildlife. Proceeds from Lottery Revenue bonds have been used for a variety of purposes including infrastructure improvements, state parks, expansion and refurbishment of school facilities, non-highway transportation infrastructure, watershed enhancements, development of affordable housing, and other purposes. The amount of outstanding Lottery Revenue bonds as of June 30, 2020 was \$1.1 billion, or about 24 percent of all direct revenue-bonded debt.

Business Development Department Bond Bank. The Oregon Business Development Department (OBDD) administers the Oregon Bond Bank, which includes the Special Public Works Fund (SPWF)

and the Water Fund programs. Revenue bonds may be issued to finance SPWF loans to municipalities for construction and improvement of water, wastewater, and other local infrastructure as authorized by ORS 285B.467 to 285B.479. Under the Water Fund program, loans are provided to municipalities for safe drinking water projects and wastewater systems improvement projects as authorized by ORS 285B.572 to 285B.599. In general, borrowers from the Oregon Bond Bank have pledged sources of repayment related to the project being financed, such as water or sewer system revenues. The amount of bonds outstanding as of June 30, 2020 was \$42.2 million.

CONDUIT REVENUE BONDS

Oregon Facilities Authority Bonds – ORS Chapter 282. The Oregon Facilities Authority (OFA) is empowered to issue bonds to assist with financing lands for health, housing, educational, and cultural uses and for construction and financing of facilities for such uses. The OFA reviews proposed projects and makes recommendations to the State Treasurer whether to issue bonds, which are secured solely by payments from entities for which projects were financed. All bonds issued by OFA are “conduit” or “pass-through” revenue bonds, which means the bonds do not constitute a liability of the State of Oregon, and no state revenues are pledged to repay the bonds. Also, there is no recourse to the State for payment if any entities are unable to meet debt service requirements. As of June 30, 2020, \$2.1 billion in bonds were outstanding.

Industrial Development Bonds – ORS 285B.320 to 285B.371. The Oregon Business Development Department (OBDD) is authorized to issue conduit revenue bonds for the Industrial Development Bonds (IDB) program. Bond proceeds are loaned to private businesses to finance eligible manufacturing and solid waste disposal projects. The bonds are secured solely by payments from private businesses on whose behalf bonds are issued. As of June 30, 2020, \$651.2 million of bonds were outstanding.

Housing Development Bonds – ORS 456.692. Oregon Housing and Community Services Department (OHCS) is authorized to issue conduit revenue bonds for the Housing Development Program. This multifamily housing program provides financing for developments in which a specified number of units are provided to low income households. Each bond issue finances a single development that is separately secured by revenues and assets pledged by the borrower. Similar to other state conduit revenue bond programs, as noted above, there is no recourse to the State for payment if the borrower is unable to meet debt service requirements. Bonds outstanding were \$785.0 million as of June 30, 2020.

Beginning and Expanding Farmer Loan Program – ORS 285B.320 to 285B.371. The Oregon Business Development Department (OBDD) is authorized to issue conduit revenue bonds for the Beginning and Expanding Farmer Loan program to provide loans to beginning farmers to finance various agricultural projects. The bonds are secured solely by revenues of the agricultural project. There were no bonds outstanding as of June 30, 2020.

APPROPRIATION CREDITS

ORS 283.085 to 283.092 allows the state to enter into financing agreements including lease-purchase agreements, installment sales agreements, and loan agreements to finance real or personal

property and issue Certificates of Participation (COPs) evidencing these financing agreements, subject to Legislative approval. The principal amounts of such financing agreements are subject to maximum biennial issuance levels established by the Legislature.

COPs are not debt and therefore cannot include a pledge of the state's full faith and credit. Instead, they are payable solely from funds appropriated or otherwise made available by the Legislative Assembly and therefore are considered an appropriation credit. Due to the superior credit of a general obligation bond over an appropriation credit, Article XI-Q bonds have essentially replaced COPs as the primary method of financing state owned or operated real or personal property. In addition, the state has taken advantage of historically low interest rates by refinancing outstanding COPs with XI-Q bonds, where possible, to achieve debt service savings. As of June 30, 2020, \$100.9 million in COPs remained outstanding.

Capital Financing Six-Year Forecast

ORS 291.216 requires the Governor's Budget to compare state agency capital financing needs to the State Debt Policy Advisory Commission's (SDPAC) six-year estimate of debt capacity, which is shown in Table F. The capital financing needs are in three categories: capital construction, equipment and technology, and grants and loans. Capital financing needs beyond 2021-23 are projections of agency needs, subject to change in the future. In the January 2020 SDPAC report, the debt capacity estimate was \$3.5 billion General Fund supported debt and \$1.1 billion Lottery debt for the six-year period 2021-23 through 2025-27.

The estimates in Table F reflect changes in debt capacity based on the December 2020 revenue forecast using the SDPAC model, applying a smoothed approach over the six-year period. For the 2021-23 biennium, the debt capacity is \$1.6 billion for General Fund supported debt and \$407.0 million for Lottery Fund supported debt. As previous noted, the capacity to issue Lottery Bonds in 2021-23 has been reduced to \$342.9 million for purposes of the Governor's Budget.

Net tax supported debt includes three components: 1) General Fund supported debt; 2) Lottery Revenue Bond program; and 3) Transportation Department bonds. There are specific debt capacity estimates only for General Fund supported debt programs and the Lottery Revenue Bond program. The Transportation Department bond capacity is limited by Oregon law and in Article XI, Section 7 of the Constitution. The SDPAC also does not estimate capacity for Non Tax-Supported Debt Programs since debt capacity is based on legal limits in Oregon laws and the Constitution, sound program management, loan demand, need for capital projects, and appropriate reviews by the State Treasurer, the Governor, and the Legislative Assembly. Table F shows projected debt issuance only for Non Tax-Supported Debt Programs. Conduit revenue bond programs are excluded from the table, as the SDPAC does not make specific capacity estimates for conduit revenue bonds.

Private Activity Bond Volume Cap

The Tax Reform Act of 1986 imposed a state-by-state volume cap on certain "private activity bonds." The Private Activity Bond (PAB) Committee is a statutory body consisting of its Chair, a representative of the Office of the State Treasurer; a public member appointed by the Governor; and a representative of the Department of Administrative Services. The PAB Committee is charged with

re-allocating a portion of the state’s PAB authority to various state and local issuers as appropriate under its rules and governing federal and state law. The Debt Management Division in the Office of the State Treasurer serves as staff to the PAB Committee.

The budget recommends allocation of private activity volume cap for calendar years 2022 and 2023 as shown in the chart below. Projected volume cap authorizations for each calendar year are based on \$105 per capita and estimated Oregon population as of July 1, 2019. If an increase in the state's population, a sufficient increase in the Consumer Price Index, or a change in federal tax law result in an increase of the private activity bond limit greater than the total noted below, such excess will be allocated to the Private Activity Bond Committee.

| Allocation Type | CY 2022 | CY 2023 |
|--|-----------------------|-----------------------|
| Industrial Development Bonds (OBDD) | 40,000,000 | 40,000,000 |
| Beginning and Expanding Farmer Loan Program (OBDD) | 1,000,000 | 1,000,000 |
| Housing and Community Services Department | 250,000,000 | 250,000,000 |
| Private Activity Bond Committee | 151,862,385 | 151,862,385 |
| Total | \$ 442,862,385 | \$ 442,862,385 |

Table A. Recommended Bond Issuance Authorization

| Program Designation | 2017-19 Actual | 2019-21 Estimated | Recommended 2021-23 Maximum Limit |
|---|-------------------------|-------------------------|---|
| General Obligation Bonds (Constitutional Authority) | | | |
| General Fund Obligations | | | |
| HECC Public Universities (Art. XI-G) | 105,650,000 | 50,605,000 | 37,910,000 |
| HECC Community Colleges (Art. XI-G) | 39,205,000 | 31,135,000 | 69,040,000 |
| Department of Environmental Quality (Art. XI-H) | 10,300,000 | - | 10,300,000 |
| Business Development Department (Art. XI-M) | 79,215,000 | 89,330,000 | 110,995,000 |
| Business Development Department (Art. XI-N) | 16,000,000 | 20,270,000 | 50,620,000 |
| Department of Education (Art. XI-P) | 84,315,000 | 121,890,000 | 138,065,000 |
| Department of Administrative Services (Art. XI-Q) | 503,929,845 | 777,962,842 | 1,069,371,580 |
| Total General Fund Obligations | 838,614,845 | 1,091,192,842 | 1,486,301,580 |
| Dedicated Fund Obligations | | | |
| Department of Veterans' Affairs (Art. XI-A) | 102,385,000 | 97,075,000 | 180,000,000 |
| HECC Public Universities (Art. XI-F(1)) | 14,305,000 | - | - |
| Department of Environmental Quality (Art. XI-H) | 10,000,000 | 10,000,000 | 10,000,000 |
| Housing & Community Services Department (Art. XI-I(2)) | - | - | 50,000,000 |
| Department of Administrative Services (Art. XI-Q) | 12,045,155 | 42,978,158 | 202,788,420 |
| Total Dedicated Fund Obligations | 138,735,155 | 150,053,158 | 442,788,420 |
| TOTAL ALL GENERAL OBLIGATION BONDS | \$ 977,350,000 | \$ 1,241,246,000 | \$ 1,929,090,000 |
| Revenue Bonds | | | |
| Direct Revenue Bonds | | | |
| Housing & Community Services Single/Multi-Family | 392,770,833 | 84,067,544 | 500,000,000 |
| Department of Transportation Highway User Tax | - | 240,000,000 | 880,000,000 |
| Business Development Department Oregon Bond Bank | 10,590,000 | 35,069,298 | 30,000,000 |
| Dept. of Administrative Services Lottery Revenue | 156,630,000 | 159,255,000 | 342,545,000 |
| Total Direct Revenue Bonds | 559,990,833 | 518,391,842 | 1,752,545,000 |
| Pass-Through Revenue Bonds | | | |
| Business Development Dept. Industrial Development | 395,000,000 | 110,000,000 | 600,000,000 |
| Business Development Beginning & Expanding Farmers | - | - | 2,500,000 |
| Oregon Facilities Authority | 94,857,215 | 1,000,000,000 | 1,000,000,000 |
| Housing and Community Services Department | 402,011,515 | 765,334,067 | 900,000,000 |
| Total Pass-Through Revenue Bonds | 891,868,730 | 1,875,334,067 | 2,502,500,000 |
| TOTAL ALL REVENUE BONDS | \$ 1,451,859,563 | \$ 2,393,725,909 | \$ 4,255,045,000 |
| Certificates of Participation & Other Financing Agreements | | | |
| Department of Administrative Services | \$ 114,441,170 | \$ 30,000,000 | \$ 201,240,000 |

Amounts do not include refundings.

Table B. Outstanding Bonds and Authorizations

| Purpose/Department | Constitutional or Statutory Provision | % Real Market Value {1} |
|--|---------------------------------------|-------------------------|
| General Obligation Bonds | | |
| <i>General Fund Supported</i> | | |
| General Purpose Bonds {2} | Article XI, Sec 7 | 0.0000% |
| ODOT Highway Improvement Projects | Article XI, Sec 7 | 1.0000% |
| State Power Development Bonds | Article XI-D | 1.5000% |
| Forest Rehabilitation Bonds | Article XI-E | 0.1875% |
| Higher Education & Community Colleges Facilities {4} | Article XI-G | 0.7500% |
| Pollution Control Bonds (46% of total) | Article XI-H/ORS 468.195 | 1.0000% |
| Alternate Energy Project Bonds (40% of total) | Article XI-J | 0.5000% |
| Oregon Opportunity Bonds {5} | Article XI-L | 0.5000% |
| Seismic Retrofit - Public Education Buildings | Article XI-M | 0.2000% |
| Seismic Retrofit - Emergency Service Buildings | Article XI-N | 0.2000% |
| Pension Obligation Bonds (34% of total) | Article XI-O | 1.0000% |
| School District Capital Costs | Article XI-P | 0.5000% |
| State Real and Personal Property (92% of total) | Article XI-Q | 1.0000% |
| Total General Fund Supported | | |
| <i>Self-Supporting</i> | | |
| Veterans' Welfare Bonds | Article XI-A | 8.0000% |
| Higher Education Facility Projects | Article XI-F(1) | 0.7500% |
| Pollution Control Bonds (54% of total) | Article XI-H/ORS 468.195 | 1.0000% |
| Water Development Projects Bonds | Article XI-I(1) | 1.5000% |
| Elderly & Disabled Housing Bonds | Article XI-I(2) | 0.5000% |
| Alternate Energy Project Bonds (60% of total) | Article XI-J | 0.5000% |
| Pension Obligation Bonds (66% of total) | Article XI-O | 1.0000% |
| State Real and Personal Property (8% of total) | Article XI-Q | 1.0000% |
| Total Self-Supporting | | |
| Total General Obligation Bonds | | |
| Revenue Bonds | | |
| Single & Multi-Family Housing Programs | ORS 456.661 | |
| ODOT Highway User Tax | ORS 367.620 | |
| ODOT Transportation Infrastructure Bank | ORS 367.030 | |
| Business Development Bond Bank | ORS Chapter 285B | |
| Lottery Revenue Bond Program | ORS 286A.560-585 | |
| Total Revenue Bonds | | |
| Conduit Revenue Bonds | | |
| Oregon Facilities Authority | ORS Chapter 289 | |
| Multi-family Housing Programs (OHCS) | ORS 456.692 | |
| Industrial Development Revenue Bonds (OBDD) | ORS Chapter 285B | |
| Beginning & Expanding Farmer Loans (OBDD) | ORS 285A.420-435 | |
| Total Conduit Revenue Bonds | | |

Source: Oregon State Treasury, Debt Management Division.

NOTE: Excludes Appropriation Credits. Totals may not agree with sum of components due to rounding. Authorization remaining is not applicable to all programs.

1. Percentages listed are of Real Market Value (RMV) of all taxable real property in the state; the January 1, 2019 RMV was \$715,796,909,641.

2. The State of Oregon may not incur indebtedness exceeding \$50,000 without a constitutional amendment approved by the voters.

| Constitutional Debt Limit {1}{2} | Statutory Debt Limit | Amount Outstanding {3} | Authorization Remaining |
|----------------------------------|----------------------|-------------------------|---------------------------|
| 50,000 | - | - | 50,000 |
| 7,157,969,096 | | 28,085,000 | 7,129,884,096 |
| 10,736,953,645 | | - | 10,736,953,645 |
| 1,342,119,206 | | - | 1,342,119,206 |
| 5,368,476,822 | | 917,207,354 | 4,451,269,468 |
| 3,292,665,784 | 119,600,000 | 13,533,010 | 3,279,132,774 |
| 1,431,593,819 | | 50,160,000 | 1,381,433,819 |
| 3,578,984,548 | 203,175,000 | 50,030,000 | 3,528,954,548 |
| 1,431,593,819 | | 272,165,000 | 1,159,428,819 |
| 1,431,593,819 | | 55,095,000 | 1,376,498,819 |
| 2,433,709,493 | | 460,294,747 | 1,973,414,746 |
| 3,578,984,548 | | 178,625,000 | 3,400,359,548 |
| 6,585,331,569 | | 1,843,118,020 | 4,742,213,549 |
| | | 3,868,313,131 | 44,501,713,038 |
| 57,263,752,771 | | 393,520,000 | 56,870,232,771 |
| 5,368,476,822 | | 1,033,336,185 | 4,335,140,637 |
| 3,865,303,312 | 140,400,000 | 15,764,990 | 3,849,538,322 |
| 10,736,953,645 | | - | 10,736,953,645 |
| 3,578,984,548 | | 36,850,000 | 3,542,134,548 |
| 2,147,390,729 | | 75,240,000 | 2,072,150,729 |
| 4,724,259,604 | | 906,315,253 | 3,817,944,351 |
| 572,637,528 | | 150,081,980 | 422,555,547 |
| | | 2,611,108,408 | 85,646,650,550 |
| | | \$ 6,479,421,539 | \$ 130,148,363,589 |
| | 2,500,000,000 | 1,237,310,000 | 1,262,690,000 |
| | 3,720,000,000 | 2,246,470,000 | 1,473,530,000 |
| | 200,000,000 | - | 200,000,000 |
| | | 42,200,000 | - |
| | | 1,116,995,000 | - |
| | | \$ 4,642,975,000 | \$ 2,936,220,000 |
| | | 2,125,778,837 | - |
| | | 784,989,146 | - |
| | | 651,195,735 | - |
| | | - | - |
| | | \$ 3,561,963,718 | N/A |

1. Excludes refunded and defeased bonds.
2. XI-G outstanding amount includes \$549.1 M for Public Universities, \$208.9 M for Community Colleges and \$159.2 M for OHSU.
3. Authorized to finance capital costs of Oregon Health and Science University biotechnology research efforts.

Table C. General Obligation Debt Summary

| | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Gross General Obligation (GO) Debt {1} | \$ 5,677,773,981 | \$ 6,135,460,818 | \$ 6,061,050,579 | \$ 6,431,005,504 | \$ 6,479,421,539 |
| Revenue Supported GO Debt | \$ 3,119,248,899 | \$ 3,041,421,289 | \$ 2,885,026,397 | \$ 2,682,610,185 | \$ 2,611,108,408 |
| Net GO Debt | \$ 2,558,525,082 | \$ 3,094,039,529 | \$ 3,176,024,182 | \$ 3,748,395,319 | \$ 3,868,313,131 |
| Population {2} | 4,076,350 | 4,141,100 | 4,195,300 | 4,236,400 | 4,265,200 |
| Gross Debt per Capita | \$ 1,393 | \$ 1,482 | \$ 1,445 | \$ 1,518 | \$ 1,519 |
| Net Debt per Capita | \$ 628 | \$ 747 | \$ 757 | \$ 885 | \$ 907 |
| Real Market Value (RMV) {3} | \$ 506,175,463,644 | \$ 559,127,126,580 | \$ 620,909,716,704 | \$ 676,875,118,712 | \$ 715,796,909,641 |
| Gross Debt as Percent of RMV | 1.12% | 1.10% | 0.98% | 0.95% | 0.91% |
| Net Debt as Percent of RMV | 0.51% | 0.55% | 0.51% | 0.55% | 0.54% |
| Total Personal Income {4} | \$ 181,491,700,000 | \$ 190,240,952,000 | \$ 200,579,203,000 | \$ 213,070,136,000 | \$ 223,976,978,000 |
| Revenue Supported GO Debt as Percent of Total Personal Income | 1.72% | 1.60% | 1.44% | 1.26% | 1.17% |
| Net GO Debt as Percent of Total Personal Income | 1.41% | 1.63% | 1.58% | 1.76% | 1.73% |

Source: State Treasury, Debt Management Division.

1. See Table B for detail of programs and amounts pertaining to revenue supported GO debt vs. net GO debt as of June 30, 2020.
2. Population figures are as of July 1 each year. Source: Department of Administrative Services, Office of Economic Analysis.
3. Real Market Value is as of January 1 of the preceding year. Source: Oregon Department of Revenue.
4. Personal income is on a calendar year basis for preceding year. Source: Dept. of Administrative Services, Office of Economic Analysis.

Table D. Aggregate General Obligation Debt Service

| Fiscal Year | Principal | Interest | Total Requirements |
|--------------|-------------------------|-------------------------|-------------------------|
| 2021 | 453,006,352 | 280,269,641 | 733,275,993 |
| 2022 | 449,265,187 | 258,897,073 | 708,162,260 |
| 2023 | 470,365,000 | 237,200,294 | 707,565,294 |
| 2024 | 478,770,000 | 215,650,186 | 694,420,186 |
| 2025 | 482,680,000 | 193,985,820 | 676,665,820 |
| 2026 | 509,775,000 | 171,584,225 | 681,359,225 |
| 2027 | 528,535,000 | 147,522,868 | 676,057,868 |
| 2028 | 258,330,000 | 121,925,158 | 380,255,158 |
| 2029 | 256,770,000 | 112,019,777 | 368,789,777 |
| 2030 | 254,440,000 | 101,753,159 | 356,193,159 |
| 2031 | 246,720,000 | 91,573,160 | 338,293,160 |
| 2032 | 243,970,000 | 81,459,381 | 325,429,381 |
| 2033 | 236,435,000 | 71,390,445 | 307,825,445 |
| 2034 | 236,275,000 | 61,415,070 | 297,690,070 |
| 2035 | 224,840,000 | 51,518,635 | 276,358,635 |
| 2036 | 211,690,000 | 42,141,043 | 253,831,043 |
| 2037 | 192,045,000 | 33,789,123 | 225,834,123 |
| 2038 | 166,805,000 | 26,226,567 | 193,031,567 |
| 2039 | 160,955,000 | 19,644,603 | 180,599,603 |
| 2040 | 109,975,000 | 13,743,046 | 123,718,046 |
| 2041 | 83,025,000 | 10,091,685 | 93,116,685 |
| 2042 | 79,125,000 | 7,246,502 | 86,371,502 |
| 2043 | 56,935,000 | 4,665,431 | 61,600,431 |
| 2044 | 40,700,000 | 2,912,585 | 43,612,585 |
| 2045 | 17,685,000 | 1,609,909 | 19,294,909 |
| 2046 | 9,740,000 | 1,043,979 | 10,783,979 |
| 2047 | 7,780,000 | 695,906 | 8,475,906 |
| 2048 | 6,370,000 | 412,875 | 6,782,875 |
| 2049 | 4,200,000 | 190,094 | 4,390,094 |
| 2050 | 1,800,000 | 56,175 | 1,856,175 |
| 2051 | 415,000 | 7,263 | 422,263 |
| TOTAL | \$ 6,479,421,539 | \$ 2,362,641,677 | \$ 8,842,063,216 |

NOTE: Totals may not agree with sum of components due to rounding. Source: Oregon State Treasury, Debt Management Division.

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund

| <i>Description</i> | <i>2017-19 Actuals</i> | |
|---|------------------------|---------------------|
| | <i>TOTAL</i> | <i>COPS</i> |
| General Fund Supported | | |
| Human Services, Dept. of | 12,060,438 | - |
| Administrative Svcs, Dept of | 6,482,430 | 5,053,780 |
| Oregon Business Development Department | 38,578,988 | - |
| Justice, Dept of | 12,309,017 | - |
| Revenue, Dept of | 14,376,932 | - |
| Legislative Administration Committee | 12,306,858 | 2,673,530 |
| Judicial Dept | 17,871,083 | - |
| Military Dept, Oregon | 9,554,793 | 3,289,961 |
| Police, Dept of State | 358,282 | - |
| Public Safety Standards & Training, Dept of | 9,795,963 | - |
| Veterans' Affairs, Oregon Dept of | 1,017,322 | - |
| Corrections, Dept of | 113,767,748 | 27,915,227 |
| Energy, Dept of | - | - |
| Environmental Quality, Dept of | 4,602,080 | - |
| Oregon Youth Authority | 10,403,442 | 510,208 |
| Oregon Health Authority | 66,330,012 | 28,509,055 |
| Higher Education Coordinating Commission | 172,653,540 | 5,220,550 |
| Education, Dept of | 18,168,330 | - |
| Forestry, Dept of | 2,297,011 | 1,211,417 |
| Fish & Wildlife, Oregon Dept of | 174,216 | 174,216 |
| Transportation, Oregon Dept of | 4,098,246 | - |
| Housing & Community Svcs Dept | 8,553,658 | - |
| Total General Fund Supported | \$535,760,389 | \$74,557,944 |
| Lottery Funds Supported | | |
| Administrative Svcs, Dept of | 15,873,680 | - |

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

| <i>2019-21 Leg Approved Budget</i> | | <i>2021-23 Governor's Budget</i> | |
|------------------------------------|---------------------|----------------------------------|---------------------|
| <i>TOTAL</i> | <i>COPS</i> | <i>TOTAL</i> | <i>COPS</i> |
| 22,657,623 | - | 25,759,190 | - |
| 6,799,405 | 836,218 | 8,491,654 | - |
| 56,176,824 | - | 87,240,564 | 4,340,000 |
| 15,650,370 | - | 8,375,250 | - |
| 14,980,120 | - | 7,368,170 | - |
| 11,274,124 | 211,010 | 29,532,444 | - |
| 27,383,694 | - | 31,438,952 | - |
| 11,603,502 | 732,650 | 14,535,465 | - |
| 356,360 | - | 3,009,256 | - |
| 9,665,010 | - | 9,107,640 | - |
| 378,020 | - | 371,660 | - |
| 117,154,410 | 19,402,960 | 105,881,263 | 115,880 |
| 4,334,048 | - | - | - |
| 6,524,882 | - | 6,050,311 | - |
| 12,017,766 | - | 18,323,798 | - |
| 63,722,338 | 22,670,020 | 60,987,601 | - |
| 230,156,706 | - | 274,170,007 | - |
| 31,133,753 | - | 48,905,269 | - |
| 16,489,822 | 15,165,947 | 16,400,452 | 14,588,750 |
| 1,640,320 | - | 2,717,124 | - |
| 25,306,026 | 3,248,440 | 18,371,940 | 2,088,190 |
| 28,569,838 | - | 54,634,263 | - |
| \$713,974,961 | \$62,267,245 | \$831,672,273 | \$21,132,820 |
| 18,785,333 | - | 27,715,133 | - |

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

| <i>Description</i> | <i>2017-19 Actuals</i> | |
|--|------------------------|-------------|
| | <i>TOTAL</i> | <i>COPS</i> |
| Lottery Funds Supported | | |
| Oregon Business Development Department | 49,761,248 | - |
| Veterans' Affairs, Oregon Dept of | - | - |
| Energy, Dept of | 3,023,628 | - |
| Higher Education Coordinating Commission | 43,580,805 | - |
| Education, Dept of | 651,214 | - |
| Forestry, Dept of | 2,600,999 | - |
| Parks & Recreation Dept | 2,152,585 | - |
| Water Resources Dept | 3,953,965 | - |
| Transportation, Oregon Dept of | 113,596,785 | - |
| Housing & Community Svcs Dept | 16,007,281 | - |
| Total Lottery Funds Supported | \$251,202,190 | - |
| Other Funds Supported | | |
| Administrative Svcs, Dept of | 406,590,091 | 4,619,987 |
| Oregon Business Development Department | 38,368,607 | - |
| Revenue, Dept of | 1,181,148 | - |
| Legislative Administration Committee | 921,799 | - |
| Judicial Dept | - | - |
| Military Dept, Oregon | 149,708 | - |
| Police, Dept of State | 149,632 | - |
| Veterans' Affairs, Oregon Dept of | 175,477,078 | - |
| Corrections, Dept of | 98,232 | 94,486 |
| Energy, Dept of | 47,590,046 | - |
| Environmental Quality, Dept of | 18,199,366 | - |
| Oregon Youth Authority | - | - |
| Oregon Health Authority | 1,371,293 | 90,631 |

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

| <i>2019-21 Leg Approved Budget</i> | | <i>2021-23 Governor's Budget</i> | |
|------------------------------------|-------------|----------------------------------|-------------|
| <i>TOTAL</i> | <i>COPS</i> | <i>TOTAL</i> | <i>COPS</i> |
| 48,307,543 | - | 63,251,921 | - |
| - | - | 690,010 | - |
| 3,023,365 | - | 3,022,570 | - |
| 45,022,437 | - | 50,319,240 | - |
| 692,870 | - | - | - |
| 2,543,451 | - | 2,564,210 | - |
| 2,297,543 | - | 3,776,660 | - |
| 7,566,502 | - | 14,289,736 | - |
| 115,592,980 | - | 125,155,188 | - |
| 21,789,335 | - | 31,039,264 | - |
| \$265,621,359 | - | \$321,823,932 | - |
| 448,000,508 | 2,381,900 | 488,243,003 | - |
| 37,288,986 | - | 8,897,360 | - |
| 3,574,014 | - | 550,120 | - |
| 12,007,573 | - | - | - |
| 1,300,000 | - | - | - |
| 2,366,569 | - | 100,910 | - |
| 148,840 | - | - | - |
| 215,754,089 | - | 51,496,026 | - |
| 104,489,315 | - | - | - |
| 39,988,071 | - | 30,531,300 | - |
| 17,643,330 | - | 13,650,055 | - |
| 95,000 | - | - | - |
| 219,397,129 | - | - | - |

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

| <i>Description</i> | <i>2017-19 Actuals</i> | |
|--|------------------------|---------------------|
| | <i>TOTAL</i> | <i>COPS</i> |
| Other Funds Supported | | |
| Higher Education Coordinating Commission | 234,591,189 | 5,326,707 |
| Education, Dept of | 44,694 | - |
| Forestry, Dept of | 727,874 | 672,438 |
| Parks & Recreation Dept | - | - |
| Fish & Wildlife, Oregon Dept of | 1,832,210 | - |
| Water Resources Dept | - | - |
| Transportation, Oregon Dept of | 537,492,878 | 6,742,741 |
| Oregon Liquor Control Comm | - | - |
| Housing & Community Svcs Dept | 363,471,272 | - |
| Total Other Funds Supported | \$1,828,257,117 | \$17,546,990 |
| Federal Funds Supported | | |
| Corrections, Dept of | 1,040,976 | 1,040,976 |
| Energy, Dept of | - | - |
| Oregon Health Authority | 3,728,175 | 3,728,175 |
| Higher Education Coordinating Commission | 4,598,449 | 627,488 |
| Transportation, Oregon Dept of | 20,156,997 | - |
| Total Federal Funds Supported | \$29,524,597 | \$5,396,639 |
| Grand Total Debt Service Requirements | \$2,644,744,293 | \$97,501,573 |

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

| <i>2019-21 Leg Approved Budget</i> | | <i>2021-23 Governor's Budget</i> | |
|------------------------------------|---------------------|----------------------------------|---------------------|
| <i>TOTAL</i> | <i>COPS</i> | <i>TOTAL</i> | <i>COPS</i> |
| 266,564,788 | 3,601,300 | 199,942,000 | - |
| 9,331 | - | - | - |
| 668,774 | 337,150 | 377,700 | - |
| 33,023 | - | - | - |
| 1,836,410 | - | 1,837,010 | - |
| 394 | - | - | - |
| 1,075,038,344 | 85,570 | 400,357,130 | - |
| - | - | 7,547,093 | - |
| 497,038,917 | - | 367,512,148 | - |
| \$2,943,243,405 | \$6,405,920 | \$1,571,041,855 | - |
| 940,120 | 940,120 | - | - |
| 104,000 | - | - | - |
| 3,467,210 | 3,467,210 | - | - |
| 4,597,230 | 4,597,230 | - | - |
| 21,243,619 | - | - | - |
| \$30,352,179 | \$9,004,560 | - | - |
| \$3,953,191,904 | \$77,677,725 | \$2,724,538,060 | \$21,132,820 |

Table F. Capital Financing Six-Year Forecast Summary

| General Fund Supported Debt | General Fund Repayment Source | | |
|---|--------------------------------|-----------------------|-----------------------|
| NET TAX-SUPPORTED DEBT PROGRAMS | 2021-23 | 2023-25 | 2025-27 |
| SDPAC Estimated New Debt Capacity | 1,563,700,000 | 1,563,700,000 | 1,563,700,000 |
| Projected Debt Capacity Carryforward Added Back | 25,465,000 | 1,623,420 | 340,818,720 |
| Estimated Debt Capacity as Adjusted | 1,589,165,000 | 1,565,323,420 | 1,904,518,720 |
| GENERAL OBLIGATION BONDS | | | |
| Art. XI-G Higher Education & Community Colleges | | | |
| Capital Construction - Public Universities | 37,910,000 | 86,500,000 | 85,000,000 |
| Capital Construction - Community Colleges | 69,040,000 | 75,000,000 | 75,000,000 |
| Art. XI-H Pollution Control (GF Supported Portion) | | | |
| Grants and Loans | 10,300,000 | 10,000,000 | 10,000,000 |
| Art. XI-M & XI-N Seismic Rehabilitation | | | |
| Grants and Loans | 161,615,000 | 100,000,000 | 80,000,000 |
| Art. XI-P School Districts Capital Costs | | | |
| Grants and Loans | 138,065,000 | 80,000,000 | 60,000,000 |
| Art. XI-Q State Property (GF Supported Portion) | | | |
| Capital Construction | 1,029,346,580 | 857,504,700 | 720,057,800 |
| Equipment and Technology | 40,025,000 | 15,500,000 | 12,700,000 |
| Less Total General Obligation Bonds (GF Portion) | 1,486,301,580 | 1,224,504,700 | 1,042,757,800 |
| Less Certificates of Participation (GF Supported) | 101,240,000 | - | - |
| Remaining Estimated General Fund Debt Capacity | \$ 1,623,420 | \$ 340,818,720 | \$ 861,760,920 |
| Lottery Revenue Bond Program | Lottery Funds Repayment Source | | |
| NET TAX-SUPPORTED DEBT PROGRAMS | 2021-23 | 2023-25 | 2025-27 |
| SDPAC Estimated New Debt Capacity | 406,989,000 | 406,989,000 | 406,989,000 |
| Projected Debt Capacity Adjustments | (64,080,000) | 364,000 | - |
| Estimated Debt Capacity as Adjusted | 342,909,000 | 407,353,000 | 406,989,000 |
| LOTTERY REVENUE BONDS | | | |
| Dept. of Administrative Services Grants and Loans | 342,545,000 | 407,353,000 | 406,989,000 |
| Less Total Lottery Revenue Bonds | 342,545,000 | 407,353,000 | 406,989,000 |
| Remaining Estimated Lottery Funds Debt Capacity | \$ 364,000 | \$ - | \$ - |
| Transportation Department Bonds | Other Funds Repayment Source | | |
| OTHER NET TAX-SUPPORTED DEBT PROGRAMS | 2021-23 | 2023-25 | 2025-27 |
| GENERAL OBLIGATION BONDS | | | |
| Debt Capacity – General Obligation Art. XI, Section 7 | 7,157,969,096 | 7,157,969,096 | 7,157,969,096 |
| Department of Transportation Capital Construction | - | | |
| Remaining transportation general obligation capacity | 7,157,969,096 | N/A | N/A |
| REVENUE BONDS | | | |
| Debt Capacity Limited by Statute | 1,673,530,000 | 793,530,000 | 793,530,000 |
| Transportation Highway User Tax Capital Construction | 880,000,000 | | |
| Transportation Infrastructure Fund Grants and Loans | - | | |
| Less Total Transportation Revenue Bonds | 880,000,000 | N/A | N/A |
| Remaining Transportation Revenue Debt Capacity | \$ 793,530,000 | N/A | N/A |

Table F. Capital Financing Six-Year Forecast Summary (continued)

| Debt Issuance Forecast | Other Funds Repayment Source | | |
|---|------------------------------|-----------------------|-----------------------|
| NON TAX-SUPPORTED DEBT PROGRAMS | 2021-23 | 2023-25 | 2025-27 |
| GENERAL OBLIGATION BONDS | | | |
| Art. XI-A Veterans' Welfare | | | |
| Grants and Loans | 180,000,000 | 180,000,000 | 200,000,000 |
| Art. XI-F(1) Higher Education Facilities | | | |
| Capital Construction | - | 77,000,000 | 34,000,000 |
| Art. XI-H Pollution Control (Other Funds Supported Portion) | | | |
| Grants and Loans | 10,000,000 | 10,000,000 | 10,000,000 |
| Art. XI-I(2) Elderly and Disabled Housing | | | |
| Grants and Loans | 50,000,000 | 50,000,000 | 50,000,000 |
| Art. XI-Q State Property (Other Funds Supported Portion) | | | |
| Capital Construction | 185,223,420 | 22,140,000 | 21,670,000 |
| Equipment and Technology | 37,565,000 | - | - |
| Total General Obligation Bonds | 442,788,420 | 349,140,000 | 315,670,000 |
| REVENUE BONDS | | | |
| Single and Multi-family Housing | | | |
| Grants and Loans | 500,000,000 | 500,000,000 | 500,000,000 |
| Business Development Department Oregon Bond Bank | | | |
| Grants and Loans | 30,000,000 | 30,000,000 | 30,000,000 |
| Total Revenue Bonds | 530,000,000 | 530,000,000 | 530,000,000 |
| Total Non Tax-Supported Debt Forecast | \$ 972,788,420 | \$ 879,140,000 | \$ 845,670,000 |

REVENUES



Revenues

Revenue Summary

Current Law Projection

The Department of Administrative Services Office of Economic Analysis projects General Fund revenue of \$22,208.6 million for the 2021-23 biennium. A beginning balance of \$1,575.4 million is anticipated for the new biennium, after a transfer of \$218.6 million is made to the Rainy Day Fund.

Personal income tax makes up the largest share of the General Fund. It accounts for about 88 percent of projected revenues. Corporate income taxes are about six percent of the total revenue amount. Other sources make up the remainder. The largest of the other sources are insurance taxes, state court fees, estate taxes and liquor apportionment transfer.

Personal income tax revenues in the 2021-23 Current Law Forecast total \$19,624.5 million, and corporate income tax revenues are expected to be \$1,303.0 million for the biennium.

State Lottery revenues for the biennium are forecasted to be \$1,512.3 million. The anticipated beginning balance is \$126.0 million. Interest on the Education Stability Fund and Economic Development Fund provide an additional \$7.9 million of resources. Total resources are expected to be \$1,646.2 million for the 2021-23 biennium.

Dedicated distributions for the Education Stability Fund, the Parks and Natural Resources Fund, county economic development, collegiate athletics and scholarships, employer incentive fund, county fairs, veterans, outdoor education, and problem gambling treatment will total \$676.1 million. Funds dedicated for debt service on Lottery bonds and other Legislatively adopted allocations will total \$238.9 million. In addition to these distributions, \$731.2 million will be available for allocation to education and economic development activities in the 2021-23 biennium.

Governor's Recommended Revenue Changes

The Governor proposes to eliminate the “Partnership Pass-Through,” which provides a favorable rate structure for business income earned by taxpayers who actively manage their own businesses (ORS316.043 & ORS316.044). This proposal is anticipated to generate an additional \$154.0 million to the General Fund. In addition, the budget proposes to eliminate the Interest Charge – Domestic International Sales Corporation (IC-DISC) dividend subtraction. Elimination of the IC-DISC dividend subtraction will result in an additional \$9.8 million in Personal Income Taxes. These changes are proposed to take effect January 1, 2022.

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into Federal Law. The Act contains provisions that will affect Oregon’s General Fund revenues through changes to tax laws and reduce income tax collections. The Governor proposes to disconnect from tax law changes in the CARES Act beginning January 1, 2021. This disconnect is anticipated to increase General Fund revenues by \$88.6 million.

The Governor proposes to limit the home mortgage interest deduction to interest paid on a home mortgage that is secured by a taxpayer’s primary home only. This proposal eliminates the home

mortgage interest deduction for mortgages on second homes beginning January 1, 2022 and is anticipated to generate an additional \$21.0 million in Personal Income Taxes.

Three tax credit expansions are proposed in the budget. The Earned Income Tax Credit is a benefit for working people with low to moderate income, particularly those with children. The Governor's Budget expands the eligibility for this tax benefit to taxpayers with Individual Taxpayer Identification Numbers. The Oregon Film Office tax credit auction will be expanded from \$14.0 million to \$20.0 million per calendar year, and the agriculture workforce housing tax credit is increased from \$14.5 million to \$24.0 million per biennium. The expansion of these tax credits is anticipated to reduce income tax collections by \$31.5 million in the 2021-23 biennium.

The Governor's Budget proposes to increase General Fund revenue raised by the Oregon Liquor Control Commission by increasing the surcharge on distilled spirits from \$0.50 per bottle to \$0.75 per bottle beginning July 1, 2021 and extending through June 30, 2023. This proposed increase to the surcharge generates an estimated \$20.4 million in revenues dedicated to the General Fund.

The budget includes transfers to the General Fund in the amount of \$1.9 million from the Bureau of Labor and Industries Wage Security Fund and \$6.3 million from the Department of Justice Protection and Education Revolving Account. The budget also includes reimbursement to the General Fund from the Employment Department for the General Fund expended as start-up costs of establishing the Paid Family Medical Leave Insurance Program in the 2019-21 biennium (projected at \$9.5 million) and the amount of General Fund budgeted for the 21-23 biennium (\$87.9 million).

The budget includes a \$48.2 million reduction for extending personal income tax credits that are scheduled to sunset in 2021-23. See the Tax Expenditure Report for a full list of sunset dates.

Additionally, the budget includes expected costs for the issuance of Tax Anticipation Notes (TANs). These notes are used by the State Treasurer during the biennium to help with General Fund cash flow. The total cost for the biennium is estimated at \$21.5 million.

The budget includes an adjustment to the 2021-23 General Fund beginning balance to reflect reversions from 2019-21 of \$252.8 million. These reversions include savings from the temporary increase in the Federal Matching Assistance Percentage (FMAP) rate, which is assumed to continue into the first quarter of the 2021-23 biennium and unexpended Emergency Fund balances and miscellaneous adjustments for known budgetary issues existing in the 2019-21 biennium.

Tax Expenditure Report

Summary of the 2012-23 Tax Expenditure Report

Oregon law (ORS 291.202) requires the Governor to produce a tax expenditure report. The Department of Revenue prepares the report, which goes to the Legislature along with the Governor’s Budget. The following is a summary of the report for the 2021-23 biennium. The full report is available from the Department of Revenue, Research Section.

A definition of a tax expenditure appears in ORS 291.201. A tax expenditure is any law that exempts some class of person, income, good, service or property from taxes that would otherwise apply to it. For example, the value of property in general is subject to property taxation, but the law exempts properties that are used for charitable, literary or scientific purposes. The part that is not taxed is the “tax expenditure.”

The report contains 377 tax expenditures found in Oregon law or that flow from the interaction of Oregon’s tax code with the federal tax code. Of these, 136 relate to property taxes and 185 relate to income taxes. The remaining 56 relate to other state tax programs. More than half of the income tax expenditures result from Oregon’s connection to the federal income tax code. This reduces the costs to comply with Oregon tax law and makes it simpler to administer the tax programs.

Oregon Revenues and Tax Expenditures

By Tax Program (in millions)

| Tax Program | Number of Tax Expenditures | Estimated Revenues 2021-23 | Revenue Impact | |
|---|----------------------------|-------------------------------|-------------------|-------------------|
| | | | 2019-21 | 2021-23 |
| Income | 185 | \$20,948.1 | \$13,737.6 | \$15,231.7 |
| Property | 136 | \$17,200.0 | \$10,400.3 | \$11,013.2 |
| All Other State Taxes with Expenditures | 56 | \$7,513.3 | \$457.6 | \$451.7 |
| All Taxes | | \$45,661.4 | \$24,595.5 | \$26,696.6 |

Tax Expenditures Scheduled for Sunset in 2021-23

ORS 291.214 requires the Governor to identify tax expenditures that fully or partially sunset in the coming biennium. A sunset means the tax expenditure no longer applies after the sunset date. The Governor recommends whether the sunset should take effect. A sunset must be changed by the Legislature to maintain the tax expenditure. The sunset recommendations appear below by tax program.

Income Tax

| | | | |
|-------|--|----------------------------------|--------------------|
| 1.404 | Employee Training <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.523 | Sunsets 12-31-2022 |
| 1.407 | Child with a Disability <i>Governor's Recommendation: Extend sunset.</i> | ORS 316.099(3) | Sunsets 12-31-2021 |
| 1.408 | Rural Medical Practice <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.613, 315.616, 315.619 | Sunsets 12-31-2021 |
| 1.410 | Severe Disability <i>Governor's Recommendation: Extend sunset.</i> | ORS 316.758 | Sunsets 12-31-2021 |
| 1.422 | Public University Venture Development Fund <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.640 | Sunsets 12-31-2021 |
| 1.425 | Working Family Household and Dependent Care <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.264 | Sunsets 12-31-2021 |
| 1.426 | Contributions to Office of Child Care <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.213 | Sunsets 12-31-2021 |
| 1.427 | Individual Development Account Donation (Credit) <i>Governor's Recommendation: Allow sunset.</i> | ORS 315.271 | Sunsets 12-31-2021 |
| 1.430 | Bovine Manure <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.176(3)(a) | Sunsets 12-31-2021 |
| 1.445 | Oregon Life and Health IGA Assessments <i>Governor's Recommendation: Extend sunset.</i> | ORS 734.835 | Sunsets 12-31-2021 |
| 1.449 | Oregon Veterans' Home Physicians <i>Governor's Recommendation: Extend sunset.</i> | ORS 315.624 | Sunsets 12-31-2021 |

Property Tax

| | | | |
|-------|---|---------------------------------------|------------------------------|
| 2.015 | Certain Property Owned by a Port <i>Governor's Recommendation: Extend sunset.</i> | ORS 307.110(3)(j), Note 307.110 | Sunsets 06-30-2023 |
| 2.047 | Solar Projects <i>Governor's Recommendation: Extend sunset.</i> | Note 3: ORS 307.175 | Sunsets 01-01-2022 |
| 2.084 | Charitable, Literary, and Scientific Organizations <i>Governor's Recommendation: Extend sunset.</i> | ORS 307.130 | Partial Sunset 06-30-2022 |

All Other Taxes

| | | | |
|--------|--|-------------------|--------------------|
| 2.113 | Alternative Energy Systems <i>Governor's Recommendation: Extend sunset.</i> | ORS 307.175 | Sunsets 06-30-2023 |
| 2.127 | Historic Property <i>Governor's Recommendation: Extend sunset.</i> | ORS 358.505 | Sunsets 06-30-2022 |
| 4.004 | Dealer Vehicle on Test Drive <i>Governor's Recommendation: Extend sunset.</i> | ORS 822.040(1)(e) | Sunsets 12-31-2021 |
| 16.001 | Marijuana Purchased for Medical Use <i>Governor's Recommendation: Extend sunset.</i> | ORS 475B.707 | Sunsets 12-31-2021 |

Schedule I – Summary of General Fund Revenues by Major Source

| | 2017-19 Actuals | 2019-21 Current Estimates | Percent of Total | 2021-23 Current Law Forecast | Percent of Total | 2021-23 Governor's Budget | Change from Current Law or Other Adjustment |
|-------------------------------------|-------------------------|---------------------------------|---------------------|------------------------------------|---------------------|---------------------------------|--|
| Taxes | | | | | | | |
| Personal Income Taxes | \$18,662,891,000 | \$18,141,750,000 | 85.7% | \$19,624,538,000 | 88.4% | \$19,818,288,000 | \$193,750,000 (1) |
| Corporate Excise and Income Taxes | 1,665,466,000 | 1,328,578,000 | 6.3% | 1,302,998,000 | 5.9% | 1,302,998,000 | 0 |
| Insurance Taxes | 160,264,000 | 117,108,000 | 0.6% | 122,080,000 | 0.5% | 122,080,000 | 0 |
| Estate Taxes | 381,187,000 | 468,315,000 | 2.2% | 355,070,000 | 1.6% | 355,070,000 | 0 |
| Cigarette Taxes | 65,598,000 | 58,777,000 | 0.3% | 44,903,000 | 0.2% | 44,903,000 | 0 |
| Other Tobacco Products Taxes | 63,597,000 | 62,785,000 | 0.3% | 65,129,000 | 0.3% | 65,129,000 | 0 |
| Other Taxes | 1,975,000 | 1,313,000 | 0.0% | 1,756,000 | 0.0% | 1,756,000 | 0 |
| Fines and Fees | | | | | | | |
| State Court Fees | 124,518,000 | 125,657,000 | 0.6% | 140,832,000 | 0.6% | 140,832,000 | - |
| Secretary of State Corporation Fees | 73,482,000 | 78,049,000 | 0.4% | 78,359,000 | 0.4% | 78,359,000 | - |
| Criminal Fines and Assessments | 37,760,000 | 34,392,000 | 0.2% | 47,618,000 | 0.2% | 35,907,785 | (11,710,215) (2) |
| Securities Fees | 23,251,000 | 24,760,000 | 0.1% | 24,116,000 | 0.1% | 24,116,000 | - |
| Charges for Services | | | | | | | |
| | 10,876,000 | 10,376,000 | 0.0% | 10,876,000 | 0.0% | 10,876,000 | - |
| Sales Income | | | | | | | |
| | 294,379,000 | 344,967,000 | 1.6% | 359,292,000 | 1.6% | 382,371,061 | 23,079,061 (3) |
| Interest Earnings | | | | | | | |
| | 87,182,000 | 75,082,000 | 0.4% | 19,000,000 | 0.1% | 19,000,000 | - |
| Other | | | | | | | |
| | 10,188,000 | 11,565,000 | 0.1% | 12,000,000 | 0.1% | 109,417,423 | 97,417,423 (4) |
| One-time Transfers | | | | | | | |
| | 5,020,000 | 284,241,000 | 1.3% | 0 | 0.0% | 8,209,830 | 8,209,830 (5) |
| Total General Fund Revenues | \$21,667,634,000 | \$21,167,715,000 | 100.0% | \$22,208,567,000 | 100.0% | \$22,519,313,099 | \$310,746,099 |

Explanation of Recommended Changes:

- (1) Includes a \$48.2 million reduction for extending personal income tax credits that are scheduled to sunset in 2021-23. See the Tax Expenditure Report for a full list of sunset dates.
Eliminate the "Partnership Pass-Through" which provides a favorable rate structure for business income earned by taxpayers beginning January 1, 2022. Increase of \$154.0 million
Eliminate the Interest Charge – Domestic International Sales Corporation (IC-DISC) dividend subtraction beginning January 1, 2022. Increase of \$9.8 million
Disconnects from the tax law changes contained in the Coronavirus Aid, Relief, and Economic Security (CARES) Act beginning January 1, 2021. Increase of \$88.6 million
Limits the home mortgage interest deduction to interest paid on a home mortgage that is secured by a taxpayers primary home only beginning January 1, 2022. Increase of \$21 million
Expands the eligibility for the Oregon Earned Income Tax Credit to taxpayers with Individual Taxpayer Identification Number. Decrease of \$10.0 million
Expands the Oregon Film Office tax credit auction from \$14.0 million to \$20.0 million per calendar year. Decrease of \$12.0 million
- (2) Represents program cost changes in agencies that receive a percentage portion of CFA revenue. These changes decrease CFA revenue to be deposited in the General Fund.
- (3) Increases the surcharge on distilled spirits from \$0.50 per bottle to \$0.75 per bottle beginning July 1, 2021 and extending through June 30, 2023
- (4) Includes reimbursement to the General Fund from the Employment Department for the General Fund expended as start-up costs of establishing the Paid Family Medical Leave Insurance Program in the 2019-21 biennium (projected at \$9.5 million) and the amount of General Fund budgeted for the 21-23 biennium (\$87.9 million).
- (5) Includes transfers to the General Fund in the amount of \$1.9 from the Wage Security Fund and \$6.3 million from the Department of Justice Protection and Education Revolving
*Percentages do not foot due to rounding

GENERAL FUND SUMMARIES

CASH BALANCES

| | 2021-23 GOVERNOR'S BUDGET |
|---------------------------|---------------------------------|
| BEGINNING BALANCE* | \$ 1,828,107,982 |
| CURRENT REVENUES** | <u>22,497,813,099</u> |
| TOTAL AVAILABLE RESOURCES | \$ 24,325,921,081 |
| LESS: EXPENDITURES | <u>(24,082,661,870)</u> |
| BALANCES CARRIED FORWARD | <u><u>\$ 243,259,211</u></u> |

GENERAL FUND REVENUES BY MAJOR SOURCE

| | 2017-19 ACTUALS | 2019-21 LEGISLATIVELY APPROVED | % CHANGE (ACT/LAB) | 2021-23 GOVERNOR'S BUDGET | % CHANGE (EST/GB) |
|---------------------|--------------------------|--------------------------------------|--------------------------|---------------------------------|----------------------|
| TAXES | \$21,000,978,000 | \$20,178,626,000 | -3.9% | \$21,710,224,000 | 7.6% |
| FINES AND FEES | 259,011,000 | 262,858,000 | 1.5% | 279,214,785 | 6.2% |
| CHARGES FOR SERVICE | 10,876,000 | 10,376,000 | -4.6% | 10,876,000 | 4.8% |
| SALES INCOME | 294,379,000 | 344,967,000 | 17.2% | 382,371,061 | 10.8% |
| INTEREST EARNINGS | 87,182,000 | 75,082,000 | -13.9% | 19,000,000 | -74.7% |
| OTHER | 10,188,000 | 11,565,000 | 13.5% | 109,417,423 | 846.1% |
| ONE-TIME TRANSFERS | <u>5,020,000</u> | <u>284,241,000</u> | 5562.2% | <u>8,209,830</u> | 100.0% |
| TOTAL *** | <u>\$ 21,667,634,000</u> | <u>\$ 21,167,715,000</u> | -2.3% | <u>\$ 22,519,313,099</u> | 6.4% |

* Beginning Balance include projected General Fund reversions of \$252.8 million. Reversions include: savings generated from enhanced Federal Medical Assistance Percentages which is assumed to be extended beyond the end of the 19-21 biennium, unexpended emergency fund balance and miscellaneous adjustments after accounting for known budgetary issues existing in the current 2019-21 biennium.

** For 2021-23, the Governor's Budget includes a reduction in available General Fund revenues for the cost of projected Tax Anticipation Notes.

*** Does not foot due to rounding.

SUMMARY OF GENERAL FUND EXPENDITURES BY CATEGORY

| <i>Description</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|-----------------------|-------------------------|------------------------------------|---------------------------|----------------------------------|--------------------------|
| Personal Services | 3,197,372,632 | 4,232,851,727 | 32% | 4,545,547,713 | 7% |
| Services & Supplies | 1,478,969,337 | 1,582,430,364 | 7% | 1,921,304,883 | 21% |
| Capital Outlay | 22,605,977 | 38,854,583 | 72% | 42,814,744 | 10% |
| Special Payments | 14,548,685,640 | 15,841,343,990 | 9% | 16,741,322,257 | 6% |
| Debt Service | 535,922,342 | 713,974,961 | 33% | 831,672,273 | 16% |
| Capital Improvement * | (5,087,914) | (5,434,614) | 7% | (5,593,064) | 3% |
| TOTAL | \$19,783,555,928 | \$22,409,455,625 | 13% | \$24,082,661,870 | 7% |

* For information only; amounts are included in appropriate categories above.

SUMMARY OF GENERAL FUND EXPENDITURES BY PROGRAM AREA

| <i>Program Area</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|----------------------------------|-------------------------|------------------------------------|---------------------------|----------------------------------|--------------------------|
| Education | 10,317,382,996 | 10,802,030,740 | 5% | 10,946,393,398 | 1% |
| Human Services | 5,304,913,972 | 6,597,015,131 | 24% | 7,669,486,678 | 16% |
| Public Safety | 2,574,488,453 | 2,765,183,480 | 7% | 2,831,118,914 | 2% |
| Economic & Community Development | 120,637,694 | 214,842,491 | 78% | 366,273,593 | 70% |
| Natural Resources | 298,967,346 | 279,512,466 | -7% | 310,964,132 | 11% |
| Transportation | 23,456,104 | 25,306,026 | 8% | 18,371,940 | -27% |
| Consumer & Business Services | 12,855,950 | 16,193,497 | 26% | 17,238,841 | 6% |
| Administration | 256,387,565 | 388,130,726 | 51% | 279,594,914 | -28% |
| Legislative Branch * | 113,045,207 | 142,327,537 | 26% | 186,804,894 | 31% |
| Judicial Branch * | 761,420,641 | 862,417,437 | 13% | 955,414,566 | 11% |
| Miscellaneous Programs | - | 316,496,094 | 100% | 501,000,000 | 58% |
| TOTAL | \$19,783,555,928 | \$22,409,455,625 | 13% | \$24,082,661,870 | 7% |

* See agency narrative section for complete Agency Request information.

Lottery Funds

Introduction

Oregon's Lottery proceeds are used in the education, economic and community development, human services, transportation, natural resources and public safety program areas. Lottery Funds make up 5.9 percent of the state's General Fund and Lottery Funds expenditure budget.

The Oregon Lottery collects revenues from traditional and video lottery gaming. It pays player prizes and administrative expenses out of these revenues and transfers the balance to the state. State lottery revenues for the biennium are forecast to be \$1,512.3 million. The Governor's budget anticipates a beginning balance of \$170.4 million, which includes the current law forecast plus anticipated carry-forwards and budgetary adjustments. Interest on the Economic Development Fund and the Education Stability Fund provide an additional \$7.9 million of resources. Total resources are expected to be \$1,690.6 million for the 2021-23 biennium.

Lottery Funds are transferred to the Administrative Services Economic Development Fund. That fund is distributed based on the Oregon constitution, statute, and legislative allocations. The plan below includes proposed changes in the Governor's Budget:

- Local Government. Counties receive 2.5 percent of video poker proceeds, a total of \$51.4 million for the 2021-23 biennium.
- Education. The Education Stability Fund receives 18 percent of total transfers. A total of \$272.2 million is expected to be deposited in the Education Stability Fund in the 2021-23 biennium. Of this amount, 10 percent is dedicated to the Oregon Growth Account. The remaining 90 percent, or \$245.0 million, will be available for the support of general education in Oregon. Interest on the Education Stability Fund, except for the Oregon Growth Account portion of the Fund, is divided between the Department of Education to pay debt service on education bonds (75 percent) and the Higher Education Coordinating Commission for education grants (25 percent).
- Education. Outdoor School Measure 98 (2016) dedicates Lottery Funds to increase access to outdoor school for Oregon children. The Governor's Budget includes \$45.3 million for this purpose.
- Economic Development. Measure 96 (2016) dedicates 1.5 percent of Lottery Funds to services for veterans. This money will be used to expand veteran's services through local governments, as well as to increase access to housing, healthcare and mental health for Oregon veterans. The Governor's Budget includes \$22.6 million for services to veterans.
- Natural Resources. Under the Oregon Constitution, the Parks and Natural Resources Fund receives 15 percent of total transfers. This amounts to \$222.8 million in the 2021-23 biennium. The Oregon Constitution requires that half of this money be used for parks, ocean shore and public beach access, historic sites and recreation areas. The other half must be used to help restore and protect wild salmon, watersheds, fish and wildlife habitat and water quality. The Governor's budget uses the funds for projects in a number of natural resource agencies.
- Human Services. The Problem Gambling Treatment Fund receives one percent of total transfers. This amounts to \$15.0 million in the 2021-23 biennium.

- *Local Government.* The Department of Administrative services receives money for distribution to county fairs. By law, this amount equals one percent of total transfers up to a cap specified by statute. The Governor’s Budget includes \$3.8 million for this purpose.
- *Unfunded PERS Liabilities.* Proceeds of Sports Betting lottery proceeds are statutorily dedicated to the Employer Incentive Fund at the Public Employees Retirement System (PERS). Funds are used as matching contributions for PERS employers payments made toward the unfunded actuarial liabilities associated with public employee pensions. The Governor’s Budget includes \$19.3 million for this purpose.

Remaining Lottery Funds are available for allocation to agencies for Lottery bond debt service expenditures and other program purposes.

The Governor proposes to use the remaining Lottery funds for:

- The State School Fund.
- Debt service costs on outstanding and proposed bonds for education, transportation, economic development, and infrastructure activities.
- Economic development programs and agency operations.

The Governor’s Budget proposes to allocate \$215.0 million in Lottery funds from the Education Stability Fund to the State School Fund. If economic triggers are not satisfied to allocate funds in the Education Stability Fund, the Governor’s proposes to declare an emergency and seek appropriate legislative approval for a transfer, pursuant to the Oregon Constitution.

The following tables show the state’s Lottery Funds cash flow and each agency’s Lottery Funds budget. Lottery expenditures are described in more detail in each agency’s budget narrative.

COMBINED GENERAL FUND AND LOTTERY FUNDS SUMMARY

| | 2021-23 CURRENT LAW | | | 2021-23 GOVERNOR'S BUDGET | | |
|--|------------------------|------------------|-------------------|------------------------------|-----------------|-------------------|
| | GENERAL | LOTTERY | TOTAL | GENERAL | LOTTERY | TOTAL |
| BEGINNING CASH BALANCES* | \$ 1,575,352,168 | \$126,012,587 | \$ 1,701,364,755 | \$ 1,828,107,982 | \$170,367,171 | \$ 1,998,475,153 |
| AVAILABLE REVENUES** | \$22,208,567,000 | \$1,196,583,745 | 23,405,150,745 | \$22,497,813,099 | \$1,411,583,745 | 23,909,396,844 |
| TOTAL RESOURCES | \$ 23,783,919,168 | \$ 1,322,596,332 | \$ 25,106,515,500 | \$ 24,325,921,081 | \$1,581,950,915 | \$ 25,907,871,996 |
| LESS EXPENDITURES | (24,082,661,870) | (1,518,119,274) | (25,600,781,144) | (24,082,661,870) | (1,518,119,274) | (25,600,781,144) |
| PROJECTED CASH BALANCE | \$ (298,742,702) | \$ (195,522,942) | \$ (494,265,644) | \$ 243,259,211 | \$ 63,831,641 | \$ 307,090,852 |
| NET CHANGE IN PROJECTED ENDING BALANCE | | | | \$ 542,001,913 | \$ 259,354,584 | \$ 801,356,497 |

*Beginning General Fund cash balances include an anticipated appropriation to the Rainy Day Fund at the end of the 2019-21 biennium per the December 2020 forecast by the Office of Economic Analysis. The Governor's budget includes projected General Fund reversions of \$252.8 million. Reversions include: savings generated from enhanced Federal Medical Assistance Percentages which is assumed to be extended beyond the end of the 19-21 biennium, unexpended emergency fund balance and miscellaneous adjustments after accounting for known budgetary issues existing in the current 2019-21 biennium. For Lottery Funds, the Governor's budget anticipates a beginning balance of \$170.4 million, which includes the current law forecast plus anticipated carry-forwards and budgetary adjustments.

**Available Lottery revenue includes interest on the Education Stability Fund but does not include revenues from video lottery which is transferred to counties or the Education Stability Fund. For 2021-23 Governor's Budget a series of adjustments are made to available resources as detailed in the Revenue Summary section which includes a reduction in available General Fund revenues for the cost of projected Tax Anticipation Notes.

NON-GENERAL FUND SUMMARIES

CASH BALANCES

| | 2021-23 GOVERNOR'S BUDGET |
|--|---|
| BEGINNING BALANCES | \$ 92,638,216,906 |
| CURRENT REVENUES | <u>78,094,008,916</u> |
| TOTAL RESOURCES AVAILABLE | \$ 170,732,225,822 |
| LESS: TRANSFERS TO OTHER GOVERNMENTS EXPENDITURES * | <u>(1,955,430,121)</u> <u>(75,124,935,862)</u> |
| BALANCES CARRIED FORWARD | <u>\$ 93,651,859,839</u> |

NON-GENERAL FUND REVENUES BY MAJOR SOURCE

| | 2017-19 ACTUALS | 2019-21 LEGISLATIVELY APPROVED | % CHANGE (ACT/LAB) | 2021-23 GOVERNOR'S BUDGET | % CHANGE (LAB/GB) |
|-------------------------------|--------------------------|--------------------------------------|--------------------------|---------------------------------|-------------------------|
| TAXES | \$ 5,114,614,138 | \$ 9,013,733,596 | 76.2% | \$ 12,104,721,562 | 34.3% |
| FEDERAL FUNDS | 21,620,045,878 | 24,430,056,020 | 13.0% | 28,558,233,529 | 16.9% |
| FEDERAL FUNDS AS OTHER FUNDS | 1,135,205,017 | 1,367,472,603 | 20.5% | 1,717,892,282 | 25.6% |
| DONATIONS AND CONTRIBUTIONS | 4,731,548,257 | 4,626,661,949 | -2.2% | 6,206,927,128 | 34.2% |
| OTHER | 4,124,853,651 | 4,317,041,169 | 4.7% | 4,318,485,956 | 0.0% |
| BOND SALES | 2,280,163,302 | 3,586,770,526 | 57.3% | 4,241,817,819 | 18.3% |
| INTEREST EARNINGS | 11,276,134,145 | 10,672,562,844 | -5.4% | 10,130,013,141 | -5.1% |
| LIQUOR AND OTHER SALES INCOME | 744,493,386 | 766,120,925 | 2.9% | 808,093,469 | 5.5% |
| LOAN REPAYMENTS | 595,541,170 | 666,191,387 | 11.9% | 653,703,325 | -1.9% |
| LOTTERY DISTRIBUTIONS | 1,456,230,580 | 1,459,844,118 | 0.2% | 1,512,295,564 | 3.6% |
| CHARGES FOR SERVICES | 3,734,491,139 | 5,375,903,620 | 44.0% | 5,893,022,209 | 9.6% |
| LICENSES AND FEES | 1,831,641,392 | 1,854,405,653 | 1.2% | 1,948,802,932 | 5.1% |
| TOTAL ** | <u>\$ 58,644,962,055</u> | <u>\$ 68,136,764,410</u> | 16.2% | <u>\$ 78,094,008,916</u> | 14.6% |

* Excludes Non-Add expenditures.

** Does not include beginning balance.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY CATEGORY

| <i>Description</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|----------------------|-------------------------|--|-------------------------------|--|------------------------------|
| Personal Services | 4,030,238,700 | 4,613,616,417 | 14% | 5,064,437,403 | 10% |
| Services & Supplies | 5,888,952,181 | 7,105,867,465 | 21% | 8,373,736,677 | 18% |
| Capital Outlay | 335,280,173 | 583,868,954 | 74% | 1,007,534,705 | 73% |
| Special Payments | 39,962,541,030 | 48,041,276,181 | 20% | 58,786,361,290 | 22% |
| Debt Service | 2,105,078,147 | 3,236,418,202 | 54% | 1,892,865,787 | -42% |
| Nonlimited Budget * | (16,715,150,559) | (20,517,898,485) | 23% | (24,278,406,222) | 18% |
| Capital Improvement | (23,753,137) | (43,111,062) | 81% | (116,869,924) | 171% |
| Capital Construction | (853,686,319) | (528,860,645) | -38% | (1,246,466,586) | 136% |
| TOTAL ** | \$52,322,090,231 | \$63,581,047,219 | 22% | \$75,124,935,862 | 18% |

* Expenditures not limited by statute; included for informational purposes only.

** Excludes Non-Add expenditures.

() Special reporting classifications; amounts are included in appropriate expenditure categories above.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY PROGRAM AREA

| <i>Program Area</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|----------------------------------|-------------------------|--|-------------------------------|--|------------------------------|
| Education | 3,425,773,022 | 5,163,803,103 | 51% | 6,423,072,532 | 24% |
| Human Services | 26,315,697,014 | 29,440,114,256 | 12% | 34,262,146,716 | 16% |
| Public Safety | 990,148,139 | 1,319,649,985 | 33% | 1,467,147,865 | 11% |
| Economic & Community Development | 3,558,178,283 | 5,456,703,232 | 53% | 9,359,852,655 | 72% |
| Natural Resources | 1,553,322,885 | 1,867,801,939 | 20% | 2,018,145,898 | 8% |
| Transportation | 3,566,807,114 | 5,216,888,109 | 46% | 5,597,685,220 | 7% |
| Consumer & Business Services | 597,857,734 | 888,820,773 | 49% | 876,611,884 | -1% |
| Administration | 12,034,832,482 | 13,977,062,543 | 16% | 14,551,345,785 | 4% |
| Legislative Branch * | 31,509,642 | 26,993,947 | -14% | 79,054,822 | 193% |
| Judicial Branch * | 247,963,916 | 223,209,332 | -10% | 489,872,485 | 119% |
| TOTAL ** | \$52,322,090,231 | \$63,581,047,219 | 22% | \$75,124,935,862 | 18% |

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule II. Other Funds and Lottery Funds Revenue by Source

| Description | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|------------------------------------|------------------------|-----------------------------|---------------------------|
| Taxes | | | |
| Corporate Activity Tax | - | - | 2,236,345,803 |
| Gross Receipts Business Taxes/Fees | 5,645,624 | 5,800,000 | 5,800,000 |
| Employment Taxes | 140,377,754 | 1,286,003,244 | 2,517,759,573 |
| Workers Comp Insurance Taxes | 125,724,721 | 145,235,390 | 148,748,991 |
| Other Employer -Employee Taxes | 378,160,011 | 1,351,142,363 | 1,323,441,100 |
| Cigarette Taxes | 331,569,127 | 330,730,869 | 697,062,268 |
| Other Tobacco Products Taxes | 55,442,355 | 58,043,000 | 57,748,466 |
| Marijuana Taxes | 256,243,251 | 238,019,334 | 334,069,574 |
| Amusement Taxes | - | 3,890,000 | 3,890,000 |
| Insurance Taxes | (1) | 245,335,562 | 324,781,999 |
| Eastern Oregon Severance Taxes | - | 18,000 | 20,260 |
| Western Oregon Severance Taxes | - | 970,000 | 970,000 |
| Other Severance Taxes | - | 150,000 | 150,000 |
| Forest Protection Taxes | 51,895,592 | 53,942,485 | 56,426,888 |
| Motor Fuels Taxes | 1,218,399,902 | 1,331,956,357 | 1,415,484,523 |
| Weight-Mile Taxes | 718,343,830 | 815,074,920 | 858,141,782 |
| Privilege Taxes | 49,678,994 | 81,358,456 | 80,837,665 |
| Other Selective Taxes | 1,630,773,082 | 1,704,284,510 | 1,436,795,921 |
| Other Taxes | 609,139 | 1,201,245,830 | 453,695,715 |
| Total Taxes | \$4,962,863,381 | \$8,853,200,320 | \$11,952,170,528 |
| Licenses and Fees | | | |
| Business Lic and Fees | 557,759,499 | 461,792,369 | 472,591,298 |
| Non-business Lic. and Fees | 90,546,297 | 83,613,121 | 92,862,785 |
| Municipal Court Fines | - | - | 1,000,000 |
| State Court Fees | 27,564,001 | 13,808,502 | 16,141,663 |
| Hunter and Angler Licenses | 107,596,500 | 125,107,599 | 126,580,794 |
| Commercial Fish Lic and Fees | 11,170,783 | 10,285,680 | 10,804,906 |
| Public Utilities Fees | 151,750,757 | 160,533,276 | 152,551,034 |
| Power and Water Fees | 9,554,847 | 8,949,892 | 10,866,598 |
| Fire Marshal Fees | 28,323,650 | 29,181,073 | 31,837,455 |
| Park User Fees | 59,679,967 | 57,360,066 | 58,742,927 |
| Vehicle Licenses | 766,564,048 | 882,089,357 | 919,982,540 |
| Drivers Licenses | 73,152,869 | 87,038,547 | 99,865,085 |
| Transportation Lic and Fees | 99,728,931 | 95,179,447 | 107,526,881 |
| Total Licenses and Fees | \$1,983,392,149 | \$2,014,938,929 | \$2,101,353,966 |

Schedule II. Other Funds and Lottery Funds Revenue by Source (continued)

| Description | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|---|------------------------|--------------------------------|------------------------------|
| Federal Funds as Other Funds | | | |
| Federal Revenues | 1,132,780,143 | 1,364,656,476 | 1,715,700,340 |
| Federal Revenues - Svc Contracts | 2,424,874 | 2,816,127 | 2,191,942 |
| Total Federal Funds as Other Funds | \$1,135,205,017 | \$1,367,472,603 | \$1,717,892,282 |
| Charges for Services | | | |
| Central Service Charges | 4,000,000 | 4,500,000 | 4,500,000 |
| Charges for Services | 937,356,068 | 1,084,220,839 | 1,229,148,268 |
| Admin and Service Charges | 2,747,701,639 | 4,261,768,844 | 4,640,935,719 |
| Care of State Wards | 45,433,432 | 25,413,937 | 18,438,222 |
| Total Charges for Services | \$3,734,491,139 | \$5,375,903,620 | \$5,893,022,209 |
| Fines, Rents and Royalties | | | |
| Fines and Forfeitures | 221,767,815 | 205,343,700 | 185,932,801 |
| Rents and Royalties | 121,497,760 | 133,352,509 | 159,960,980 |
| Total Fines, Rents and Royalties | \$343,265,575 | \$338,696,209 | \$345,893,781 |
| Bond Sales | | | |
| General Fund Obligation Bonds | 1,121,660,688 | 889,640,645 | 1,932,857,324 |
| Dedicated Fund Oblig Bonds | 224,801,476 | 295,000,000 | 429,735,000 |
| Lottery Bonds | 133,177,134 | 298,627,422 | 367,985,495 |
| Revenue Bonds | 526,950,000 | 1,058,849,252 | 1,410,000,000 |
| Refunding Bonds | 173,574,004 | 1,044,653,207 | - |
| Cert of Participation | 100,000,000 | - | 101,240,000 |
| Total Bond Sales | \$2,280,163,302 | \$3,586,770,526 | \$4,241,817,819 |
| Interest Earnings | | | |
| Interest Income | \$11,276,134,145 | \$10,672,562,844 | \$10,130,013,141 |
| Sales Income | | | |
| Sales Income | 56,735,825 | 28,886,366 | 24,969,986 |
| Liquor Sales | 389,815,068 | 491,516,409 | 506,285,638 |
| Pari-Mutuel Receipts | 4,485,965 | 3,598,481 | 4,972,212 |
| State Forest Lands Sales | 289,210,148 | 234,362,797 | 262,589,125 |
| Common School Lands Sales | 4,246,380 | 7,756,872 | 9,276,508 |
| Total Sales Income | \$744,493,386 | \$766,120,925 | \$808,093,469 |
| Donations and Contributions | | | |

Schedule II. Other Funds and Lottery Funds Revenue by Sources (continued)

| Description | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|--|------------------------|--------------------------------|------------------------------|
| Donations | 32,453,690 | 30,037,891 | 46,504,234 |
| Grants (Non-Fed) | 35,878,129 | 19,170,792 | 24,139,575 |
| Retirement System Contribution | 4,663,216,438 | 4,577,453,266 | 6,136,283,319 |
| Total Donations and Contributions | \$4,731,548,257 | \$4,626,661,949 | \$6,206,927,128 |
| Loan Repayment | | | |
| Loan Repayments | 263,485,005 | 208,253,060 | 205,482,089 |
| Housing Div Loan Repayments | 248,035,287 | 322,013,491 | 315,637,341 |
| Veterans Loan Repayments | 84,020,878 | 95,000,000 | 90,000,000 |
| Sr Citizen Prop Tax Repayments | - | 40,924,836 | 42,583,895 |
| Total Loan Repayment | \$595,541,170 | \$666,191,387 | \$653,703,325 |
| Insurance Premium | | | |
| Insurance Premiums | \$222,251,236 | \$532,320,468 | \$83,002,020 |
| Other | | | |
| Other Revenues | 3,756,588,576 | 3,978,344,960 | 3,972,592,178 |
| Loan Proceeds | 24,999,500 | - | - |
| Total Other | \$3,781,588,076 | \$3,978,344,960 | \$3,972,592,178 |
| Federal Funds Revenue | | | |
| Federal Funds | (\$22,129) | - | - |
| Lottery Distributions | \$1,456,230,580 | \$1,459,844,118 | \$1,512,295,564 |
| Total Transfers In/Out | \$523,485,355 | (\$140,125,476) | (\$440,517,719) |
| Total Other Funds and Lottery Funds Revenue | 37,770,652,768 | 44,098,903,382 | 49,178,259,691 |
| Total Non Add Expenditures | 789,739,034 | 880,434,210 | 989,705,973 |
| Revised Total w/ NonAdd Exp Removed | 36,980,913,734 | 43,218,469,172 | 48,188,553,718 |

Schedule III. Receipts from the Federal Government

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|-------------------------|--|--|
| EDUCATION | | | |
| Education, Dept of | 1,319,475,633 | 1,522,989,232 | 1,615,493,932 |
| Higher Education Coordinating Commission | 89,251,069 | 151,846,937 | 149,550,265 |
| EDUCATION TOTAL | \$1,408,726,702 | \$1,674,836,169 | \$1,765,044,197 |
| HUMAN SERVICES | | | |
| Commission for the Blind | 16,456,334 | 15,955,858 | 17,292,315 |
| Human Services, Dept. of | 7,096,229,654 | 8,034,133,180 | 9,500,592,689 |
| Oregon Health Authority | 11,665,087,092 | 12,789,227,237 | 15,178,539,882 |
| HUMAN SERVICES TOTAL | \$18,777,773,080 | \$20,839,316,275 | \$24,696,424,886 |
| PUBLIC SAFETY | | | |
| Corrections, Dept of | 3,691,353 | 5,473,702 | 4,533,582 |
| Criminal Justice Comm, Oregon | 1,994,022 | 4,784,849 | 4,720,638 |
| Justice, Dept of | 182,362,191 | 186,995,478 | 210,729,095 |
| Military Dept, Oregon | 174,936,798 | 318,358,977 | 314,640,334 |
| Oregon Youth Authority | 30,971,973 | 40,643,083 | 35,198,939 |
| Police, Dept of State | 9,027,414 | 12,433,972 | 13,773,012 |
| Public Safety Standards & Training, Dept of | 7,383,793 | 7,690,521 | 7,583,071 |
| PUBLIC SAFETY TOTAL | \$410,367,544 | \$576,380,582 | \$591,178,671 |
| ECONOMIC & COMMUNITY DEVELOPMENT | | | |
| Employment Dept | 287,338,954 | 261,031,590 | 388,082,132 |
| Housing & Community Svcs Dept | 245,122,949 | 278,790,653 | 308,410,524 |
| Oregon Business Development Department | 28,670,059 | 38,237,090 | 69,573,981 |
| Veterans' Affairs, Oregon Dept of | 7,275,477 | 1,525,000 | 1,617,844 |
| ECONOMIC & COMMUNITY DEVELOPMENT TOTAL | \$568,407,439 | \$579,584,333 | \$767,684,481 |
| NATURAL RESOURCES | | | |
| Agriculture, Oregon Dept of | 11,672,189 | 17,472,153 | 17,549,223 |
| Energy, Dept of | 2,302,044 | 2,274,230 | 3,503,573 |
| Environmental Quality, Dept of | 15,269,665 | 29,542,087 | 29,396,103 |
| Fish & Wildlife, Oregon Dept of | 121,894,630 | 145,626,326 | 155,441,384 |
| Forestry, Dept of | 20,250,322 | 35,483,984 | 38,679,688 |
| Geology & Mineral Industries, Dept of | 3,782,406 | 2,902,495 | 4,745,372 |

Schedule III. Receipts from the Federal Government (continued)

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|-------------------------|--|--|
| NATURAL RESOURCES | | | |
| Land Conservation & Development, Dept of | 4,490,931 | 7,040,752 | 7,333,730 |
| Lands, Dept of State | 2,122,358 | 2,808,773 | 2,808,773 |
| Marine Board, Oregon State | 5,102,916 | 6,317,622 | 6,592,864 |
| Parks & Recreation Dept | 8,544,806 | 16,685,823 | 27,192,019 |
| Water Resources Dept | 577,022 | 875,519 | 725,000 |
| Watershed Enhancement Board, Oregon | 27,968,015 | 45,304,270 | 48,126,464 |
| NATURAL RESOURCES TOTAL | \$223,977,304 | \$312,334,034 | \$342,094,193 |
| TRANSPORTATION | | | |
| Aviation, Dept of | 7,081,965 | 11,312,356 | 10,782,579 |
| Transportation, Oregon Dept of | 96,656,536 | 134,914,377 | 146,682,575 |
| TRANSPORTATION TOTAL | \$103,738,501 | \$146,226,733 | \$157,465,154 |
| CONSUMER & BUSINESS SERVICES | | | |
| Consumer and Business Svcs, Dept of | 13,572,890 | 183,758,141 | 120,193,190 |
| Labor & Industries, Bureau of | 1,180,900 | 1,197,200 | 1,677,200 |
| Public Utility Commission | 700,056 | 1,025,117 | 1,180,926 |
| CONSUMER & BUSINESS SERVICES TOTAL | \$15,453,846 | \$185,980,458 | \$123,051,316 |
| ADMINISTRATION | | | |
| Administrative Svcs, Dept of | 97,644,813 | 108,794,185 | 108,794,185 |
| Governor, Office of the | 3,030,525 | - | - |
| Secretary of State | 5,437,012 | 20,000 | 20,000 |
| State Library | 4,611,084 | 5,225,997 | 5,000,000 |
| ADMINISTRATION TOTAL | \$110,723,434 | \$114,040,182 | \$113,814,185 |
| JUDICIAL BRANCH | | | |
| Judicial Dept | 878,028 | 1,357,254 | 1,476,446 |
| JUDICIAL BRANCH TOTAL | \$878,028 | \$1,357,254 | \$1,476,446 |
| NET FEDERAL GOVERNMENT RECEIPTS | \$21,620,045,878 | \$24,430,056,020 | \$28,558,233,529 |

All Funds Summary

CASH BALANCES

| | 2021-23 GOVERNOR'S BUDGET |
|--------------------------------------|---------------------------------|
| BEGINNING BALANCES | \$ 94,466,324,888 |
| CURRENT REVENUES: | |
| GENERAL FUND | 22,497,813,099 |
| OTHER AND LOTTERY FUNDS | 49,535,775,387 |
| FEDERAL FUNDS | 28,558,233,529 |
| SUBTOTAL | <u>100,591,822,015</u> |
| TOTAL RESOURCES AVAILABLE | \$ 195,058,146,903 |
| LESS: TRANSFERS TO OTHER GOVERNMENTS | |
| OTHER AND LOTTERY FUNDS | (1,846,635,936) |
| FEDERAL FUNDS | (108,794,185) |
| SUBTOTAL | <u>(1,955,430,121)</u> |
| EXPENDITURES * | |
| GENERAL FUND | (24,082,661,870) |
| LOTTERY FUNDS | (1,518,119,274) |
| OTHER FUNDS | (45,212,963,808) |
| FEDERAL FUNDS | (28,393,852,780) |
| SUBTOTAL | <u>(99,207,597,732)</u> |
| BALANCES CARRIED FORWARD | <u>\$ 93,895,119,050</u> |

REVENUES BY MAJOR SOURCE

| | 2017-19 ACTUALS | 2019-21 LEGISLATIVELY APPROVED | % CHANGE (ACT/LAB) | 2021-23 GOVERNOR'S BUDGET | % CHANGE (EST/GB) |
|-------------------------------|--------------------------|--------------------------------------|--------------------------|---------------------------------|----------------------|
| TAXES | \$ 26,115,592,138 | \$ 29,192,359,596 | 11.8% | \$33,814,945,562 | 15.8% |
| FEDERAL FUNDS | 21,620,045,878 | 24,430,056,020 | 13.0% | 28,558,233,529 | 16.9% |
| FEDERAL FUNDS AS OTHER FUNDS | 1,135,205,017 | 1,367,472,603 | 20.5% | 1,717,892,282 | 25.6% |
| DONATIONS AND CONTRIBUTIONS | 4,731,548,257 | 4,626,661,949 | -2.2% | 6,208,927,128 | 34.2% |
| OTHER | 4,135,041,651 | 4,328,606,169 | 4.7% | 4,427,903,379 | 2.3% |
| BOND SALES | 2,280,163,302 | 3,586,770,526 | 57.3% | 4,241,817,819 | 18.3% |
| INTEREST EARNINGS | 11,363,316,145 | 10,747,644,844 | -5.4% | 10,149,013,141 | -5.6% |
| LIQUOR AND OTHER SALES INCOME | 1,038,872,386 | 1,111,087,925 | 7.0% | 1,190,464,530 | 7.1% |
| LOAN REPAYMENTS | 595,541,170 | 666,191,387 | 11.9% | 653,703,325 | -1.9% |
| LOTTERY DISTRIBUTIONS | 1,456,230,580 | 1,459,844,118 | 0.2% | 1,512,295,564 | 3.6% |
| CHARGES FOR SERVICES | 3,745,367,139 | 5,386,279,620 | 43.8% | 5,903,898,209 | 9.6% |
| LICENSES, FINES AND FEES | 1,831,641,392 | 1,854,405,653 | 1.2% | 1,948,902,932 | 5.1% |
| ONE-TIME TRANSFERS | 5,020,000 | 284,241,000 | 5562.2% | 8,209,830 | -97.1% |
| TOTAL ** | <u>\$ 80,053,585,055</u> | <u>\$ 89,041,621,410</u> | 11.2% | <u>\$100,334,107,230</u> | 12.7% |

* Excludes Non-Add expenditures.

** Does not include beginning balance.

EXPENDITURES BY CATEGORY

| <i>Description</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|----------------------|-------------------------|------------------------------------|---------------------------|----------------------------------|--------------------------|
| Personal Services | 7,227,611,332 | 8,846,468,144 | 22% | 9,609,985,116 | 9% |
| Services & Supplies | 7,367,921,518 | 8,688,297,829 | 18% | 10,295,041,560 | 18% |
| Capital Outlay | 357,886,150 | 622,723,537 | 74% | 1,050,349,449 | 69% |
| Special Payments | 54,511,226,670 | 63,882,620,171 | 17% | 75,527,683,547 | 18% |
| Debt Service | 2,641,000,489 | 3,950,393,163 | 50% | 2,724,538,060 | -31% |
| Nonlimited Budget * | (16,715,150,559) | (20,517,898,485) | 23% | (24,278,406,222) | 18% |
| Capital Improvement | (28,841,051) | (48,545,676) | 68% | (122,462,988) | 152% |
| Capital Construction | (853,686,319) | (528,860,645) | -38% | (1,246,466,586) | 136% |
| TOTAL ** | \$72,105,646,159 | \$85,990,502,844 | 19% | \$99,207,597,732 | 15% |

* Expenditures not limited by statute; included for informational purposes only.

** Excludes Non-Add expenditures.

() Special reporting classifications; amounts are included in appropriate expenditure categories above.

EXPENDITURES BY PROGRAM AREA

| <i>Program Area</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>% Change (ACT/LAB)</i> | <i>2021-23 Governor's Budget</i> | <i>% Change (LAB/GB)</i> |
|----------------------------------|-------------------------|------------------------------------|---------------------------|----------------------------------|--------------------------|
| Education | 13,743,156,018 | 15,965,833,843 | 16% | 17,369,465,930 | 9% |
| Human Services | 31,620,610,986 | 36,037,129,387 | 14% | 41,931,633,394 | 16% |
| Public Safety | 3,564,636,592 | 4,084,833,465 | 15% | 4,298,266,779 | 5% |
| Economic & Community Development | 3,678,815,977 | 5,671,545,723 | 54% | 9,726,126,248 | 71% |
| Natural Resources | 1,852,290,231 | 2,147,314,405 | 16% | 2,329,110,030 | 8% |
| Transportation | 3,590,263,218 | 5,242,194,135 | 46% | 5,616,057,160 | 7% |
| Consumer & Business Services | 610,713,684 | 905,014,270 | 48% | 893,850,725 | -1% |
| Administration | 12,291,220,047 | 14,365,193,269 | 17% | 14,830,940,699 | 3% |
| Legislative Branch * | 144,554,849 | 169,321,484 | 17% | 265,859,716 | 57% |
| Judicial Branch * | 1,009,384,557 | 1,085,626,769 | 8% | 1,445,287,051 | 33% |
| Miscellaneous Programs | - | 316,496,094 | 100% | 501,000,000 | 58% |
| TOTAL ** | \$72,105,646,159 | \$85,990,502,844 | 19% | \$99,207,597,732 | 15% |

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule IV. Summary of Detail Revenues by Program Area, Agency and Fund

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--------------------------------|------------------------|--|--|
| PROGRAM AREA: EDUCATION | | | |
| Education, Dept of | | | |
| Beginning Balance | | | |
| Lottery Funds | 4,244 | 3 | - |
| Other Funds | 157,979,183 | 153,966,306 | 274,753,665 |
| Federal Funds | 1,416,430,896 | - | - |
| Beginning Balance Adjustment | | | |
| Lottery Funds | - | 21,572 | - |
| Other Funds | (7,872,195) | 20,087,534 | 67,450,699 |
| Federal Funds | (1,416,430,883) | - | - |
| General Fund Appropriation | 8,408,182,055 | 8,617,962,824 | 8,662,014,428 |
| Lottery Funds | | | |
| Interest Income | 8,218 | - | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | 24,350 | 4,225,771 | - |
| Federal Revenues | 48,050 | - | - |
| Charges for Services | 5,528,507 | 687,476 | 2,450,176 |
| Fines and Forfeitures | 24,300 | - | 971,952 |
| Rents and Royalties | 313,156 | 310,846 | 1,910,846 |
| General Fund Obligation Bonds | 87,938,499 | - | 143,700,000 |
| Lottery Bonds | - | - | 17,734,142 |
| Interest Income | 4,540,322 | - | - |
| Sales Income | 501,669 | 472,868 | 525,000 |
| Donations | 295,849 | 1,217,500 | 1,639,014 |
| Grants (Non-Fed) | 1,965,415 | 10,137,709 | 11,169,470 |
| Other Revenues | 2,425,308 | 696,044,930 | 40,495,087 |
| Federal Funds | 1,330,925,948 | 1,534,865,480 | 1,631,798,331 |
| Transfers In | | | |
| Lottery Funds | 536,365,489 | 530,818,152 | 702,094,815 |
| Other Funds | 504,140,991 | 2,027,440,768 | 4,418,289,806 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: EDUCATION

Education, Dept of

Transfers Out

| | | | |
|---------------|--------------|---------------|-----------------|
| Other Funds | (8,759,332) | (461,118,507) | (1,605,396,780) |
| Federal Funds | (11,450,315) | (11,876,248) | (16,304,399) |

All Funds Available for Exp

| | | |
|----------------|----------------|----------------|
| 11,013,129,724 | 13,125,264,984 | 14,355,296,252 |
|----------------|----------------|----------------|

All Expenditures

| | | | |
|---------------|---------------|---------------|---------------|
| General Fund | 8,381,344,703 | 8,617,962,824 | 8,662,014,428 |
| Lottery Funds | 536,371,121 | 530,839,727 | 702,094,815 |
| Other Funds | 588,169,946 | 2,389,037,456 | 3,195,603,418 |
| Federal Funds | 1,319,475,644 | 1,516,562,703 | 1,614,928,863 |

Total Expenditures

| | | |
|----------------|----------------|----------------|
| 10,825,361,414 | 13,054,402,710 | 14,174,641,524 |
|----------------|----------------|----------------|

Reversions

| | | |
|--------------|---|---|
| (26,837,352) | - | - |
|--------------|---|---|

Ending Balance

| | | | |
|---------------|-------------|------------|-------------|
| Lottery Funds | 6,830 | - | - |
| Other Funds | 160,924,126 | 64,435,745 | 180,089,659 |
| Federal Funds | 2 | 6,426,529 | 565,069 |

Higher Education Coordinating Commission

Beginning Balance

| | | | |
|---------------|-----------|-----------|------------|
| Lottery Funds | 1,917,180 | 7,284,497 | 29,445,780 |
| Other Funds | 4,770,962 | 2,021,857 | 1,868,855 |

Beginning Balance Adjustment

| | | | |
|---------------|-------------|---------|---|
| Lottery Funds | - | 537,443 | - |
| Other Funds | (1,599,830) | - | - |

General Fund Appropriation

| | | |
|---------------|---------------|---------------|
| 1,945,373,761 | 2,184,067,916 | 2,280,815,034 |
|---------------|---------------|---------------|

Lottery Funds

| | | | |
|-----------------|---------|---|---|
| Interest Income | 491,586 | - | - |
|-----------------|---------|---|---|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: EDUCATION

Higher Education Coordinating Commission

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| General Fund Revenues | - | 123,947 | - |
| Business Lic and Fees | 1,041,249 | - | - |
| Non-business Lic. and Fees | - | 693,750 | 506,457 |
| Charges for Services | 1,625,022 | 2,313,367 | 3,108,140 |
| Admin and Service Charges | 1,798,795 | 1,356,021 | 1,356,021 |
| General Fund Obligation Bonds | 533,384,338 | 102,560,000 | 514,269,350 |
| Lottery Bonds | - | - | 116,422 |
| Revenue Bonds | 7,610,000 | - | - |
| Refunding Bonds | - | 16,823,171 | - |
| Interest Income | 128,518,281 | 82,965 | 82,512 |
| Sales Income | 14,542,059 | - | - |
| Donations | 17,125,825 | 12,598,133 | 15,794,061 |
| Grants (Non-Fed) | 609,405 | 2,738,431 | 1,402,820 |
| Loan Repayments | 97,011,148 | - | - |
| Other Revenues | 104,249 | 239,843,977 | 211,664,292 |

| | | | |
|---------------|------------|-------------|-------------|
| Federal Funds | 89,403,003 | 152,116,937 | 149,820,265 |
|---------------|------------|-------------|-------------|

Transfers In

| | | | |
|---------------|-------------|-------------|-------------|
| Lottery Funds | 111,036,492 | 143,474,074 | 123,021,822 |
| Other Funds | 25,298,798 | 42,128,831 | 40,408,763 |
| Federal Funds | 50,719 | - | - |

Transfers Out

| | | | |
|---------------|-------------|-----------|-----------|
| Lottery Funds | (8,337,465) | - | - |
| Other Funds | (2,185,415) | (123,947) | - |
| Federal Funds | (202,653) | (270,000) | (270,000) |

| | | | |
|-----------------------------|---------------|---------------|---------------|
| All Funds Available for Exp | 2,970,016,262 | 2,910,371,370 | 3,373,410,594 |
|-----------------------------|---------------|---------------|---------------|

All Expenditures

| | | | |
|---------------|---------------|---------------|---------------|
| General Fund | 1,934,338,293 | 2,184,067,916 | 2,280,815,034 |
| Lottery Funds | 93,123,293 | 144,428,093 | 152,467,602 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: EDUCATION

Higher Education Coordinating Commission

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| Other Funds | 793,315,212 | 421,781,616 | 598,914,309 |
| Federal Funds | 88,661,456 | 151,846,937 | 148,734,096 |

Total Expenditures

| | | | |
|--|---------------|---------------|---------------|
| | 2,909,438,254 | 2,902,124,562 | 3,180,931,041 |
|--|---------------|---------------|---------------|

Reversions

| | | | |
|--|--------------|---|---|
| | (11,035,468) | - | - |
|--|--------------|---|---|

Ending Balance

| | | | |
|---------------|------------|-----------|-------------|
| Lottery Funds | 11,984,500 | 6,867,921 | - |
| Other Funds | 36,339,674 | 1,378,887 | 191,663,384 |
| Federal Funds | 1,218,366 | - | 816,169 |

Teacher Standards & Practices Comm

Beginning Balance

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 1,945,745 | 3,577,894 | 3,577,894 |
|-------------|-----------|-----------|-----------|

Beginning Balance Adjustment

| | | | |
|-------------|-----|---|---------|
| Other Funds | (9) | - | 225,197 |
|-------------|-----|---|---------|

General Fund Appropriation

| | | | |
|--|-----------|---|-----------|
| | 1,700,000 | - | 3,563,936 |
|--|-----------|---|-----------|

Other Funds Revenues

| | | | |
|---------------------------|-----------|-----------|-----------|
| Business Lic and Fees | 6,061,256 | 6,297,550 | 9,089,705 |
| Admin and Service Charges | 684,152 | 674,712 | 624,834 |
| Interest Income | 57,523 | 36,000 | 40,000 |
| Other Revenues | 8,314 | - | - |

Transfers In

| | | | |
|-------------|-----------|---|---|
| Other Funds | 1,700,000 | - | - |
|-------------|-----------|---|---|

All Funds Available for Exp

| | | | |
|--|------------|------------|------------|
| | 12,156,981 | 10,586,156 | 17,121,566 |
|--|------------|------------|------------|

All Expenditures

| | | | |
|--------------|-----------|---|-----------|
| General Fund | 1,700,000 | - | 3,563,936 |
|--------------|-----------|---|-----------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: EDUCATION

Teacher Standards & Practices Comm

| | | | |
|--------------------|------------------|------------------|-------------------|
| All Expenditures | | | |
| Other Funds | 6,656,350 | 9,306,571 | 10,329,429 |
| Total Expenditures | <u>8,356,350</u> | <u>9,306,571</u> | <u>13,893,365</u> |
| Ending Balance | | | |
| Other Funds | 3,800,631 | 1,279,585 | 3,228,201 |

PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 439,904 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | 605,623 | - | - |
| General Fund Appropriation | 3,535,937 | 6,634,036 | 5,368,120 |
| Other Funds Revenues | | | |
| Sales Income | 32,831 | 16,051 | 16,739 |
| Other Revenues | 984,709 | 1,544,400 | 1,084,810 |
| Federal Funds | 16,372,488 | 15,955,858 | 17,292,315 |
| Transfers In | | | |
| Other Funds | 715,363 | - | - |
| Federal Funds | 6,306,736 | - | - |
| Transfers Out | | | |
| Other Funds | (715,363) | - | - |
| Federal Funds | (6,222,890) | - | - |
| All Funds Available for Exp | <u>22,055,338</u> | <u>24,150,345</u> | <u>23,761,984</u> |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

| | | | |
|--------------------|-------------------|-------------------|-------------------|
| All Expenditures | | | |
| General Fund | 3,486,160 | 6,634,036 | 5,368,120 |
| Other Funds | 1,436,725 | 1,560,451 | 1,022,642 |
| Federal Funds | 16,456,334 | 15,955,857 | 16,856,449 |
| Total Expenditures | <u>21,379,219</u> | <u>24,150,344</u> | <u>23,247,211</u> |

| | | | |
|----------------|----------|---|---------|
| Reversions | (49,777) | - | - |
| Ending Balance | | | |
| Other Funds | 626,342 | - | 78,907 |
| Federal Funds | - | 1 | 435,866 |

Human Services, Dept. of

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Beginning Balance | | | |
| Other Funds | 7,034,481 | 1,729,767 | 1,729,767 |
| General Fund Appropriation | 3,203,132,651 | 3,855,078,525 | 4,497,036,224 |
| Other Funds Revenues | | | |
| Other Selective Taxes | 122,274,698 | 144,221,140 | 149,242,048 |
| Business Lic and Fees | 10,281,630 | 2,469,718 | 2,822,383 |
| Non-business Lic. and Fees | 184,539 | - | - |
| Charges for Services | - | - | 349,760 |
| Admin and Service Charges | 183,972,749 | - | - |
| Care of State Wards | 8,588,540 | 20,485,358 | 13,812,087 |
| Fines and Forfeitures | 681,190 | - | - |
| General Fund Obligation Bonds | 22,792,455 | 665,000 | 665,000 |
| Interest Income | 2,451,998 | - | 237,515 |
| Sales Income | 3,983 | - | - |
| Donations | 193,248 | - | - |
| Grants (Non-Fed) | 235,790 | - | - |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: HUMAN SERVICES

Human Services, Dept. of

Other Funds Revenues

 Loan Repayments

1,751

-

-

 Other Revenues

68,718,431

378,508,313

375,552,382

Federal Funds

7,129,634,985

8,036,386,134

9,502,990,712

Transfers In

 Other Funds

122,311,758

138,404,601

149,073,517

Transfers Out

 Other Funds

(1,687,083)

(243,000)

(10,844,421)

 Federal Funds

(35,614,163)

(2,252,954)

(2,398,023)

All Funds Available for Exp

10,845,193,631

12,575,452,602

14,680,268,951

All Expenditures

 General Fund

3,184,660,160

3,855,078,525

4,497,036,224

 Other Funds

539,735,821

673,915,109

669,370,817

 Federal Funds

7,094,020,822

8,034,133,180

9,500,592,689

Total Expenditures

10,818,416,803

12,563,126,814

14,666,999,730

Reversions

(18,472,491)

-

-

Ending Balance

 Other Funds

8,304,337

12,325,788

13,269,221

Long Term Care Ombudsman

Beginning Balance

 Other Funds

209,288

222,593

222,593

Beginning Balance Adjustment

 Other Funds

-

-

101,010

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: HUMAN SERVICES

Long Term Care Ombudsman

| | | | |
|--------------------------------|------------------|------------------|-------------------|
| General Fund Appropriation | 6,401,552 | 7,728,112 | 10,091,058 |
| Other Funds Revenues | | | |
| Interest Income | 31 | - | - |
| Donations | 1,650 | - | 1,500 |
| Other Revenues | 3,270 | - | - |
| Transfers In | | | |
| Other Funds | 758,227 | 640,909 | 764,185 |
| All Funds Available for Exp | <u>7,374,018</u> | <u>8,591,614</u> | <u>11,180,346</u> |
| All Expenditures | | | |
| General Fund | 6,169,136 | 7,728,112 | 10,091,058 |
| Other Funds | 673,947 | 845,016 | 854,216 |
| Total Expenditures | <u>6,843,083</u> | <u>8,573,128</u> | <u>10,945,274</u> |
| Reversions | (232,416) | - | - |
| Ending Balance | | | |
| Other Funds | 298,519 | 18,486 | 235,072 |
| Oregon Health Authority | | | |
| Beginning Balance | | | |
| Lottery Funds | 605,068 | - | - |
| Other Funds | 344,271,516 | 2,192,230,821 | 2,195,903,644 |
| Beginning Balance Adjustment | | | |
| Other Funds | (5,800,000) | (1,849,543,010) | (1,752,141,833) |
| General Fund Appropriation | 2,162,870,267 | 2,724,376,308 | 3,153,348,633 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: HUMAN SERVICES

Oregon Health Authority

Lottery Funds

| | | | |
|-----------------|--------|---|---|
| Interest Income | 56,806 | - | - |
|-----------------|--------|---|---|

Other Funds Revenues

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Other Selective Taxes | 1,498,520,557 | 1,547,404,627 | 1,271,406,098 |
| Business Lic and Fees | 19,010,262 | 16,326,615 | 20,313,185 |
| Non-business Lic. and Fees | 22,144,092 | 14,334,787 | 15,482,107 |
| Charges for Services | 24,241,584 | 23,117,699 | 23,118,132 |
| Admin and Service Charges | 2,082,672,019 | 3,828,334,115 | 4,157,974,633 |
| Care of State Wards | 34,091,911 | 2,369,042 | 2,369,042 |
| Fines and Forfeitures | 1,953,165 | 1,140,607 | 1,184,515 |
| Rents and Royalties | 112,945 | - | - |
| General Fund Obligation Bonds | - | - | 12,622,886 |
| Refunding Bonds | - | 219,180,694 | - |
| Interest Income | 23,774,116 | 4,976,604 | 5,082,233 |
| Sales Income | 8,864,388 | 9,797,241 | 9,797,241 |
| Grants (Non-Fed) | 17,558,599 | 108,333 | 108,333 |
| Other Revenues | 2,558,600,959 | 1,669,528,516 | 2,028,381,914 |

| | | | |
|---------------|----------------|----------------|----------------|
| Federal Funds | 11,686,154,966 | 12,808,258,341 | 15,197,379,948 |
|---------------|----------------|----------------|----------------|

Transfers In

| | | | |
|---------------|-------------|-------------|---------------|
| Lottery Funds | 12,717,442 | 17,093,071 | 17,080,260 |
| Other Funds | 810,584,148 | 574,727,194 | 1,234,385,262 |
| Federal Funds | 51,475 | - | - |

Transfers Out

| | | | |
|---------------|---------------|--------------|--------------|
| Lottery Funds | (309,964) | - | - |
| Other Funds | (107,821,033) | (15,753,070) | (16,313,452) |
| Federal Funds | (21,119,349) | (19,031,104) | (18,840,066) |

| | | | |
|-----------------------------|----------------|----------------|----------------|
| All Funds Available for Exp | 21,173,805,939 | 23,768,977,431 | 27,558,642,715 |
|-----------------------------|----------------|----------------|----------------|

All Expenditures

| | | | |
|--------------|---------------|---------------|---------------|
| General Fund | 2,107,755,471 | 2,724,376,308 | 3,153,348,633 |
|--------------|---------------|---------------|---------------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: HUMAN SERVICES

Oregon Health Authority

| | | | |
|--------------------|-----------------------|-----------------------|-----------------------|
| All Expenditures | | | |
| Lottery Funds | 12,464,286 | 17,093,071 | 17,080,260 |
| Other Funds | 6,985,820,099 | 7,907,384,335 | 8,877,829,761 |
| Federal Funds | 11,665,087,092 | 12,789,227,237 | 15,178,539,882 |
| Total Expenditures | <u>20,771,126,948</u> | <u>23,438,080,951</u> | <u>27,226,798,536</u> |

| | | | |
|----------------|--------------|-------------|-------------|
| Reversions | (55,114,796) | - | - |
| Ending Balance | | | |
| Lottery Funds | 605,066 | - | - |
| Other Funds | 346,959,129 | 330,896,480 | 331,844,179 |

Psychiatric Security Review Board

| | | | |
|-----------------------------|------------------|------------------|------------------|
| Beginning Balance | | | |
| Other Funds | 1,880 | - | - |
| General Fund Appropriation | 3,047,827 | 3,198,150 | 3,642,643 |
| Other Funds Revenues | | | |
| Other Revenues | 9 | - | - |
| All Funds Available for Exp | <u>3,049,716</u> | <u>3,198,150</u> | <u>3,642,643</u> |
| All Expenditures | | | |
| General Fund | 2,843,045 | 3,198,150 | 3,642,643 |
| Other Funds | 1,888 | - | - |
| Total Expenditures | <u>2,844,933</u> | <u>3,198,150</u> | <u>3,642,643</u> |

| | | | |
|------------|-----------|---|---|
| Reversions | (204,782) | - | - |
|------------|-----------|---|---|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: HUMAN SERVICES

Psychiatric Security Review Board

| | | | |
|----------------|---|---|---|
| Ending Balance | | | |
| Other Funds | 1 | - | - |

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

| | | | |
|-------------------------------|---------------|---------------|---------------|
| Beginning Balance | | | |
| Other Funds | 12,997,634 | 15,350,917 | 9,131,119 |
| Federal Funds | 1,784 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | - | (140,000) | - |
| General Fund Appropriation | 1,749,428,249 | 1,853,930,976 | 1,864,488,400 |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 1,200 | - | - |
| Federal Revenues | 143,800 | 230,953 | 155,683 |
| Charges for Services | 20,362,673 | 23,337,621 | 29,433,342 |
| Admin and Service Charges | 1,374,331 | 1,285,032 | 1,487,897 |
| Fines and Forfeitures | 601,226 | 746,326 | 650,908 |
| Rents and Royalties | 316,794 | 331,152 | 342,972 |
| General Fund Obligation Bonds | 37,798,455 | 47,110,068 | 84,665,000 |
| Refunding Bonds | - | 105,351,937 | - |
| Interest Income | 1,065,601 | 84,824 | 98,665 |
| Sales Income | 2,792,208 | 2,328,305 | 3,022,939 |
| Liquor Sales | 38 | - | - |
| Donations | 645,206 | 81,567 | 698,522 |
| Grants (Non-Fed) | 314,664 | 397,365 | 340,666 |
| Other Revenues | 5,408,004 | 4,270,365 | 11,501,139 |
| Federal Funds | 3,691,353 | 5,473,702 | 4,533,582 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

Transfers In

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 8,693,484 | 7,110,366 | 4,897,295 |
|-------------|-----------|-----------|-----------|

Transfers Out

| | | | |
|-------------|-------------|-------------|-------------|
| Other Funds | (3,068,126) | (1,548,265) | (3,926,006) |
|-------------|-------------|-------------|-------------|

All Funds Available for Exp

| | | |
|---------------|---------------|---------------|
| 1,842,568,578 | 2,065,733,211 | 2,011,522,123 |
|---------------|---------------|---------------|

All Expenditures

| | | | |
|--------------|---------------|---------------|---------------|
| General Fund | 1,749,079,552 | 1,853,930,976 | 1,864,488,400 |
|--------------|---------------|---------------|---------------|

| | | | |
|-------------|------------|-------------|-------------|
| Other Funds | 76,635,479 | 200,679,312 | 132,304,434 |
|-------------|------------|-------------|-------------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 3,691,353 | 5,473,702 | 4,533,582 |
|---------------|-----------|-----------|-----------|

Total Expenditures

| | | |
|---------------|---------------|---------------|
| 1,829,406,384 | 2,060,083,990 | 2,001,326,416 |
|---------------|---------------|---------------|

Reversions

| | | |
|-----------|---|---|
| (348,697) | - | - |
|-----------|---|---|

Ending Balance

| | | | |
|-------------|------------|-----------|------------|
| Other Funds | 12,811,713 | 5,649,221 | 10,195,707 |
|-------------|------------|-----------|------------|

| | | | |
|---------------|-------|---|---|
| Federal Funds | 1,784 | - | - |
|---------------|-------|---|---|

Criminal Justice Comm, Oregon

Beginning Balance

| | | | |
|-------------|---------|---------|-----------|
| Other Funds | 812,080 | 639,470 | 5,039,443 |
|-------------|---------|---------|-----------|

| | | | |
|---------------|-----------|---------|-----------|
| Federal Funds | 5,884,394 | 553,108 | 4,375,261 |
|---------------|-----------|---------|-----------|

General Fund Appropriation

| | | |
|------------|------------|------------|
| 65,021,569 | 79,843,528 | 68,227,639 |
|------------|------------|------------|

Other Funds Revenues

| | | | |
|-----------------------|---------|---------|---------|
| Fines and Forfeitures | 868,820 | 723,000 | 890,000 |
|-----------------------|---------|---------|---------|

| | | | |
|-----------------|--------|-------|--------|
| Interest Income | 18,099 | 2,400 | 46,750 |
|-----------------|--------|-------|--------|

| | | | |
|----------------|---------|---------|---------|
| Other Revenues | 119,458 | 276,086 | 100,000 |
|----------------|---------|---------|---------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Criminal Justice Comm, Oregon

| | | | |
|-----------------------------|-------------------|--------------------|-------------------|
| Federal Funds | 1,994,022 | 4,784,849 | 4,720,638 |
| Transfers In | | | |
| Lottery Funds | - | 555,000 | 578,865 |
| Other Funds | 1,557,689 | 13,636,633 | 3,000,000 |
| All Funds Available for Exp | <u>76,276,131</u> | <u>101,014,074</u> | <u>86,978,596</u> |
| All Expenditures | | | |
| General Fund | 64,360,696 | 79,843,528 | 68,227,639 |
| Lottery Funds | - | 555,000 | 578,865 |
| Other Funds | 1,686,356 | 14,962,708 | 7,252,418 |
| Federal Funds | 7,071,139 | 5,337,957 | 5,643,281 |
| Total Expenditures | <u>73,118,191</u> | <u>100,699,193</u> | <u>81,702,203</u> |
| Reversions | (660,873) | - | - |
| Ending Balance | | | |
| Other Funds | 1,689,790 | 314,881 | 1,823,775 |
| Federal Funds | 807,277 | - | 3,452,618 |

District Attorneys and their Deputies

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| General Fund Appropriation | 13,328,561 | 12,839,916 | 14,423,425 |
| All Funds Available for Exp | <u>13,328,561</u> | <u>12,839,916</u> | <u>14,423,425</u> |
| All Expenditures | | | |
| General Fund | 13,238,151 | 12,839,916 | 14,423,425 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

District Attorneys and their Deputies

| | | | |
|-------------------------------|-------------|-------------|--------------|
| Total Expenditures | 13,238,151 | 12,839,916 | 14,423,425 |
| Reversions | (90,410) | - | - |
| Justice, Dept of | | | |
| Beginning Balance | | | |
| Other Funds | 109,295,407 | 47,218,902 | 51,718,555 |
| Federal Funds | 222,244 | - | - |
| General Fund Appropriation | 90,195,436 | 114,789,120 | 117,886,841 |
| Other Funds Revenues | | | |
| General Fund Revenues | 46,504 | - | 6,300,000 |
| Business Lic and Fees | 10,991,929 | 7,763,600 | 7,601,001 |
| Non-business Lic. and Fees | 26 | - | - |
| Federal Revenues | 13,215,407 | 12,876,000 | 12,556,000 |
| Charges for Services | 165,336,250 | 270,541,503 | 326,920,476 |
| Admin and Service Charges | 33,072,292 | - | - |
| Fines and Forfeitures | 25,665,802 | 663,258 | 739,377 |
| General Fund Obligation Bonds | 16,980,000 | 3,687,823 | - |
| Interest Income | 1,039,344 | 112,652 | 183,760 |
| Sales Income | 10,790 | 20,050 | 20,050 |
| Donations | 55,335 | 47,484 | 3,180 |
| Other Revenues | 42,143,077 | 26,976,791 | 20,966,783 |
| Federal Funds | 182,362,191 | 186,995,478 | 210,729,095 |
| Transfers In | | | |
| Other Funds | 28,218,050 | 25,871,566 | 30,773,049 |
| Transfers Out | | | |
| Other Funds | (2,141,439) | (26,000) | (12,626,000) |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
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PROGRAM AREA: PUBLIC SAFETY

Justice, Dept of

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 716,708,645 | 697,538,227 | 773,772,167 |
| All Expenditures | | | |
| General Fund | 89,726,176 | 114,789,120 | 117,886,841 |
| Other Funds | 314,248,330 | 351,837,618 | 381,678,963 |
| Federal Funds | 182,172,657 | 186,995,478 | 210,729,095 |
| Total Expenditures | 586,147,163 | 653,622,216 | 710,294,899 |

| | | | |
|------------|-----------|---|---|
| Reversions | (469,260) | - | - |
|------------|-----------|---|---|

| | | | |
|----------------|-------------|------------|------------|
| Ending Balance | | | |
| Other Funds | 129,680,444 | 43,916,011 | 63,477,268 |
| Federal Funds | 411,778 | - | - |

Military Dept, Oregon

| | | | |
|-------------------|-----------|------------|-----------|
| Beginning Balance | | | |
| Other Funds | 6,299,056 | 21,212,824 | 5,922,914 |

| | | | |
|------------------------------|---|---------|---|
| Beginning Balance Adjustment | | | |
| Other Funds | - | 321,000 | - |

| | | | |
|----------------------------|------------|------------|------------|
| General Fund Appropriation | 27,496,725 | 36,233,168 | 36,626,672 |
|----------------------------|------------|------------|------------|

| | | | |
|-------------------------------|------------|------------|------------|
| Other Funds Revenues | | | |
| Federal Revenues | 515,569 | 600,000 | 600,000 |
| Charges for Services | 13,320,503 | 3,333,208 | 4,430,072 |
| Rents and Royalties | 2,792,853 | 3,136,538 | 2,789,924 |
| General Fund Obligation Bonds | 16,911,712 | 22,275,000 | 21,760,000 |
| Lottery Bonds | - | - | 5,066,802 |
| Refunding Bonds | - | 2,242,467 | - |
| Interest Income | 363,573 | 110,679 | 141,600 |
| Sales Income | 387,778 | 110,786 | 10,000 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: PUBLIC SAFETY

Military Dept, Oregon

Other Funds Revenues

| | | | |
|------------------|--------|--------|--------|
| Donations | 33,567 | - | - |
| Grants (Non-Fed) | 3,057 | - | - |
| Other Revenues | 87,693 | 38,708 | 51,000 |

| | | | |
|---------------|-------------|-------------|-------------|
| Federal Funds | 176,446,202 | 321,208,944 | 317,716,608 |
|---------------|-------------|-------------|-------------|

Transfers In

| | | | |
|-------------|-------------|------------|-------------|
| Other Funds | 141,368,878 | 96,176,933 | 197,566,694 |
|-------------|-------------|------------|-------------|

Transfers Out

| | | | |
|---------------|--------------|-------------|-------------|
| Other Funds | (57,076,732) | (434,439) | (279,430) |
| Federal Funds | (1,509,404) | (2,849,967) | (3,076,274) |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 327,441,030 | 503,715,849 | 589,326,582 |
|-----------------------------|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 27,496,724 | 36,233,168 | 36,626,672 |
| Other Funds | 117,719,586 | 136,320,740 | 179,237,932 |
| Federal Funds | 174,936,798 | 318,358,977 | 308,729,297 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Total Expenditures | 320,153,108 | 490,912,885 | 524,593,901 |
|--------------------|-------------|-------------|-------------|

| | | | |
|------------|-----|---|---|
| Reversions | (1) | - | - |
|------------|-----|---|---|

Ending Balance

| | | | |
|---------------|-----------|------------|------------|
| Other Funds | 7,287,921 | 12,802,964 | 58,821,644 |
| Federal Funds | - | - | 5,911,037 |

Oregon Youth Authority

Beginning Balance

| | | | |
|---------------|---------|---------|---------|
| Other Funds | 278,095 | 385,172 | 344,557 |
| Federal Funds | 455,392 | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Oregon Youth Authority

| | | | |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| General Fund Appropriation | 311,705,013 | 330,726,201 | 341,887,662 |
| Other Funds Revenues | | | |
| Charges for Services | 3,350 | 75,959 | 79,375 |
| Admin and Service Charges | 145,122 | - | - |
| Care of State Ward | 2,752,981 | 2,559,537 | 2,257,093 |
| Rents and Royalties | 34,019 | 25,280 | - |
| General Fund Obligation Bonds | 48,847,359 | 7,144,286 | 52,840,000 |
| Interest Income | 541,071 | 95,000 | - |
| Sales Income | 598,564 | 914,500 | 254,283 |
| Donations | 159,155 | 103,580 | - |
| Grants (Non-Fed) | 115,420 | - | - |
| Other Revenues | 485,547 | 1,654,618 | 2,582,911 |
| Federal Funds | - | 40,643,083 | 35,198,939 |
| Transfers In | | | |
| Other Funds | 1,922,096 | 1,980,662 | 2,065,830 |
| Federal Funds | 30,971,973 | - | - |
| Transfers Out | | | |
| Other Funds | (85,016) | - | - |
| All Funds Available for Exp | <u>398,930,141</u> | <u>386,307,878</u> | <u>437,510,650</u> |
| All Expenditures | | | |
| General Fund | 310,184,353 | 330,726,201 | 341,887,662 |
| Other Funds | 54,926,508 | 14,553,422 | 59,421,307 |
| Federal Funds | 30,108,116 | 40,643,083 | 29,521,114 |
| Total Expenditures | <u><u>395,218,977</u></u> | <u><u>385,922,706</u></u> | <u><u>430,830,083</u></u> |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Oregon Youth Authority

| | | | |
|----------------|-------------|---------|-----------|
| Reversions | (1,520,660) | - | - |
| Ending Balance | | | |
| Other Funds | 871,255 | 385,172 | 1,002,742 |
| Federal Funds | 1,319,249 | - | 5,677,825 |

Parole & Post Prison Supervision, State Board of

| | | | |
|------------------------------|------------------|------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 40,224 | 35,637 | 35,637 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | (7,301) |
| General Fund Appropriation | 9,048,876 | 8,680,101 | 9,996,215 |
| Other Funds Revenues | | | |
| Fines and Forfeitures | 3,165 | 5,072 | 5,500 |
| Sales Income | 4,477 | 5,258 | 6,500 |
| All Funds Available for Exp | <u>9,096,742</u> | <u>8,726,068</u> | <u>10,036,551</u> |
| All Expenditures | | | |
| General Fund | 9,034,911 | 8,680,101 | 9,996,215 |
| Other Funds | 10,167 | 11,682 | 12,184 |
| Total Expenditures | <u>9,045,078</u> | <u>8,691,783</u> | <u>10,008,399</u> |

| | | | |
|----------------|----------|--------|--------|
| Reversions | (13,965) | - | - |
| Ending Balance | | | |
| Other Funds | 37,699 | 34,285 | 28,152 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: PUBLIC SAFETY

Police, Dept of State

| | | | |
|-------------------------------|--------------|--------------|--------------|
| Beginning Balance | | | |
| Lottery Funds | 424,208 | - | - |
| Other Funds | 38,168,964 | 19,993,491 | 19,993,491 |
| Federal Funds | 820,803 | 250,000 | 250,000 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | 8,863,571 | 8,863,571 |
| General Fund Appropriation | 303,642,384 | 318,475,460 | 368,474,420 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 408,808 | 2,344,649 | 3,008,612 |
| Non-business Lic. and Fees | 1,795,807 | 1,379,019 | 1,379,019 |
| Fire Marshal Fees | 1,831,133 | 1,815,905 | 1,815,905 |
| Charges for Services | 40,409,480 | 42,274,019 | 40,326,840 |
| Fines and Forfeitures | 117,285 | 415,099 | 35,019 |
| Rents and Royalties | 7,478 | - | 25,332 |
| General Fund Obligation Bonds | - | - | 114,895,000 |
| Interest Income | 3,869 | - | - |
| Sales Income | 26,604 | 124,159 | 22,707 |
| Donations | 30,075 | 25,294 | - |
| Grants (Non-Fed) | - | 3,667 | - |
| Other Revenues | 4,228,944 | 2,194,699 | 2,035,857 |
| Federal Funds | 9,027,414 | 12,433,972 | 13,773,012 |
| Transfers In | | | |
| Lottery Funds | 7,747,438 | 10,073,617 | 8,725,708 |
| Other Funds | 126,445,189 | 133,752,734 | 139,315,620 |
| Federal Funds | 409,271 | 399,357 | 420,522 |
| Transfers Out | | | |
| Other Funds | (38,330,507) | (18,856,837) | (17,956,602) |
| Federal Funds | (409,271) | (399,357) | (420,522) |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Police, Dept of State

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 496,805,376 | 535,562,518 | 704,983,511 |
| All Expenditures | | | |
| General Fund | 301,571,927 | 318,475,460 | 368,474,420 |
| Lottery Funds | 8,001,563 | 10,004,076 | 8,725,708 |
| Other Funds | 143,714,659 | 164,937,371 | 286,067,535 |
| Federal Funds | 9,584,689 | 12,616,262 | 14,023,012 |
| Total Expenditures | 462,872,838 | 506,033,169 | 677,290,675 |

| | | | |
|----------------|-------------|------------|------------|
| Reversions | (2,070,457) | - | - |
| Ending Balance | | | |
| Lottery Funds | 170,083 | 69,541 | - |
| Other Funds | 31,428,470 | 29,392,098 | 27,692,836 |
| Federal Funds | 263,528 | 67,710 | - |

Public Safety Standards & Training, Dept of

| | | | |
|------------------------------|------------|-----------|-------------|
| Beginning Balance | | | |
| Other Funds | 10,408,021 | 6,034,453 | 6,034,453 |
| Federal Funds | 31,213 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | (3,291,410) |
| General Fund Appropriation | 9,795,963 | 9,665,010 | 9,107,640 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 2,578,473 | 2,162,717 | 2,593,570 |
| Charges for Services | 34,385 | 182,304 | 182,304 |
| Admin and Service Charges | 17,239 | 21,000 | 21,000 |
| Fines and Forfeitures | 53,224 | 30,000 | 30,000 |
| Rents and Royalties | 1,035,099 | 1,213,224 | 1,213,224 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: PUBLIC SAFETY

Public Safety Standards & Training, Dept of

Other Funds Revenues

| | | | |
|-----------------|---------|-------|-------|
| Interest Income | 7,313 | 3,000 | 3,000 |
| Donations | 340 | 2,000 | 2,000 |
| Other Revenues | 289,595 | 5,500 | 5,500 |

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 7,529,905 | 7,836,633 | 7,729,183 |
|---------------|-----------|-----------|-----------|

Transfers In

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 44,952,440 | 45,358,655 | 49,788,873 |
|-------------|------------|------------|------------|

Transfers Out

| | | | |
|---------------|-----------|-----------|-----------|
| Other Funds | (382,538) | (561,044) | (561,044) |
| Federal Funds | (146,112) | (146,112) | (146,112) |

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 76,204,560 | 71,807,340 | 72,712,181 |
|-----------------------------|------------|------------|------------|

All Expenditures

| | | | |
|---------------|------------|------------|------------|
| General Fund | 9,795,963 | 9,665,010 | 9,107,640 |
| Other Funds | 47,121,802 | 48,102,591 | 49,257,005 |
| Federal Funds | 7,392,919 | 7,689,376 | 7,583,071 |

| | | | |
|--------------------|------------|------------|------------|
| Total Expenditures | 64,310,684 | 65,456,977 | 65,947,716 |
|--------------------|------------|------------|------------|

Ending Balance

| | | | |
|---------------|------------|-----------|-----------|
| Other Funds | 11,871,789 | 6,349,218 | 6,764,465 |
| Federal Funds | 22,087 | 1,145 | - |

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

Beginning Balance

| | | | |
|---------------|---------------|---------------|---------------|
| Other Funds | 1,498,596,872 | 4,753,265,070 | 3,613,671,996 |
| Federal Funds | 1,023,657,503 | - | - |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| Beginning Balance Adjustment | | | |
| Other Funds | (164,117) | - | - |
| General Fund Appropriation | - | 15,688,586 | 87,908,837 |
| Other Funds Revenues | | | |
| General Fund Revenues | - | - | 97,417,423 |
| Employment Taxes | 140,377,754 | 1,286,003,244 | 2,517,759,573 |
| Charges for Services | 46,302,001 | 51,444,077 | 71,317,578 |
| Fines and Forfeitures | 12,331,129 | 17,145,228 | 25,129,867 |
| Rents and Royalties | 656,506 | - | - |
| Interest Income | - | 127,815,000 | 127,815,000 |
| Other Revenues | 21,117,481 | 31,350,000 | 30,710,700 |
| Federal Funds | 221,523,854 | 255,031,590 | 382,082,132 |
| Transfers In | | | |
| Other Funds | 1,073,001,181 | 1,730,097,798 | 5,241,575,346 |
| Federal Funds | 65,815,100 | 6,000,000 | 6,000,000 |
| Transfers Out | | | |
| Other Funds | (1,142,747,828) | (1,741,227,942) | (5,448,049,059) |
| All Funds Available for Exp | <u>2,960,467,436</u> | <u>6,532,612,651</u> | <u>6,753,339,393</u> |
| All Expenditures | | | |
| General Fund | - | 15,688,586 | 87,908,837 |
| Other Funds | 1,125,308,536 | 1,774,385,467 | 5,333,108,559 |
| Federal Funds | 211,739,778 | 254,315,171 | 373,922,993 |
| Total Expenditures | <u>1,337,048,314</u> | <u>2,044,389,224</u> | <u>5,794,940,389</u> |
| Ending Balance | | | |
| Other Funds | 524,162,443 | 4,481,507,008 | 944,239,865 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

Ending Balance

| | | | |
|---------------|---------------|-----------|------------|
| Federal Funds | 1,099,256,679 | 6,716,419 | 14,159,139 |
|---------------|---------------|-----------|------------|

Housing & Community Svcs Dept

Beginning Balance

| | | | |
|---------------|--------|---|---|
| Lottery Funds | 29,130 | - | - |
|---------------|--------|---|---|

| | | | |
|-------------|-------------|-------------|-------------|
| Other Funds | 401,098,573 | 416,381,010 | 514,815,086 |
|-------------|-------------|-------------|-------------|

Beginning Balance Adjustment

| | | | |
|---------------|---------|--------|---|
| Lottery Funds | 110,678 | 76,300 | - |
|---------------|---------|--------|---|

| | | | |
|-------------|---|-------|-----------|
| Other Funds | - | 1,100 | 5,536,381 |
|-------------|---|-------|-----------|

General Fund Appropriation

| | | | |
|--|------------|-------------|-------------|
| | 59,450,196 | 113,968,486 | 166,085,271 |
|--|------------|-------------|-------------|

Lottery Funds

| | | | |
|-----------------|---------|---|---|
| Interest Income | 159,114 | - | - |
|-----------------|---------|---|---|

Other Funds Revenues

| | | | |
|-----------------------|-----------|---|-----------|
| Other Selective Taxes | 2,281,077 | - | 1,527,135 |
|-----------------------|-----------|---|-----------|

| | | | |
|----------------------------|--------|---------|---------|
| Non-business Lic. and Fees | 92,885 | 186,150 | 191,300 |
|----------------------------|--------|---------|---------|

| | | | |
|-----------------------|------------|------------|------------|
| Public Utilities Fees | 71,492,161 | 71,362,893 | 71,718,416 |
|-----------------------|------------|------------|------------|

| | | | |
|----------------------|-----------|-----------|-----------|
| Charges for Services | 1,218,007 | 1,136,070 | 1,215,025 |
|----------------------|-----------|-----------|-----------|

| | | | |
|---------------------------|------------|------------|------------|
| Admin and Service Charges | 28,077,809 | 30,018,754 | 37,280,080 |
|---------------------------|------------|------------|------------|

| | | | |
|-----------------------|-----------|--------|--------|
| Fines and Forfeitures | 1,382,124 | 21,050 | 19,350 |
|-----------------------|-----------|--------|--------|

| | | | |
|-------------------------------|------------|-------------|-------------|
| General Fund Obligation Bonds | 80,370,000 | 202,280,000 | 252,180,000 |
|-------------------------------|------------|-------------|-------------|

| | | | |
|----------------------------|---|------------|------------|
| Dedicated Fund Oblig Bonds | - | 50,000,000 | 50,000,000 |
|----------------------------|---|------------|------------|

| | | | |
|---------------|------------|------------|------------|
| Lottery Bonds | 26,330,000 | 40,686,408 | 30,433,392 |
|---------------|------------|------------|------------|

| | | | |
|---------------|-------------|-------------|-------------|
| Revenue Bonds | 485,335,000 | 500,000,000 | 500,000,000 |
|---------------|-------------|-------------|-------------|

| | | | |
|-----------------|------------|------------|------------|
| Interest Income | 94,132,847 | 96,990,702 | 98,487,564 |
|-----------------|------------|------------|------------|

| | | | |
|-----------------------------|-------------|-------------|-------------|
| Housing Div Loan Repayments | 248,035,287 | 322,013,491 | 315,637,341 |
|-----------------------------|-------------|-------------|-------------|

| | | | |
|----------------|---------|-----------|-----------|
| Other Revenues | 781,284 | 5,262,700 | 7,803,531 |
|----------------|---------|-----------|-----------|

Federal Funds

| | | | |
|--|-------------|-------------|-------------|
| | 244,522,851 | 278,790,653 | 308,410,524 |
|--|-------------|-------------|-------------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Housing & Community Svcs Dept

| | | | |
|---|----------------------|----------------------|----------------------|
| Transfers In | | | |
| Lottery Funds | 18,290,544 | 21,713,035 | 31,039,264 |
| Other Funds | 489,458,621 | 645,617,330 | 525,894,849 |
| Federal Funds | 1,076,824 | - | - |
| Transfers Out | | | |
| Lottery Funds | (1,082,185) | - | - |
| Other Funds | (399,616,696) | (519,465,978) | (402,762,748) |
| Federal Funds | (476,726) | - | - |
| All Funds Available for Exp | 1,852,549,405 | 2,277,040,154 | 2,515,511,761 |
| All Expenditures | | | |
| General Fund | 58,891,653 | 113,968,486 | 166,085,271 |
| Lottery Funds | 17,507,281 | 21,789,335 | 31,039,264 |
| Other Funds | 1,042,124,123 | 1,610,949,935 | 1,550,212,085 |
| Federal Funds | 245,122,949 | 278,790,653 | 308,410,524 |
| Total Expenditures | 1,363,646,006 | 2,025,498,409 | 2,055,747,144 |
| Reversions | (558,543) | - | - |
| Ending Balance | | | |
| Other Funds | 488,344,856 | 251,541,745 | 459,764,617 |
| Oregon Business Development Department | | | |
| Beginning Balance | | | |
| Lottery Funds | 10,302,117 | 4,250,000 | - |
| Other Funds | 563,200,247 | 416,840,600 | 421,007,536 |
| Federal Funds | 13,201,759 | 12,569,000 | 12,569,000 |
| Beginning Balance Adjustment | | | |
| Lottery Funds | - | (169,582) | 4,229,700 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Oregon Business Development Department

| | | | |
|-------------------------------|---------------|--------------|--------------|
| General Fund Appropriation | 54,568,667 | 76,832,542 | 104,023,196 |
| Lottery Funds | | | |
| Interest Income | 1,177,892 | 41,000 | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | - | 7,500 | 7,500 |
| Non-business Lic. and Fees | 135 | - | - |
| Charges for Services | 445,947 | 898,000 | 898,000 |
| Fines and Forfeitures | 2,000 | - | - |
| Rents and Royalties | 236,345 | 100,000 | 100,000 |
| General Fund Obligation Bonds | 95,215,000 | 244,498,320 | 463,615,859 |
| Lottery Bonds | 35,725,000 | 151,294,636 | 231,774,479 |
| Revenue Bonds | 10,590,000 | 30,000,000 | 30,000,000 |
| Refunding Bonds | 20,685,000 | - | - |
| Cert of Participation | - | - | 101,240,000 |
| Interest Income | 45,874,656 | 34,172,467 | 34,171,871 |
| Donations | 9,464,646 | 10,337,894 | 10,337,894 |
| Grants (Non-Fed) | - | 700,000 | 700,000 |
| Loan Repayments | 72,285,758 | 78,413,481 | 78,523,172 |
| Other Revenues | 3,828,277 | 12,615,108 | 22,054,576 |
| Federal Funds | 28,665,276 | 38,237,090 | 69,573,981 |
| Transfers In | | | |
| Lottery Funds | 177,735,721 | 129,534,747 | 161,109,039 |
| Other Funds | 158,752,045 | 98,866,657 | 101,274,788 |
| Federal Funds | 85,801 | - | - |
| Transfers Out | | | |
| Lottery Funds | (68,453,098) | - | - |
| Other Funds | (128,279,237) | (64,248,203) | (67,693,208) |
| Federal Funds | (81,018) | - | - |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Oregon Business Development Department

| | | | |
|--|---------------|---------------|---------------|
| All Funds Available for Exp | 1,105,608,805 | 1,275,791,257 | 1,779,517,383 |
| All Expenditures | | | |
| General Fund | 53,895,208 | 76,832,542 | 104,023,196 |
| Lottery Funds | 112,713,373 | 127,365,166 | 165,097,039 |
| Other Funds | 343,372,297 | 835,862,144 | 1,216,583,273 |
| Federal Funds | 28,541,477 | 43,094,384 | 74,368,932 |
| Total Expenditures | 538,522,355 | 1,083,154,236 | 1,560,072,440 |
| Reversions | (673,459) | - | - |
| Ending Balance | | | |
| Lottery Funds | 8,049,259 | 6,290,999 | 241,700 |
| Other Funds | 544,653,522 | 178,634,316 | 211,429,194 |
| Federal Funds | 13,710,210 | 7,711,706 | 7,774,049 |
| Veterans' Affairs, Oregon Dept of | | | |
| Beginning Balance | | | |
| Other Funds | 143,698,915 | 131,420,869 | 131,420,869 |
| Federal Funds | 93,978 | - | - |
| General Fund Appropriation | 8,568,114 | 8,352,877 | 8,256,289 |
| Lottery Funds | | | |
| Interest Income | 130,712 | - | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | 144,000 | 150,000 | 150,000 |
| Non-business Lic. and Fees | 42,236 | 60,000 | 60,000 |
| Charges for Services | 1,342,067 | 98,646,163 | 104,500,000 |
| Admin and Service Charges | 85,845,422 | 3,264,852 | 3,364,852 |
| Rents and Royalties | 775,996 | 1,500,000 | 1,680,000 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| General Fund Obligation Bonds | 2,450,000 | - | - |
| Dedicated Fund Oblig Bonds | 224,801,476 | 245,000,000 | 180,000,000 |
| Lottery Bonds | - | 4,405,000 | - |
| Interest Income | 31,396,302 | 53,150,000 | 50,135,000 |
| Sales Income | 28 | 10,000 | 5,000 |
| Donations | 1,697,918 | 600,000 | 1,250,000 |
| Veterans Loan Repayments | 84,020,878 | 95,000,000 | 90,000,000 |
| Insurance Premiums | 504,052 | - | - |
| Other Revenues | 308,015 | 1,100,000 | 560,000 |

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 7,274,992 | 1,525,000 | 1,617,844 |
|---------------|-----------|-----------|-----------|

Transfers In

| | | | |
|---------------|-------------|-------------|-------------|
| Lottery Funds | 15,400,349 | 20,559,847 | 20,555,431 |
| Other Funds | 191,868,789 | 233,426,789 | 155,140,486 |
| Federal Funds | 44,089 | - | - |

Transfers Out

| | | | |
|---------------|---------------|---------------|---------------|
| Lottery Funds | (1,170,716) | - | - |
| Other Funds | (191,647,250) | (233,515,117) | (154,906,265) |
| Federal Funds | (787,185) | - | - |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 606,803,177 | 664,656,280 | 593,789,506 |
|-----------------------------|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 7,850,833 | 8,352,877 | 8,256,289 |
| Lottery Funds | 14,015,771 | 20,559,847 | 20,555,431 |
| Other Funds | 434,586,284 | 517,302,425 | 319,558,014 |
| Federal Funds | 6,429,755 | 1,525,000 | 1,617,844 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Total Expenditures | 462,882,643 | 547,740,149 | 349,987,578 |
|--------------------|-------------|-------------|-------------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of

| | | | |
|----------------|-------------|-------------|-------------|
| Reversions | (717,281) | - | - |
| Ending Balance | | | |
| Lottery Funds | 344,574 | - | - |
| Other Funds | 142,662,560 | 116,916,131 | 243,801,928 |
| Federal Funds | 196,119 | - | - |

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

| | | | |
|----------------------------------|------------|------------|------------|
| Beginning Balance | | | |
| Lottery Funds | 539,681 | - | - |
| Other Funds | 30,326,209 | 33,459,967 | 33,459,967 |
| Federal Funds | 172,862 | - | - |
| Beginning Balance Adjustment | | | |
| Lottery Funds | 158 | - | - |
| Other Funds | 725,915 | - | - |
| Federal Funds | (135,009) | - | - |
| General Fund Appropriation | 23,529,248 | 25,991,367 | 26,998,831 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 40,236,936 | 40,146,858 | 40,146,858 |
| Federal Revenues - Svc Contracts | 1,345,239 | 1,366,942 | 1,366,942 |
| Charges for Services | 20,659,721 | 20,633,696 | 20,654,696 |
| Admin and Service Charges | 91,786 | 376,455 | 376,455 |
| Fines and Forfeitures | 687,545 | 781,942 | 781,942 |
| Interest Income | 1,412,227 | 1,018,970 | 1,018,970 |
| Sales Income | 33,028 | 10,026 | 10,026 |
| Donations | 12 | - | - |
| Other Revenues | 263,722 | 682,649 | 682,649 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

| | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Federal Funds | 13,121,471 | 18,772,153 | 18,849,223 |
| Transfers In | | | |
| Lottery Funds | 10,062,222 | 10,636,822 | 8,837,118 |
| Other Funds | 13,784,466 | 13,029,903 | 13,176,116 |
| Transfers Out | | | |
| Lottery Funds | (500,000) | - | - |
| Other Funds | (10,682,577) | (10,529,641) | (11,193,097) |
| Federal Funds | (1,449,282) | (1,300,000) | (1,300,000) |
| All Funds Available for Exp | <u>144,225,580</u> | <u>155,078,109</u> | <u>153,866,696</u> |
| All Expenditures | | | |
| General Fund | 23,393,923 | 25,991,367 | 26,998,831 |
| Lottery Funds | 9,439,215 | 10,568,358 | 8,837,118 |
| Other Funds | 59,882,893 | 74,372,889 | 80,246,238 |
| Federal Funds | 11,662,188 | 17,472,153 | 17,389,246 |
| Total Expenditures | <u>104,378,219</u> | <u>128,404,767</u> | <u>133,471,433</u> |
| Reversions | (135,325) | - | - |
| Ending Balance | | | |
| Lottery Funds | 662,846 | 68,464 | - |
| Other Funds | 39,001,336 | 26,604,878 | 20,235,286 |
| Federal Funds | 47,854 | - | 159,977 |

Columbia River Gorge Comm

| | | | |
|----------------------------|-----------|-----------|-----------|
| General Fund Appropriation | 1,010,000 | 1,160,612 | 1,349,300 |
|----------------------------|-----------|-----------|-----------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Columbia River Gorge Comm

| | | | |
|-----------------------------|-----------|-----------|-----------|
| All Funds Available for Exp | 1,010,000 | 1,160,612 | 1,349,300 |
| All Expenditures | | | |
| General Fund | 991,912 | 1,160,612 | 1,349,300 |
| Total Expenditures | 991,912 | 1,160,612 | 1,349,300 |

| | | | |
|------------|----------|---|---|
| Reversions | (18,088) | - | - |
|------------|----------|---|---|

Energy, Dept of

| | | | |
|------------------------------|------------|--------------|------------|
| Beginning Balance | | | |
| Lottery Funds | - | 16,896 | 16,896 |
| Other Funds | 20,861,966 | 53,924,313 | 12,362,202 |
| Federal Funds | 3,750 | 78,150 | 29,870 |
| Beginning Balance Adjustment | | | |
| Lottery Funds | - | - | (16,896) |
| Other Funds | 3,941,394 | (34,063,907) | - |
| Federal Funds | 3,005 | - | 8,536 |
| General Fund Appropriation | - | 6,334,048 | - |
| Lottery Funds | | | |
| Interest Income | 32,391 | - | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | 5,239,735 | 4,834,947 | 5,280,256 |
| Charges for Services | 2,906,057 | 4,185,395 | 4,027,690 |
| Admin and Service Charges | 14,735,692 | 13,972,462 | 15,672,606 |
| Fines and Forfeitures | 205,191 | 290,168 | 290,168 |
| Interest Income | 14,696,854 | 11,737,569 | 11,737,569 |
| Sales Income | 825,487 | - | - |
| Loan Repayments | 30,567,540 | 24,117,074 | 24,117,074 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Energy, Dept of

Other Funds Revenues

| | | | |
|----------------|--------|---|---|
| Other Revenues | 51,239 | - | - |
|----------------|--------|---|---|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 3,252,352 | 3,180,255 | 4,771,547 |
|---------------|-----------|-----------|-----------|

Transfers In

| | | | |
|---------------|-----------|-----------|-----------|
| Lottery Funds | 3,008,191 | 3,006,469 | 3,022,570 |
|---------------|-----------|-----------|-----------|

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 68,087,668 | 60,711,194 | 61,451,567 |
|-------------|------------|------------|------------|

| | | | |
|---------------|-----|---|---|
| Federal Funds | 185 | - | - |
|---------------|-----|---|---|

Transfers Out

| | | | |
|---------------|---------|---|---|
| Lottery Funds | (8,083) | - | - |
|---------------|---------|---|---|

| | | | |
|-------------|--------------|--------------|--------------|
| Other Funds | (67,571,441) | (57,805,169) | (60,183,593) |
|-------------|--------------|--------------|--------------|

| | | | |
|---------------|-----------|-----------|-------------|
| Federal Funds | (950,493) | (906,025) | (1,267,974) |
|---------------|-----------|-----------|-------------|

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 99,888,680 | 93,613,839 | 81,320,088 |
|-----------------------------|------------|------------|------------|

All Expenditures

| | | | |
|--------------|---|-----------|---|
| General Fund | - | 6,334,048 | - |
|--------------|---|-----------|---|

| | | | |
|---------------|-----------|-----------|-----------|
| Lottery Funds | 3,023,628 | 3,023,365 | 3,022,570 |
|---------------|-----------|-----------|-----------|

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 72,888,683 | 73,841,597 | 59,404,461 |
|-------------|------------|------------|------------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 2,269,529 | 2,300,096 | 3,038,773 |
|---------------|-----------|-----------|-----------|

| | | | |
|--------------------|------------|------------|------------|
| Total Expenditures | 78,181,840 | 85,499,106 | 65,465,804 |
|--------------------|------------|------------|------------|

Ending Balance

| | | | |
|---------------|-------|---|---|
| Lottery Funds | 8,871 | - | - |
|---------------|-------|---|---|

| | | | |
|-------------|------------|-----------|------------|
| Other Funds | 21,658,699 | 8,062,449 | 15,351,078 |
|-------------|------------|-----------|------------|

| | | | |
|---------------|--------|--------|---------|
| Federal Funds | 39,270 | 52,284 | 503,206 |
|---------------|--------|--------|---------|

Environmental Quality, Dept of

Beginning Balance

| | | | |
|---------------|--------|---|---|
| Lottery Funds | 20,642 | - | - |
|---------------|--------|---|---|

| | | | |
|-------------|-------------|-------------|-------------|
| Other Funds | 324,138,233 | 325,338,651 | 329,045,991 |
|-------------|-------------|-------------|-------------|

| | | | |
|---------------|---------|---|---|
| Federal Funds | 176,030 | - | - |
|---------------|---------|---|---|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: NATURAL RESOURCES

Environmental Quality, Dept of

Beginning Balance Adjustment

| | | | |
|---------------|-----------|---|---|
| Lottery Funds | 1,111,360 | - | - |
| Federal Funds | 6,719,103 | - | - |

| | | | |
|----------------------------|------------|------------|------------|
| General Fund Appropriation | 48,700,883 | 58,777,160 | 62,283,485 |
|----------------------------|------------|------------|------------|

Other Funds Revenues

| | | | |
|-------------------------------|------------|------------|------------|
| General Fund Revenues | 3,266,433 | 1,000,000 | 1,000,000 |
| Business Lic and Fees | 77,329,280 | 93,331,880 | 97,418,075 |
| Non-business Lic. and Fees | 27,440,617 | 28,737,162 | 33,013,930 |
| Municipal Court Fines | - | - | 1,000,000 |
| Federal Revenues | 26,207,102 | 63,000,000 | 63,000,000 |
| Charges for Services | 19,997,813 | 26,422,933 | 26,224,529 |
| Admin and Service Charges | 5,961,214 | 6,655,360 | 8,885,657 |
| Fines and Forfeitures | 162,056 | 205,600 | 205,600 |
| General Fund Obligation Bonds | 24,835,000 | 22,034,700 | 31,904,229 |
| Interest Income | 32,334,387 | 20,506,547 | 24,531,747 |
| Loan Repayments | 58,662,102 | 95,000,000 | 95,000,000 |
| Other Revenues | 4,859,010 | 11,806,320 | 39,938,663 |

| | | | |
|---------------|------------|------------|------------|
| Federal Funds | 18,793,928 | 33,482,749 | 33,369,120 |
|---------------|------------|------------|------------|

Transfers In

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | 4,156,389 | 5,322,214 | 5,824,651 |
| Other Funds | 90,259,327 | 79,298,470 | 85,483,218 |

Transfers Out

| | | | |
|---------------|--------------|--------------|--------------|
| Other Funds | (62,806,944) | (44,925,797) | (50,120,532) |
| Federal Funds | (3,524,263) | (3,940,662) | (3,973,017) |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 708,799,702 | 822,053,287 | 884,035,346 |
|-----------------------------|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|------------|------------|------------|
| General Fund | 48,700,887 | 58,777,160 | 62,283,485 |
| Lottery Funds | 4,732,711 | 5,300,822 | 5,824,651 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: NATURAL RESOURCES

Environmental Quality, Dept of

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| Other Funds | 263,838,483 | 372,047,600 | 486,425,080 |
| Federal Funds | 22,127,468 | 29,410,521 | 28,582,660 |

Total Expenditures

| | | | |
|--|--------------------|--------------------|--------------------|
| | 339,399,549 | 465,536,103 | 583,115,876 |
|--|--------------------|--------------------|--------------------|

Reversions

| | | |
|---|---|---|
| 4 | - | - |
|---|---|---|

Ending Balance

| | | | |
|---------------|-------------|-------------|-------------|
| Lottery Funds | 555,680 | 21,392 | - |
| Other Funds | 368,807,147 | 356,364,226 | 300,106,027 |
| Federal Funds | 37,330 | 131,566 | 813,443 |

Fish & Wildlife, Oregon Dept of

Beginning Balance

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 52,294,950 | 59,623,103 | 62,505,145 |
|-------------|------------|------------|------------|

Beginning Balance Adjustment

| | | | |
|---------------|-------------|---|---|
| Other Funds | 6,533,687 | - | - |
| Federal Funds | (3,334,009) | - | - |

General Fund Appropriation

| | | |
|------------|------------|------------|
| 29,458,285 | 35,094,508 | 40,138,854 |
|------------|------------|------------|

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| Business Lic and Fees | 12,021,254 | - | - |
| Non-business Lic. and Fees | (71,010) | - | - |
| Hunter and Angler Licenses | 107,596,500 | 125,107,599 | 126,580,794 |
| Commercial Fish Lic and Fees | 11,170,783 | 10,285,680 | 10,804,906 |
| Park User Fees | 1,262,480 | 1,073,330 | 1,044,760 |
| Charges for Services | 346,211 | 25,432,153 | 24,347,877 |
| Fines and Forfeitures | 1,486,643 | - | - |
| Rents and Royalties | 1,147,451 | 570,797 | 475,000 |
| General Fund Obligation Bonds | 8,440,000 | 257,448 | 10,175,000 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Fish & Wildlife, Oregon Dept of

Other Funds Revenues

| | | | |
|------------------|-----------|-----------|-----------|
| Interest Income | 3,012,735 | 2,063 | 2,063 |
| Sales Income | 283,693 | 3,399,000 | 3,087,932 |
| Donations | 63,245 | - | - |
| Grants (Non-Fed) | 9,470,648 | - | - |
| Other Revenues | 1,387,477 | 50,000 | 50,000 |

| | | | |
|---------------|-------------|-------------|-------------|
| Federal Funds | 147,264,189 | 165,576,326 | 175,391,384 |
|---------------|-------------|-------------|-------------|

Transfers In

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | 10,755,756 | 7,640,031 | 6,243,283 |
| Other Funds | 71,713,135 | 97,514,366 | 99,141,190 |
| Federal Funds | 130,363 | - | - |

Transfers Out

| | | | |
|---------------|--------------|--------------|--------------|
| Lottery Funds | (5,429,497) | - | - |
| Other Funds | (36,273,559) | (63,276,105) | (62,730,381) |
| Federal Funds | (25,499,922) | (19,950,000) | (19,950,000) |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 405,008,441 | 448,400,299 | 477,307,807 |
|-----------------------------|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 29,458,284 | 35,094,508 | 40,138,854 |
| Lottery Funds | 5,326,259 | 7,621,405 | 6,243,283 |
| Other Funds | 182,645,607 | 203,027,596 | 221,865,389 |
| Federal Funds | 118,359,703 | 144,438,993 | 153,185,351 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Total Expenditures | 335,789,853 | 390,182,502 | 421,432,877 |
|--------------------|-------------|-------------|-------------|

| | | | |
|------------|-----|---|---|
| Reversions | (1) | - | - |
|------------|-----|---|---|

Ending Balance

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | - | 18,626 | - |
| Other Funds | 69,218,587 | 57,011,838 | 53,618,897 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Fish & Wildlife, Oregon Dept of

Ending Balance

| | | | |
|---------------|---|-----------|-----------|
| Federal Funds | - | 1,187,333 | 2,256,033 |
|---------------|---|-----------|-----------|

Forestry, Dept of

Beginning Balance

| | | | |
|---------------|------------|---|---|
| Lottery Funds | 996,442 | - | - |
| Other Funds | 39,715,015 | - | - |
| Federal Funds | 5,927,145 | - | - |

Beginning Balance Adjustment

| | | | |
|---------------|---|--------|---|
| Lottery Funds | - | 75,179 | - |
| Other Funds | - | 62,000 | - |

General Fund Appropriation

| | | | |
|--|-------------|------------|-------------|
| | 135,808,540 | 90,604,264 | 113,902,322 |
|--|-------------|------------|-------------|

Lottery Funds

| | | | |
|-----------------|--------|---|---|
| Interest Income | 87,173 | - | - |
|-----------------|--------|---|---|

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| General Fund Revenues | 44,911 | - | - |
| Forest Protection Taxes | 51,895,592 | 53,942,485 | 56,426,888 |
| Business Lic and Fees | 7,100 | 1,548,311 | 1,609,250 |
| Non-business Lic. and Fees | 853,118 | - | - |
| Park User Fees | 298,100 | - | - |
| Charges for Services | 95,849,082 | 39,043,450 | 50,433,396 |
| Admin and Service Charges | 1,621,124 | - | - |
| Fines and Forfeitures | 2,298 | - | - |
| Rents and Royalties | 9,858,268 | 13,920,470 | 15,810,354 |
| General Fund Obligation Bonds | 3,272,727 | - | 1,680,000 |
| Cert of Participation | 100,000,000 | - | - |
| Interest Income | 1,332,065 | - | - |
| Sales Income | 2,105,844 | 28,678 | 498,648 |
| State Forest Lands Sales | 289,210,148 | 234,362,797 | 262,589,125 |
| Common School Lands Sales | 4,072,356 | 6,756,872 | 8,276,508 |
| Donations | 30,315 | 307,093 | 320,298 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Forestry, Dept of

Other Funds Revenues

| | | | |
|-----------------|------------|------------|------------|
| Loan Repayments | 10,000 | 1,681,303 | 1,673,741 |
| Other Revenues | 2,226,799 | 13,217,952 | 14,694,879 |
| Loan Proceeds | 24,999,500 | - | - |

| | | | |
|---------------|------------|------------|------------|
| Federal Funds | 21,692,353 | 35,483,984 | 38,679,688 |
|---------------|------------|------------|------------|

Transfers In

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | 2,584,354 | 2,530,271 | 2,564,210 |
| Other Funds | 93,369,487 | 80,993,716 | 95,243,149 |
| Federal Funds | 794,209 | - | - |

Transfers Out

| | | | |
|---------------|---------------|---------------|---------------|
| Other Funds | (324,241,123) | (163,130,930) | (203,935,279) |
| Federal Funds | (2,236,240) | - | - |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 562,186,702 | 411,427,895 | 460,467,177 |
|-----------------------------|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 135,624,513 | 90,604,264 | 113,902,322 |
| Lottery Funds | 2,600,999 | 2,543,451 | 2,564,210 |
| Other Funds | 326,602,365 | 260,068,337 | 284,531,617 |
| Federal Funds | 15,136,881 | 35,483,276 | 37,493,713 |

| | | | |
|--------------------|-------------|-------------|-------------|
| Total Expenditures | 479,964,758 | 388,699,328 | 438,491,862 |
|--------------------|-------------|-------------|-------------|

| | | | |
|------------|-----------|---|---|
| Reversions | (184,027) | - | - |
|------------|-----------|---|---|

Ending Balance

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | 1,066,970 | 61,999 | - |
| Other Funds | 69,930,361 | 22,665,860 | 20,789,340 |
| Federal Funds | 11,040,586 | 708 | 1,185,975 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Geology & Mineral Industries, Dept of

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 1,331,283 | 980,825 | 880,825 |
| Beginning Balance Adjustment | | | |
| Other Funds | 850 | 370,594 | 384,295 |
| General Fund Appropriation | 5,359,949 | 2,534,180 | 1,834,234 |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 3,166,915 | 3,068,560 | 1,773,417 |
| Charges for Services | 2,179 | 2,066,511 | 840,169 |
| Interest Income | 23,190 | 13,063 | 16,500 |
| Other Revenues | 1,534,764 | 574,742 | - |
| Federal Funds | 3,782,406 | 2,902,495 | 4,745,372 |
| Transfers In | | | |
| Other Funds | 511,799 | 282,602 | 129,500 |
| Transfers Out | | | |
| Other Funds | (850) | (7,500) | (3,750) |
| All Funds Available for Exp | <u>15,712,485</u> | <u>12,786,072</u> | <u>10,600,562</u> |
| All Expenditures | | | |
| General Fund | 5,355,361 | 2,534,180 | 1,834,234 |
| Other Funds | 5,727,167 | 2,817,896 | 2,950,968 |
| Federal Funds | 3,800,717 | 2,902,495 | 721,181 |
| Total Expenditures | <u>14,883,245</u> | <u>8,254,571</u> | <u>5,506,383</u> |
| Reversions | (4,588) | - | - |
| Ending Balance | | | |
| Other Funds | 842,963 | 4,531,501 | 1,069,988 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Geology & Mineral Industries, Dept of

Ending Balance

| | | | |
|---------------|----------|---|-----------|
| Federal Funds | (18,311) | - | 4,024,191 |
|---------------|----------|---|-----------|

Land Conservation & Development, Dept of

Beginning Balance

| | | | |
|-------------|---------|---|---|
| Other Funds | 195,409 | - | - |
|-------------|---------|---|---|

General Fund Appropriation

| | | | |
|--|------------|------------|------------|
| | 15,160,953 | 20,231,675 | 21,488,326 |
|--|------------|------------|------------|

Other Funds Revenues

| | | | |
|-----------------------|--------|--------|---|
| Business Lic and Fees | 74,375 | 78,631 | - |
|-----------------------|--------|--------|---|

| | | | |
|----------------------|-------|--------|--------|
| Charges for Services | 1,390 | 21,441 | 50,625 |
|----------------------|-------|--------|--------|

| | | | |
|-----------------|-------|---|-------|
| Interest Income | 3,647 | - | 1,808 |
|-----------------|-------|---|-------|

| | | | |
|----------------|--------|---------|---------|
| Other Revenues | 11,049 | 997,263 | 963,661 |
|----------------|--------|---------|---------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 4,490,931 | 7,040,752 | 7,333,730 |
|---------------|-----------|-----------|-----------|

Transfers In

| | | | |
|-------------|---------|-----------|-----------|
| Other Funds | 876,403 | 1,632,548 | 1,651,143 |
|-------------|---------|-----------|-----------|

| | | | |
|---------------|---------|---|---|
| Federal Funds | 135,293 | - | - |
|---------------|---------|---|---|

All Funds Available for Exp

| | | | |
|--|------------|------------|------------|
| | 20,949,450 | 30,002,310 | 31,489,293 |
|--|------------|------------|------------|

All Expenditures

| | | | |
|--------------|------------|------------|------------|
| General Fund | 14,971,597 | 20,231,675 | 21,488,326 |
|--------------|------------|------------|------------|

| | | | |
|-------------|---------|-----------|-----------|
| Other Funds | 872,431 | 1,460,817 | 2,220,615 |
|-------------|---------|-----------|-----------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 4,477,331 | 6,755,041 | 7,182,205 |
|---------------|-----------|-----------|-----------|

Total Expenditures

| | | | |
|--|------------|------------|------------|
| | 20,321,359 | 28,447,533 | 30,891,146 |
|--|------------|------------|------------|

Reversions

| | | | |
|--|-----------|---|---|
| | (189,356) | - | - |
|--|-----------|---|---|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Land Conservation & Development, Dept of

| | | | |
|----------------|---------|-----------|---------|
| Ending Balance | | | |
| Other Funds | 289,842 | 1,269,066 | 446,622 |
| Federal Funds | 148,893 | 285,711 | 151,525 |

Land Use Board of Appeals

| | | | |
|----------------------------|-----------|-----------|-----------|
| Beginning Balance | | | |
| Other Funds | 25,267 | 12,196 | 12,215 |
| General Fund Appropriation | 2,014,924 | 2,061,858 | 2,364,439 |
| Other Funds Revenues | | | |
| General Fund Revenues | 82,411 | 103,100 | 138,100 |
| Sales Income | 24,065 | 35,000 | 35,000 |
| Other Revenues | 177 | - | - |
| Transfers Out | | | |
| Other Funds | (82,411) | (103,100) | (138,100) |

| | | | |
|-----------------------------|------------------|------------------|------------------|
| All Funds Available for Exp | <u>2,064,433</u> | <u>2,109,054</u> | <u>2,411,654</u> |
|-----------------------------|------------------|------------------|------------------|

| | | | |
|------------------|-----------|-----------|-----------|
| All Expenditures | | | |
| General Fund | 1,997,590 | 2,061,858 | 2,364,439 |
| Other Funds | 16,789 | 34,981 | 34,981 |

| | | | |
|--------------------|------------------|------------------|------------------|
| Total Expenditures | <u>2,014,379</u> | <u>2,096,839</u> | <u>2,399,420</u> |
|--------------------|------------------|------------------|------------------|

| | | | |
|------------|----------|---|---|
| Reversions | (17,334) | - | - |
|------------|----------|---|---|

| | | | |
|----------------|--------|--------|--------|
| Ending Balance | | | |
| Other Funds | 32,720 | 12,215 | 12,234 |

Lands, Dept of State

| | | | |
|-------------------|---------------|---------------|---------------|
| Beginning Balance | | | |
| Other Funds | 1,103,316,005 | 1,596,690,395 | 1,582,734,002 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Lands, Dept of State

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| Beginning Balance | | | |
| Federal Funds | 314,617 | 1,465,620 | 1,979,184 |
| Beginning Balance Adjustment | | | |
| Other Funds | 2,205,337 | - | - |
| General Fund Appropriation | 5,000,000 | - | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | 15,750 | 30,000 | 30,000 |
| Non-business Lic. and Fees | 2,278,063 | 3,100,000 | 3,100,000 |
| Federal Revenues | 1,093,111 | - | - |
| Charges for Services | 494,440 | 750,000 | 750,000 |
| Admin and Service Charges | 174,138 | 265,000 | 265,000 |
| Fines and Forfeitures | 174,689 | 262,000 | 262,000 |
| Rents and Royalties | 11,615,125 | 17,200,000 | 17,200,000 |
| Interest Income | 81,624,154 | 55,600,000 | 55,600,000 |
| Sales Income | 20,287 | 30,000 | 30,000 |
| Common School Lands Sales | 174,024 | 1,000,000 | 1,000,000 |
| Donations | - | 10,000 | 10,000 |
| Grants (Non-Fed) | - | 75,000 | 75,000 |
| Other Revenues | 229,158,492 | 86,700,000 | 86,700,000 |
| Federal Funds | 2,122,358 | 2,808,773 | 2,808,773 |
| Transfers In | | | |
| Other Funds | 1,197,553,940 | 41,233,731 | 43,039,926 |
| Transfers Out | | | |
| Other Funds | (1,218,079,077) | (155,505,027) | (173,404,788) |
| All Funds Available for Exp | <u>1,419,255,453</u> | <u>1,651,715,492</u> | <u>1,622,179,097</u> |
| All Expenditures | | | |
| General Fund | 5,000,000 | - | - |
| Other Funds | 66,508,779 | 64,707,097 | 61,588,580 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
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PROGRAM AREA: NATURAL RESOURCES

Lands, Dept of State

| | | | |
|--------------------|-------------------|-------------------|-------------------|
| All Expenditures | | | |
| Federal Funds | 2,143,876 | 2,295,209 | 2,370,195 |
| Total Expenditures | <u>73,652,655</u> | <u>67,002,306</u> | <u>63,958,775</u> |

| | | | |
|----------------|---------------|---------------|---------------|
| Ending Balance | | | |
| Other Funds | 1,345,309,699 | 1,582,734,002 | 1,555,802,560 |
| Federal Funds | 293,099 | 1,979,184 | 2,417,762 |

Marine Board, Oregon State

| | | | |
|------------------------------|--------------|--------------|--------------|
| Beginning Balance | | | |
| Other Funds | 5,372,402 | - | 5,512,330 |
| Federal Funds | 3 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | - | 3,625,016 | - |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 16,779,547 | 20,948,589 | 21,334,337 |
| Charges for Services | 122,312 | - | - |
| Fines and Forfeitures | 104,383 | 126,642 | 105,000 |
| Interest Income | 142,610 | 151,282 | 148,000 |
| Sales Income | 11,940 | 2,100 | 6,000 |
| Donations | - | 400 | - |
| Other Revenues | (28,391) | 182,395 | 100,000 |
| Federal Funds | 5,102,916 | 6,317,622 | 6,592,864 |
| Transfers In | | | |
| Other Funds | 25,725,051 | 26,180,340 | 27,843,860 |
| Federal Funds | 23,614 | - | - |
| Transfers Out | | | |
| Other Funds | (17,152,672) | (18,641,859) | (19,263,860) |
| Federal Funds | (23,614) | - | - |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Marine Board, Oregon State

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 36,180,101 | 38,892,527 | 42,378,531 |
| All Expenditures | | | |
| Other Funds | 25,608,383 | 28,360,346 | 29,654,047 |
| Federal Funds | 5,079,300 | 6,317,622 | 6,592,864 |
| Total Expenditures | 30,687,683 | 34,677,968 | 36,246,911 |
| Ending Balance | | | |
| Other Funds | 5,468,799 | 4,214,559 | 6,131,620 |
| Federal Funds | 23,619 | - | - |

Parks & Recreation Dept

| | | | |
|----------------------------------|------------|------------|------------|
| Beginning Balance | | | |
| Lottery Funds | 34,430,484 | 30,599,517 | 29,198,941 |
| Other Funds | 39,762,654 | 49,366,101 | 44,211,129 |
| Beginning Balance Adjustment | | | |
| Lottery Funds | - | 5,361 | - |
| General Fund Appropriation | 228,729 | - | 500,000 |
| Lottery Funds | | | |
| Interest Income | 905,503 | 200,914 | 906,366 |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 1,691,081 | 2,129,287 | 2,279,065 |
| Park User Fees | 58,119,387 | 56,286,736 | 57,698,167 |
| Federal Revenues - Svc Contracts | 159,421 | - | - |
| Charges for Services | 153,476 | - | - |
| Rents and Royalties | 1,861,956 | - | - |
| Lottery Bonds | 5,021,595 | 5,106,587 | - |
| Interest Income | 3,444,956 | 2,131,271 | 3,595,572 |
| Sales Income | 3,538,726 | 4,097,658 | 4,013,400 |
| Donations | 1,090,487 | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
| PROGRAM AREA: NATURAL RESOURCES | | | |
| Parks & Recreation Dept | | | |
| Other Funds Revenues | | | |
| Grants (Non-Fed) | 168,562 | - | - |
| Other Revenues | 774,316 | 9,399,274 | 8,453,207 |
| Federal Funds | 8,764,263 | 16,685,823 | 27,192,019 |
| Transfers In | | | |
| Lottery Funds | 110,530,568 | 111,780,491 | 117,198,828 |
| Other Funds | 56,182,305 | 51,589,933 | 57,680,697 |
| Transfers Out | | | |
| Lottery Funds | (67,336) | (106,185) | (115,169) |
| Other Funds | (17,858,584) | (17,009,283) | (18,916,603) |
| Federal Funds | (219,457) | - | - |
| All Funds Available for Exp | <u>308,683,092</u> | <u>322,263,485</u> | <u>333,895,619</u> |
| All Expenditures | | | |
| General Fund | 226,952 | - | 500,000 |
| Lottery Funds | 105,117,102 | 116,785,574 | 122,852,220 |
| Other Funds | 91,153,615 | 130,655,323 | 112,984,028 |
| Federal Funds | 8,544,806 | 16,685,823 | 22,722,629 |
| Total Expenditures | <u>205,042,475</u> | <u>264,126,720</u> | <u>259,058,877</u> |
| Reversions | (1,777) | - | - |
| Ending Balance | | | |
| Lottery Funds | 40,682,117 | 25,694,524 | 24,336,746 |
| Other Funds | 62,956,723 | 32,442,241 | 46,030,606 |
| Federal Funds | - | - | 4,469,390 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: NATURAL RESOURCES

Water Resources Dept

Beginning Balance

| | | | |
|---------------|------------|------------|------------|
| Lottery Funds | 4,937 | - | - |
| Other Funds | 31,291,225 | 50,315,213 | 63,556,873 |
| Federal Funds | 64,384 | - | - |

Beginning Balance Adjustment

| | | | |
|---------------|---|-----------|---------|
| Lottery Funds | - | 13,152 | 13,152 |
| Other Funds | - | 1,626,976 | 400,000 |

General Fund Appropriation

| | | | |
|--|------------|------------|------------|
| | 33,503,512 | 36,722,794 | 40,104,341 |
|--|------------|------------|------------|

Lottery Funds

| | | | |
|-----------------|--------|---|---|
| Interest Income | 29,336 | - | - |
|-----------------|--------|---|---|

Other Funds Revenues

| | | | |
|----------------------------------|------------|------------|------------|
| General Fund Revenues | 300 | - | - |
| Non-business Lic. and Fees | 566 | - | - |
| Power and Water Fees | 9,554,847 | 8,949,892 | 10,866,598 |
| Federal Revenues - Svc Contracts | 920,214 | 1,449,185 | 825,000 |
| Charges for Services | 1,729,171 | 1,726,707 | 1,950,000 |
| Rents and Royalties | 14,324 | 14,826 | - |
| Lottery Bonds | - | - | 20,897,925 |
| Revenue Bonds | 23,415,000 | 43,849,252 | - |
| Interest Income | 1,323,341 | 187,631 | 300,000 |
| Sales Income | 475 | 419 | 419 |
| Grants (Non-Fed) | 100,000 | - | - |
| Other Revenues | 22,554 | 19,575 | 5,000 |

Federal Funds

| | | | |
|--|---------|---------|---------|
| | 639,331 | 875,519 | 725,000 |
|--|---------|---------|---------|

Transfers In

| | | | |
|---------------|-----------|-----------|------------|
| Lottery Funds | 6,103,218 | 7,553,350 | 14,289,736 |
| Other Funds | 6,233,973 | 255,509 | 287,704 |
| Federal Funds | 39,460 | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Water Resources Dept

Transfers Out

| | | | |
|---------------|-------------|-------------|-------------|
| Lottery Funds | (2,169,964) | - | - |
| Other Funds | (9,307,729) | (2,690,000) | (3,671,563) |
| Federal Funds | (101,769) | - | - |

All Funds Available for Exp

| | | |
|-------------|-------------|-------------|
| 103,410,706 | 150,870,000 | 150,550,185 |
|-------------|-------------|-------------|

All Expenditures

| | | | |
|---------------|------------|------------|------------|
| General Fund | 33,084,577 | 36,722,794 | 40,104,341 |
| Lottery Funds | 3,953,965 | 7,566,502 | 14,289,736 |
| Other Funds | 19,559,551 | 99,151,093 | 93,363,622 |
| Federal Funds | 641,406 | 875,519 | 716,840 |

Total Expenditures

| | | |
|------------|-------------|-------------|
| 57,239,499 | 144,315,908 | 148,474,539 |
|------------|-------------|-------------|

Reversions

| | | |
|-----------|---|---|
| (418,935) | - | - |
|-----------|---|---|

Ending Balance

| | | | |
|---------------|------------|-----------|-----------|
| Lottery Funds | 13,562 | - | 13,152 |
| Other Funds | 45,738,710 | 6,554,092 | 2,054,334 |
| Federal Funds | - | - | 8,160 |

Watershed Enhancement Board, Oregon

Beginning Balance

| | | | |
|---------------|-----------|---|---|
| Lottery Funds | 7,882,776 | - | - |
| Other Funds | 1,273,799 | - | - |

Beginning Balance Adjustment

| | | | |
|---------------|---|------------|---------|
| Lottery Funds | - | 12,986,004 | - |
| Other Funds | - | 800,000 | 500,000 |

General Fund Appropriation

| | | |
|---------|---|---|
| 190,000 | - | - |
|---------|---|---|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: NATURAL RESOURCES

Watershed Enhancement Board, Oregon

| | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Lottery Funds | | | |
| Interest Income | 3,344,025 | 4,312,580 | 2,812,000 |
| Other Funds Revenues | | | |
| Donations | 346,339 | 1,396,945 | 13,457,764 |
| Grants (Non-Fed) | 593,722 | - | - |
| Other Revenues | 10,000 | 37,728 | 37,728 |
| Federal Funds | 27,968,015 | 45,304,270 | 48,126,464 |
| Transfers In | | | |
| Lottery Funds | 231,265,899 | 117,814,623 | 121,323,819 |
| Other Funds | 916,691 | 893,967 | 873,574 |
| Transfers Out | | | |
| Lottery Funds | (149,917,235) | (41,998,998) | (37,532,411) |
| All Funds Available for Exp | <u>123,874,031</u> | <u>141,547,119</u> | <u>149,598,938</u> |
| All Expenditures | | | |
| General Fund | 161,750 | - | - |
| Lottery Funds | 79,589,459 | 90,535,226 | 76,371,684 |
| Other Funds | 2,023,581 | 3,070,646 | 14,863,984 |
| Federal Funds | 27,968,015 | 45,304,270 | 48,011,159 |
| Total Expenditures | <u>109,742,805</u> | <u>138,910,142</u> | <u>139,246,827</u> |
| Reversions | (28,250) | - | - |
| Ending Balance | | | |
| Lottery Funds | 12,986,006 | 2,578,983 | 10,231,724 |
| Other Funds | 1,116,970 | 57,994 | 5,082 |
| Federal Funds | - | - | 115,305 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 7,642,666 | 10,896,732 | 11,056,196 |
| Beginning Balance Adjustment | | | |
| Other Funds | 342,492 | - | - |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 1,181,329 | 1,127,640 | 1,403,310 |
| Charges for Services | 44,850 | - | - |
| Fines and Forfeitures | 349 | - | - |
| Rents and Royalties | 708,992 | 584,778 | 550,787 |
| Sales Income | 177,077 | - | 215,289 |
| Grants (Non-Fed) | 925,758 | - | - |
| Other Revenues | 192,556 | 350,784 | 101,076 |
| Federal Funds | 7,081,965 | 11,312,356 | 10,782,579 |
| Transfers In | | | |
| Other Funds | 13,572,498 | 26,441,646 | 11,069,608 |
| Federal Funds | - | 5,211,000 | - |
| Transfers Out | | | |
| Other Funds | (778,593) | (13,521,502) | (1,261,535) |
| Federal Funds | - | (5,211,000) | - |
| All Funds Available for Exp | <u>31,091,939</u> | <u>37,192,434</u> | <u>33,917,310</u> |
| All Expenditures | | | |
| Other Funds | 12,429,592 | 20,035,792 | 20,949,490 |
| Federal Funds | 7,081,965 | 11,312,356 | 6,131,467 |
| Total Expenditures | <u>19,511,557</u> | <u>31,348,148</u> | <u>27,080,957</u> |
| Ending Balance | | | |
| Other Funds | 11,580,382 | 5,844,286 | 2,185,241 |
| Federal Funds | - | - | 4,651,112 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

| | | | |
|---------------------------------------|---------------|---------------|---------------|
| Beginning Balance | | | |
| Other Funds | 720,813,710 | 367,017,604 | 671,932,838 |
| Beginning Balance Adjustment | | | |
| Lottery Funds | - | 534,636 | - |
| Other Funds | - | (12,000,000) | - |
| General Fund Appropriation | 23,456,104 | 25,306,026 | 18,371,940 |
| Lottery Funds | | | |
| Interest Income | 689,746 | - | - |
| Other Funds Revenues | | | |
| Gross Receipts Business Taxes/Fees | 5,645,624 | 5,800,000 | 5,800,000 |
| Motor Fuels Taxes | 1,218,399,902 | 1,331,956,357 | 1,415,484,523 |
| Weight-Mile Taxes | 718,343,830 | 815,074,920 | 858,141,782 |
| Business Lic and Fees | 11,774,136 | 3,313,043 | 5,559,246 |
| Non-business Lic. and Fees | - | 833,434 | 631,171 |
| Vehicle Licenses | 766,564,048 | 882,089,357 | 919,982,540 |
| Drivers Licenses | 73,152,869 | 87,038,547 | 99,865,085 |
| Transportation Lic and Fees | 99,728,931 | 95,179,447 | 107,526,881 |
| Federal Revenues | 1,090,529,993 | 1,287,949,523 | 1,639,388,657 |
| Charges for Services | 72,034,522 | 6,578,267 | 6,488,122 |
| Admin and Service Charges | 2,492,452 | 3,250,747 | 3,790,083 |
| Fines and Forfeitures | 12,981,986 | 2,692,887 | 2,863,752 |
| Rents and Royalties | 8,591,147 | 1,910,629 | 2,309,169 |
| Lottery Bonds | 38,569,268 | 7,149,463 | 32,435,763 |
| Revenue Bonds | - | 485,000,000 | 880,000,000 |
| Refunding Bonds | 152,889,004 | 690,591,207 | - |
| Interest Income | 43,008,964 | 13,639,797 | 32,065,334 |
| Sales Income | 27,064,654 | 13,763,104 | 14,379,880 |
| Donations | 100 | - | - |
| Loan Repayments | 3,911,819 | 9,041,202 | 6,168,102 |
| Other Revenues | 15,269,400 | 9,879,597 | 11,530,826 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

| | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Federal Funds | 100,882,548 | 135,551,010 | 146,682,575 |
| Transfers In | | | |
| Lottery Funds | 113,180,583 | 115,058,344 | 125,155,188 |
| Other Funds | 4,637,901,706 | 3,578,886,544 | 3,763,015,604 |
| Federal Funds | 636,894 | - | - |
| Transfers Out | | | |
| Lottery Funds | (273,544) | - | - |
| Other Funds | (5,610,212,655) | (4,403,467,718) | (4,678,804,602) |
| Federal Funds | (4,862,906) | (636,633) | - |
| All Funds Available for Exp | <u>4,343,164,835</u> | <u>5,558,981,341</u> | <u>6,090,764,459</u> |
| All Expenditures | | | |
| General Fund | 23,456,104 | 25,306,026 | 18,371,940 |
| Lottery Funds | 113,596,785 | 115,592,980 | 125,155,188 |
| Other Funds | 3,337,042,236 | 4,935,032,604 | 5,319,523,418 |
| Federal Funds | 96,656,536 | 134,914,377 | 125,925,657 |
| Total Expenditures | <u><u>3,570,751,661</u></u> | <u><u>5,210,845,987</u></u> | <u><u>5,588,976,203</u></u> |
| Ending Balance | | | |
| Other Funds | 772,413,174 | 348,135,354 | 481,031,338 |
| Federal Funds | - | - | 20,756,918 |

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

| | | | |
|------------------------------|-----------|-----------|-----------|
| Beginning Balance | | | |
| Other Funds | 1,621,147 | 1,903,493 | 1,903,493 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 371,875 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Other Funds Revenues

| | | | |
|-----------------------|-----------|-----------|-----------|
| Business Lic and Fees | 2,716,668 | 2,533,515 | 2,866,045 |
| Fines and Forfeitures | 227,127 | 130,000 | 130,000 |
| Interest Income | 84,906 | 55,000 | 55,000 |
| Sales Income | 1,278 | 900 | 900 |
| Other Revenues | 4,119 | 4,000 | 4,000 |

| | | | |
|-----------------------------|------------------|------------------|------------------|
| All Funds Available for Exp | <u>4,655,245</u> | <u>4,626,908</u> | <u>5,331,313</u> |
|-----------------------------|------------------|------------------|------------------|

All Expenditures

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 2,334,613 | 2,788,351 | 3,157,159 |
|-------------|-----------|-----------|-----------|

Total Expenditures

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| | <u><u>2,334,613</u></u> | <u><u>2,788,351</u></u> | <u><u>3,157,159</u></u> |
|--|-------------------------|-------------------------|-------------------------|

Ending Balance

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 2,320,632 | 1,838,557 | 2,174,154 |
|-------------|-----------|-----------|-----------|

Construction Contractors Board

Beginning Balance

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 9,764,092 | 6,271,364 | 6,271,364 |
|-------------|-----------|-----------|-----------|

Beginning Balance Adjustment

| | | | |
|-------------|---|-----------|-------------|
| Other Funds | - | 3,200,780 | (1,104,143) |
|-------------|---|-----------|-------------|

Other Funds Revenues

| | | | |
|-----------------------|------------|------------|------------|
| General Fund Revenues | 1,158,935 | 1,078,733 | 1,056,600 |
| Business Lic and Fees | 11,954,970 | 12,192,082 | 14,321,292 |
| Charges for Services | - | 149,280 | - |
| Fines and Forfeitures | 500,686 | 484,843 | 447,408 |
| Interest Income | 14,893 | 5,400 | 19,248 |
| Sales Income | - | 6,720 | - |
| Other Revenues | 107,420 | 73,562 | 125,664 |

Transfers Out

| | | | |
|-------------|-------------|-------------|-------------|
| Other Funds | (1,158,935) | (1,078,733) | (1,056,600) |
|-------------|-------------|-------------|-------------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Construction Contractors Board

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 22,342,061 | 22,384,031 | 20,080,833 |
| All Expenditures | | | |
| Other Funds | 13,845,585 | 15,038,579 | 17,481,456 |
| Total Expenditures | 13,845,585 | 15,038,579 | 17,481,456 |
| Ending Balance | | | |
| Other Funds | 8,496,476 | 7,345,452 | 2,599,377 |

Consumer and Business Svcs, Dept of

| | | | |
|--------------------------------|-------------|-------------|--------------|
| Beginning Balance | | | |
| Other Funds | 264,924,834 | 304,917,476 | 389,419,965 |
| Federal Funds | 2,665,957 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | (20,922,564) |
| General Fund Appropriation | - | 1,299,319 | - |
| Other Funds Revenues | | | |
| General Fund Revenues | 180,825,550 | 175,020,604 | 157,718,926 |
| Workers Comp Insurance Taxes | 125,724,721 | 145,235,390 | 148,748,991 |
| Other Employer -Employee Taxes | 167,647,944 | 173,109,676 | 124,558,413 |
| Insurance Taxes | (1) | 245,335,562 | 324,781,999 |
| Business Lic and Fees | 245,341,917 | 120,507,872 | 122,851,050 |
| Fire Marshal Fees | 26,492,517 | 27,365,168 | 30,021,550 |
| Charges for Services | 2,256,752 | 1,876,689 | 2,054,656 |
| Admin and Service Charges | 1,846,910 | 3,080,983 | 1,425,252 |
| Fines and Forfeitures | 8,040,568 | 8,552,346 | 7,717,405 |
| Interest Income | 17,271,343 | 22,707,254 | 18,284,739 |
| Other Revenues | 1,629,163 | 2,116,085 | 2,335,527 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Consumer and Business Svcs, Dept of

| | | | |
|--|--------------------|----------------------|----------------------|
| Federal Funds | 13,644,226 | 183,758,141 | 120,193,190 |
| Transfers In | | | |
| Other Funds | 191,574,185 | 57,734,539 | 63,164,124 |
| Federal Funds | 121,616 | - | - |
| Transfers Out | | | |
| Other Funds | (488,542,709) | (263,647,777) | (457,492,752) |
| Federal Funds | (192,952) | - | - |
| All Funds Available for Exp | <u>761,272,541</u> | <u>1,208,969,327</u> | <u>1,034,860,471</u> |
| All Expenditures | | | |
| General Fund | - | 1,299,319 | - |
| Other Funds | 392,019,919 | 578,530,627 | 543,162,967 |
| Federal Funds | 14,624,345 | 100,670,278 | 119,746,686 |
| Total Expenditures | <u>406,644,264</u> | <u>680,500,224</u> | <u>662,909,653</u> |
| Ending Balance | | | |
| Other Funds | 353,013,775 | 445,381,240 | 371,504,314 |
| Federal Funds | 1,614,502 | 83,087,863 | 446,504 |
| Health Related Licensing Boards | | | |
| Beginning Balance | | | |
| Other Funds | 3,825,385 | 4,472,972 | 4,472,972 |
| Beginning Balance Adjustment | | | |
| Other Funds | (260) | 138,021 | (800,149) |
| Other Funds Revenues | | | |
| Business Lic and Fees | 4,426,968 | 4,985,787 | 2,924,788 |
| Non-business Lic. and Fees | 1,499,804 | 1,441,860 | 1,283,033 |
| Charges for Services | 3,486 | 3,175 | 433 |
| Fines and Forfeitures | 102,382 | 60,750 | 43,908 |
| Interest Income | 194,123 | 154,928 | 105,630 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Health Related Licensing Boards

| | | | |
|-----------------------------|-------------------|-------------------|------------------|
| Other Funds Revenues | | | |
| Other Revenues | 110,599 | 98,654 | 56,719 |
| Transfers In | | | |
| Other Funds | 151,377 | 170,924 | - |
| Transfers Out | | | |
| Other Funds | (223,959) | (244,514) | (37,981) |
| All Funds Available for Exp | <u>10,089,905</u> | <u>11,282,557</u> | <u>8,049,353</u> |
| All Expenditures | | | |
| Other Funds | 5,760,500 | 7,488,030 | 3,947,461 |
| Total Expenditures | <u>5,760,500</u> | <u>7,488,030</u> | <u>3,947,461</u> |
| Ending Balance | | | |
| Other Funds | 4,329,405 | 3,794,527 | 4,101,892 |

Labor & Industries, Bureau of

| | | | |
|------------------------------|------------|------------|------------|
| Beginning Balance | | | |
| Other Funds | 15,825,161 | 11,935,005 | 13,153,833 |
| Federal Funds | 1,288,410 | 174,500 | 174,500 |
| Beginning Balance Adjustment | | | |
| Other Funds | (517,107) | - | - |
| Federal Funds | (13,001) | - | - |
| General Fund Appropriation | 13,461,114 | 14,894,178 | 17,238,841 |
| Other Funds Revenues | | | |
| General Fund Revenues | 57,924 | - | 1,909,830 |
| Business Lic and Fees | 4,829,762 | 3,894,001 | 3,852,600 |
| Charges for Services | 3,774,967 | 1,629,542 | 1,362,771 |
| Fines and Forfeitures | 880,914 | 56,000 | 56,000 |
| Interest Income | 358,100 | 325,000 | 325,000 |
| Sales Income | 799,447 | 703,000 | 631,000 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Labor & Industries, Bureau of

Other Funds Revenues

| | | | |
|----------------|--------|-----------|-----------|
| Other Revenues | 82,331 | 2,340,000 | 2,340,000 |
|----------------|--------|-----------|-----------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 1,180,900 | 1,197,200 | 1,677,200 |
|---------------|-----------|-----------|-----------|

Transfers In

| | | | |
|---------------|---|---------|---|
| Lottery Funds | - | 250,000 | - |
|---------------|---|---------|---|

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 10,214,767 | 11,321,824 | 13,036,729 |
|-------------|------------|------------|------------|

| | | | |
|---------------|---------|---------|---------|
| Federal Funds | 290,403 | 283,523 | 321,006 |
|---------------|---------|---------|---------|

Transfers Out

| | | | |
|-------------|-------------|-------------|-------------|
| Other Funds | (4,289,875) | (4,483,841) | (9,618,880) |
|-------------|-------------|-------------|-------------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | (290,403) | (283,523) | (321,006) |
|---------------|-----------|-----------|-----------|

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| All Funds Available for Exp | <u>47,933,814</u> | <u>44,236,409</u> | <u>46,139,424</u> |
|-----------------------------|-------------------|-------------------|-------------------|

All Expenditures

| | | | |
|--------------|------------|------------|------------|
| General Fund | 12,855,950 | 14,894,178 | 17,238,841 |
|--------------|------------|------------|------------|

| | | | |
|---------------|---|---------|---|
| Lottery Funds | - | 250,000 | - |
|---------------|---|---------|---|

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 12,070,114 | 14,853,296 | 15,657,919 |
|-------------|------------|------------|------------|

| | | | |
|---------------|-----------|-----------|-----------|
| Federal Funds | 1,186,762 | 1,335,294 | 1,802,960 |
|---------------|-----------|-----------|-----------|

| | | | |
|--------------------|--------------------------|--------------------------|--------------------------|
| Total Expenditures | <u><u>26,112,826</u></u> | <u><u>31,332,768</u></u> | <u><u>34,699,720</u></u> |
|--------------------|--------------------------|--------------------------|--------------------------|

| | | | |
|------------|-----------|---|---|
| Reversions | (605,164) | - | - |
|------------|-----------|---|---|

Ending Balance

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 19,946,277 | 12,867,235 | 11,390,964 |
|-------------|------------|------------|------------|

| | | | |
|---------------|-----------|--------|--------|
| Federal Funds | 1,269,547 | 36,406 | 48,740 |
|---------------|-----------|--------|--------|

Licensed Social Workers, Board of

Beginning Balance

| | | | |
|-------------|---------|---------|---------|
| Other Funds | 538,360 | 534,214 | 534,214 |
|-------------|---------|---------|---------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Licensed Social Workers, Board of

| | | | |
|------------------------------|------------------|------------------|------------------|
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 224,686 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 1,658,474 | 1,750,422 | 1,970,172 |
| Non-business Lic. and Fees | 62,775 | 56,050 | 63,950 |
| Fines and Forfeitures | 6,501 | 25,000 | 25,000 |
| Interest Income | 27,830 | 5,000 | 5,000 |
| Sales Income | 2,370 | 2,000 | 2,000 |
| Transfers Out | | | |
| Other Funds | (19,272) | (22,000) | (22,000) |
| All Funds Available for Exp | <u>2,277,038</u> | <u>2,350,686</u> | <u>2,803,022</u> |
| All Expenditures | | | |
| Other Funds | 1,643,073 | 1,804,612 | 2,222,536 |
| Total Expenditures | <u>1,643,073</u> | <u>1,804,612</u> | <u>2,222,536</u> |
| Ending Balance | | | |
| Other Funds | 633,965 | 546,074 | 580,486 |

Mental Health Regulatory Agency

| | | | |
|------------------------------|-----------|-----------|-----------|
| Beginning Balance | | | |
| Other Funds | 815,487 | 1,301,658 | 1,301,658 |
| Beginning Balance Adjustment | | | |
| Other Funds | 955,472 | - | 811,407 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 3,541,348 | 3,717,683 | 4,329,635 |
| Non-business Lic. and Fees | 84,369 | 422,719 | 458,021 |
| Charges for Services | 10,527 | 28,062 | 31,394 |
| Fines and Forfeitures | 219,928 | 69,716 | 373,314 |
| Sales Income | 173 | 322 | 869 |
| Other Revenues | 1,268 | 146 | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Mental Health Regulatory Agency

| | | | |
|-----------------------------|------------------|------------------|------------------|
| Transfers In | | | |
| Other Funds | 1,147,424 | - | - |
| Transfers Out | | | |
| Other Funds | (838,483) | (26,884) | (30,974) |
| All Funds Available for Exp | <u>5,937,513</u> | <u>5,513,422</u> | <u>7,275,324</u> |
| All Expenditures | | | |
| Other Funds | 3,180,556 | 3,941,338 | 4,893,297 |
| Total Expenditures | <u>3,180,556</u> | <u>3,941,338</u> | <u>4,893,297</u> |
| Ending Balance | | | |
| Other Funds | 2,756,957 | 1,572,084 | 2,382,027 |

Nursing, Board of

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 7,073,494 | 8,318,900 | 8,818,655 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 15,858,535 | 16,409,408 | 16,411,315 |
| Non-business Lic. and Fees | 49,252 | 60,000 | 55,000 |
| Charges for Services | 1,268,967 | 1,647,000 | 1,712,000 |
| Fines and Forfeitures | 111,567 | 180,000 | 180,000 |
| Other Revenues | 59,879 | - | - |
| Transfers In | | | |
| Other Funds | 2,950,982 | 3,041,873 | 3,072,292 |
| Transfers Out | | | |
| Other Funds | (1,836,553) | (1,976,569) | (2,020,572) |
| All Funds Available for Exp | <u>25,536,123</u> | <u>27,680,612</u> | <u>28,228,690</u> |
| All Expenditures | | | |
| Other Funds | 16,500,862 | 19,719,954 | 20,321,598 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|------------------------|--|--|
| PROGRAM AREA: CONSUMER & BUSINESS SERVICES | | | |
| Nursing, Board of | | | |
| Total Expenditures | 16,500,862 | 19,719,954 | 20,321,598 |
| Ending Balance | | | |
| Other Funds | 9,035,261 | 7,960,658 | 7,907,092 |
| Oregon Board of Chiropractic Examiners | | | |
| Beginning Balance | | | |
| Other Funds | 549,092 | 395,755 | 395,755 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 167,136 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 46,550 | 57,126 | 42,775 |
| Non-business Lic. and Fees | 1,794,572 | 1,964,844 | 1,887,274 |
| Charges for Services | 2,179 | 3,838 | 2,060 |
| Fines and Forfeitures | 35,137 | 112,813 | 86,000 |
| Sales Income | 65 | 27 | 27 |
| Other Revenues | 1 | - | - |
| Transfers Out | | | |
| Other Funds | (11,458) | (11,600) | (11,600) |
| All Funds Available for Exp | 2,416,138 | 2,522,803 | 2,569,427 |
| All Expenditures | | | |
| Other Funds | 1,967,830 | 2,260,448 | 2,121,070 |
| Total Expenditures | 1,967,830 | 2,260,448 | 2,121,070 |
| Ending Balance | | | |
| Other Funds | 448,308 | 262,355 | 448,357 |
| Oregon Board of Dentistry | | | |
| Beginning Balance | | | |
| Other Funds | 963,546 | 950,000 | 1,500,000 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Board of Dentistry

| | | | |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Other Funds Revenues | | | |
| Business Lic and Fees | 3,223,110 | 3,270,000 | 3,100,000 |
| Non-business Lic. and Fees | 14,104 | 10,000 | 10,000 |
| Charges for Services | 24,476 | 20,000 | 18,000 |
| Fines and Forfeitures | 390,796 | 200,000 | 250,000 |
| Interest Income | 59,339 | 20,000 | 60,000 |
| Other Revenues | 14,821 | 50,000 | 14,000 |
| Transfers Out | | | |
| Other Funds | (202,957) | (226,800) | (226,800) |
| All Funds Available for Exp | <u>4,487,235</u> | <u>4,293,200</u> | <u>4,725,200</u> |
| All Expenditures | | | |
| Other Funds | 3,013,093 | 3,535,260 | 3,658,308 |
| Total Expenditures | <u><u>3,013,093</u></u> | <u><u>3,535,260</u></u> | <u><u>3,658,308</u></u> |
| Ending Balance | | | |
| Other Funds | 1,474,142 | 757,940 | 1,066,892 |

Oregon Medical Board

| | | | |
|------------------------------|------------|------------|------------|
| Beginning Balance | | | |
| Other Funds | 7,730,964 | 7,908,204 | 8,685,787 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | 1,491,796 | - |
| Other Funds Revenues | | | |
| Business Lic and Fees | 13,724,090 | 14,478,038 | 15,055,712 |
| Charges for Services | 83,354 | 81,243 | 82,657 |
| Fines and Forfeitures | 166,780 | 137,699 | 166,780 |
| Sales Income | 21,060 | 21,625 | 20,860 |
| Other Revenues | 47,526 | 40,800 | 47,526 |
| Transfers In | | | |
| Other Funds | 241 | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Medical Board

| | | | |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| Transfers Out | | | |
| Other Funds | (1,251,068) | (1,327,798) | (1,376,354) |
| All Funds Available for Exp | <u>20,522,947</u> | <u>22,831,607</u> | <u>22,682,968</u> |
| All Expenditures | | | |
| Other Funds | 11,555,508 | 13,662,415 | 16,496,735 |
| Total Expenditures | <u><u>11,555,508</u></u> | <u><u>13,662,415</u></u> | <u><u>16,496,735</u></u> |
| Ending Balance | | | |
| Other Funds | 8,967,439 | 9,169,192 | 6,186,233 |

Pharmacy, Board of

| | | | |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Beginning Balance | | | |
| Other Funds | 4,794,928 | 2,848,229 | 2,848,229 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 831,623 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 5,413,070 | 7,146,250 | 8,716,500 |
| Non-business Lic. and Fees | 258,606 | 139,296 | 192,995 |
| Fines and Forfeitures | 373,807 | 405,000 | 410,000 |
| Interest Income | 181,656 | 45,000 | 131,250 |
| Other Revenues | 95,914 | 57,090 | 84,335 |
| Transfers Out | | | |
| Other Funds | (396,486) | (416,146) | (443,120) |
| All Funds Available for Exp | <u>10,721,495</u> | <u>10,224,719</u> | <u>12,771,812</u> |
| All Expenditures | | | |
| Other Funds | 6,963,846 | 8,761,878 | 9,104,052 |
| Total Expenditures | <u><u>6,963,846</u></u> | <u><u>8,761,878</u></u> | <u><u>9,104,052</u></u> |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Pharmacy, Board of

| | | | |
|----------------|-----------|-----------|-----------|
| Ending Balance | | | |
| Other Funds | 3,757,649 | 1,462,841 | 3,667,760 |

Public Utility Commission

| | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Beginning Balance | | | |
| Other Funds | 33,309,439 | 20,598,356 | 20,852,605 |
| Federal Funds | 189,755 | - | - |
| Other Funds Revenues | | | |
| Other Selective Taxes | 7,696,750 | 12,658,743 | 14,620,640 |
| Business Lic and Fees | 705,755 | 714,625 | 777,935 |
| Public Utilities Fees | 80,258,596 | 89,170,383 | 80,832,618 |
| Charges for Services | 217,383 | 186,769 | 172,400 |
| Fines and Forfeitures | 71,952 | 103,750 | 87,622 |
| Interest Income | 390,672 | 101,143 | 126,663 |
| Other Revenues | 51,700 | - | - |
| Federal Funds | 1,188,314 | 1,229,155 | 1,417,111 |
| Transfers In | | | |
| Other Funds | 16,172,736 | 18,213,335 | 19,019,882 |
| Transfers Out | | | |
| Other Funds | (15,684,478) | (18,009,297) | (18,783,697) |
| Federal Funds | (488,258) | (204,038) | (236,185) |
| All Funds Available for Exp | <u>124,080,316</u> | <u>124,762,924</u> | <u>118,887,594</u> |
| All Expenditures | | | |
| Other Funds | 102,067,848 | 103,564,338 | 101,077,570 |
| Federal Funds | 686,647 | 1,025,117 | 1,174,921 |
| Total Expenditures | <u>102,754,495</u> | <u>104,589,455</u> | <u>102,252,491</u> |
| Ending Balance | | | |
| Other Funds | 21,122,657 | 20,173,469 | 16,629,098 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Public Utility Commission

| | | | |
|----------------|---------|---|-------|
| Ending Balance | | | |
| Federal Funds | 203,164 | - | 6,005 |

Real Estate Agency

| | | | |
|-----------------------|-----------|-----------|-----------|
| Beginning Balance | | | |
| Other Funds | 833,464 | 1,306,593 | 3,566,327 |
| Other Funds Revenues | | | |
| General Fund Revenues | 71,127 | 90,000 | 25,500 |
| Business Lic and Fees | 9,055,817 | 8,435,535 | 7,239,990 |
| Charges for Services | 4,639 | 7,794 | 7,673 |
| Fines and Forfeitures | 177,294 | 119,760 | 190,689 |
| Other Revenues | 2,295 | 1,656 | 5,846 |
| Transfers Out | | | |
| Other Funds | (71,127) | (90,000) | (25,500) |

| | | | |
|-----------------------------|------------|-----------|------------|
| All Funds Available for Exp | 10,073,509 | 9,871,338 | 11,010,525 |
|-----------------------------|------------|-----------|------------|

| | | | |
|------------------|-----------|-----------|-----------|
| All Expenditures | | | |
| Other Funds | 7,470,242 | 8,499,070 | 9,515,923 |

| | | | |
|--------------------|------------------|------------------|------------------|
| Total Expenditures | <u>7,470,242</u> | <u>8,499,070</u> | <u>9,515,923</u> |
|--------------------|------------------|------------------|------------------|

| | | | |
|----------------|-----------|-----------|-----------|
| Ending Balance | | | |
| Other Funds | 2,603,267 | 1,372,268 | 1,494,602 |

Tax Practitioners, State Board of

| | | | |
|-----------------------|---------|---------|---------|
| Beginning Balance | | | |
| Other Funds | 338,527 | 347,616 | 347,616 |
| Other Funds Revenues | | | |
| Business Lic and Fees | 854,125 | 850,600 | 843,475 |
| Fines and Forfeitures | 148,392 | 55,000 | 60,000 |
| Interest Income | - | 3,000 | 3,000 |
| Other Revenues | 28,486 | 65,000 | 4,600 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Tax Practitioners, State Board of

| | | | |
|-----------------------------|-----------|-----------|-----------|
| All Funds Available for Exp | 1,369,530 | 1,321,216 | 1,258,691 |
| All Expenditures | | | |
| Other Funds | 966,391 | 1,091,888 | 1,069,266 |
| Total Expenditures | 966,391 | 1,091,888 | 1,069,266 |
| Ending Balance | | | |
| Other Funds | 403,139 | 229,328 | 189,425 |

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

| | | | |
|------------------------------|---------------|-------------|---------------|
| Beginning Balance | | | |
| Lottery Funds | 506,912,744 | 707,658,196 | 897,537,161 |
| Other Funds | 347,874,635 | 146,353,002 | 94,413,200 |
| Beginning Balance Adjustment | | | |
| Lottery Funds | (6,162,983) | 97,628,436 | (362,650,277) |
| Other Funds | (106,643,071) | 70,799,224 | 33,985,663 |
| General Fund Appropriation | 27,413,996 | 36,464,185 | 24,456,495 |
| Lottery Funds | | | |
| Interest Income | 52,991,292 | 42,012,241 | 7,916,672 |
| Other Funds Revenues | | | |
| General Fund Revenues | 10,875,381 | 11,477,420 | 12,745,726 |
| Non-business Lic. and Fees | 6,249,236 | - | 5,374,893 |
| Central Service Charges | 4,000,000 | 4,500,000 | 4,500,000 |
| Charges for Services | 262,657,329 | 265,463,199 | 260,187,634 |
| Admin and Service Charges | 269,452,089 | 364,178,509 | 403,171,861 |
| Fines and Forfeitures | 32,417 | 81,709 | - |
| Rents and Royalties | 80,871,782 | 91,454,837 | 114,468,100 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| General Fund Obligation Bonds | 13,146,000 | 58,125,000 | - |
| Dedicated Fund Oblig Bonds | - | - | 109,000,000 |
| Lottery Bonds | 27,531,271 | 89,985,328 | 29,526,570 |
| Refunding Bonds | - | 3,293,730 | - |
| Interest Income | 11,140,061 | 4,921,721 | 4,400,000 |
| Sales Income | 6,630,805 | 6,434,628 | 4,061,171 |
| Loan Repayments | 1,034,887 | - | - |
| Other Revenues | 566,298,864 | 571,309,933 | 609,612,300 |

| | | | |
|---------------|------------|-------------|-------------|
| Federal Funds | 97,644,813 | 108,794,185 | 108,794,185 |
|---------------|------------|-------------|-------------|

Transfers In

| | | | |
|---------------|---------------|---------------|---------------|
| Lottery Funds | 1,985,663,280 | 1,986,704,178 | 2,065,580,667 |
| Other Funds | 330,615,550 | 290,512,336 | 326,897,262 |

Transfers Out

| | | | |
|---------------|-----------------|-----------------|-----------------|
| Lottery Funds | (1,708,408,668) | (1,794,439,322) | (2,059,609,085) |
| Other Funds | (558,812,865) | (553,409,843) | (504,607,204) |
| Federal Funds | (96,797,813) | (108,794,185) | (108,794,185) |

| | | | |
|-----------------------------|---------------|---------------|---------------|
| All Funds Available for Exp | 2,132,211,032 | 2,501,508,647 | 2,080,968,809 |
|-----------------------------|---------------|---------------|---------------|

All Expenditures

| | | | |
|---------------|---------------|---------------|---------------|
| General Fund | 26,417,214 | 36,464,185 | 24,456,495 |
| Lottery Funds | 19,701,680 | 22,613,333 | 31,543,133 |
| Other Funds | 1,085,905,156 | 1,271,665,783 | 1,389,257,447 |
| Federal Funds | 847,000 | - | - |

| | | | |
|--------------------|---------------|---------------|---------------|
| Total Expenditures | 1,132,871,050 | 1,330,743,301 | 1,445,257,075 |
|--------------------|---------------|---------------|---------------|

| | | | |
|------------|-----------|---|---|
| Reversions | (996,782) | - | - |
|------------|-----------|---|---|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

Ending Balance

| | | | |
|---------------|-------------|---------------|-------------|
| Lottery Funds | 811,293,985 | 1,016,950,396 | 517,232,005 |
| Other Funds | 187,049,215 | 153,814,950 | 118,479,729 |

Employment Relations Board

Beginning Balance

| | | | |
|-------------|---------|---------|---------|
| Other Funds | 756,773 | 528,544 | 528,544 |
|-------------|---------|---------|---------|

Beginning Balance Adjustment

| | | | |
|-------------|---|--------|---------|
| Other Funds | - | 32,521 | 262,931 |
|-------------|---|--------|---------|

General Fund Appropriation

| | | | |
|--|-----------|-----------|-----------|
| | 2,556,694 | 2,956,273 | 3,186,292 |
|--|-----------|-----------|-----------|

Other Funds Revenues

| | | | |
|---------------------------|-----------|-----------|-----------|
| Business Lic and Fees | 53,250 | 60,309 | 57,826 |
| Charges for Services | 217,570 | 228,590 | 214,207 |
| Admin and Service Charges | 1,930,536 | 2,075,893 | 2,188,800 |
| Sales Income | 3,758 | 1,064 | 1,558 |

All Funds Available for Exp

| | | | |
|--|-----------|-----------|-----------|
| | 5,518,581 | 5,883,194 | 6,440,158 |
|--|-----------|-----------|-----------|

All Expenditures

| | | | |
|--------------|-----------|-----------|-----------|
| General Fund | 2,451,129 | 2,956,273 | 3,186,292 |
| Other Funds | 2,297,704 | 2,404,621 | 2,504,923 |

Total Expenditures

| | | | |
|--|-----------|-----------|-----------|
| | 4,748,833 | 5,360,894 | 5,691,215 |
|--|-----------|-----------|-----------|

Reversions

| | | | |
|--|-----------|---|---|
| | (105,565) | - | - |
|--|-----------|---|---|

Ending Balance

| | | | |
|-------------|---------|---------|---------|
| Other Funds | 664,183 | 522,300 | 748,943 |
|-------------|---------|---------|---------|

PROGRAM AREA: ADMINISTRATION

Governor, Office of the

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------------|--------------------------|--|--|
| Beginning Balance | | | |
| Other Funds | 1,462,858 | 1,679,433 | 1,679,433 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | (345,000) |
| General Fund Appropriation | 13,660,135 | 16,491,702 | 17,593,820 |
| Other Funds Revenues | | | |
| Non-business Lic. and Fees | 74,999 | 75,000 | 75,000 |
| Interest Income | 5 | - | - |
| Donations | 176,605 | 180,001 | 180,001 |
| Other Revenues | 178,797 | - | 75,000 |
| Federal Funds | 2,708,450 | - | - |
| Transfers In | | | |
| Lottery Funds | 3,723,949 | 3,932,736 | 4,439,445 |
| Other Funds | 2,651,538 | 3,122,782 | 3,845,839 |
| Federal Funds | 476,726 | - | - |
| Transfers Out | | | |
| Lottery Funds | (180,838) | - | - |
| Federal Funds | (154,651) | - | - |
| All Funds Available for Exp | <u>24,778,573</u> | <u>25,481,654</u> | <u>27,543,538</u> |
| All Expenditures | | | |
| General Fund | 12,948,557 | 16,491,702 | 17,593,820 |
| Lottery Funds | 3,543,111 | 3,932,736 | 4,439,445 |
| Other Funds | 3,012,098 | 3,910,275 | 4,231,034 |
| Federal Funds | 3,030,525 | - | - |
| Total Expenditures | <u><u>22,534,291</u></u> | <u><u>24,334,713</u></u> | <u><u>26,264,299</u></u> |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Governor, Office of the

| | | | |
|------------|-----------|---|---|
| Reversions | (711,578) | - | - |
|------------|-----------|---|---|

| | | | |
|----------------|-----------|-----------|-----------|
| Ending Balance | | | |
| Other Funds | 1,532,704 | 1,146,941 | 1,279,239 |

Oregon Advocacy Commissions Office

| | | | |
|------------------------------|--------|-------|-------|
| Beginning Balance | | | |
| Other Funds | 13,562 | 8,800 | 6,900 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 6,306 |

| | | | |
|----------------------------|---------|---------|-----------|
| General Fund Appropriation | 720,802 | 756,596 | 1,120,823 |
|----------------------------|---------|---------|-----------|

| | | | |
|----------------------|-------|-------|--------|
| Other Funds Revenues | | | |
| Donations | 5,730 | 5,000 | 10,000 |

| | | | |
|-----------------------------|----------------|----------------|------------------|
| All Funds Available for Exp | <u>740,094</u> | <u>770,396</u> | <u>1,144,029</u> |
|-----------------------------|----------------|----------------|------------------|

| | | | |
|------------------|---------|---------|-----------|
| All Expenditures | | | |
| General Fund | 714,860 | 756,596 | 1,120,823 |
| Other Funds | 4,694 | 9,841 | 9,841 |

| | | | |
|--------------------|-----------------------|-----------------------|-------------------------|
| Total Expenditures | <u><u>719,554</u></u> | <u><u>766,437</u></u> | <u><u>1,130,664</u></u> |
|--------------------|-----------------------|-----------------------|-------------------------|

| | | | |
|------------|---------|---|---|
| Reversions | (5,942) | - | - |
|------------|---------|---|---|

| | | | |
|----------------|--------|-------|--------|
| Ending Balance | | | |
| Other Funds | 14,598 | 3,959 | 13,365 |

Oregon Government Ethics Commission

| | | | |
|-------------------|---------|---------|---------|
| Beginning Balance | | | |
| Other Funds | 792,062 | 715,787 | 715,787 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Oregon Government Ethics Commission

| | | | |
|------------------------------|------------------|------------------|------------------|
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | (49,100) |
| Other Funds Revenues | | | |
| General Fund Revenues | 62,627 | 30,000 | 30,000 |
| Admin and Service Charges | 2,513,008 | 2,958,949 | 3,050,688 |
| Other Revenues | 649 | - | - |
| Transfers Out | | | |
| Other Funds | (62,627) | (30,000) | (30,000) |
| All Funds Available for Exp | <u>3,305,719</u> | <u>3,674,736</u> | <u>3,717,375</u> |
| All Expenditures | | | |
| Other Funds | 2,571,969 | 2,903,298 | 3,191,597 |
| Total Expenditures | <u>2,571,969</u> | <u>2,903,298</u> | <u>3,191,597</u> |
| Ending Balance | | | |
| Other Funds | 733,750 | 771,438 | 525,778 |

Oregon Liquor Control Comm

| | | | |
|------------------------------|---------------|---------------|---------------|
| Beginning Balance | | | |
| Other Funds | 4,674,723 | 1,500,000 | 7,916,689 |
| Beginning Balance Adjustment | | | |
| Other Funds | 1,499,999 | 6,017,643 | 5,908,632 |
| Other Funds Revenues | | | |
| General Fund Revenues | 295,771,445 | 341,055,847 | 382,371,061 |
| Privilege Taxes | 27,203,116 | 29,008,456 | 30,337,665 |
| Business Lic and Fees | 19,071,981 | 44,005,282 | 36,147,422 |
| Charges for Services | 6,000 | 6,000 | 2,640 |
| Fines and Forfeitures | 955,236 | 362,626 | 357,601 |
| Dedicated Fund Oblig Bonds | - | - | 90,735,000 |
| Sales Income | - | 784,000 | 344,960 |
| Liquor Sales | 1,032,575,840 | 1,222,538,336 | 1,307,642,204 |
| Liquor Cost of Goods Sold | (642,760,810) | (731,021,927) | (801,356,566) |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Oregon Liquor Control Comm

| | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Other Funds Revenues | | | |
| Cost of Goods Sold | (15,301,026) | (18,075,205) | (19,474,163) |
| Other Revenues | - | - | 7,558,093 |
| Transfers In | | | |
| Other Funds | 194,505,677 | 228,750,173 | 267,886,710 |
| Transfers Out | | | |
| Other Funds | (707,347,840) | (820,695,894) | (916,247,538) |
| All Funds Available for Exp | <u>210,854,341</u> | <u>304,235,337</u> | <u>400,130,410</u> |
| All Expenditures | | | |
| Other Funds | 204,862,429 | 247,046,671 | 388,546,500 |
| Total Expenditures | <u>204,862,429</u> | <u>247,046,671</u> | <u>388,546,500</u> |
| Ending Balance | | | |
| Other Funds | 5,991,912 | 57,188,666 | 11,583,910 |

Public Employees Retirement System, Oregon

| | | | |
|--------------------------------|----------------|----------------|----------------|
| Beginning Balance | | | |
| Other Funds | 76,143,170,169 | 79,947,188,008 | 82,976,101,473 |
| Beginning Balance Adjustment | | | |
| Other Funds | 1,000,061,779 | - | - |
| General Fund Appropriation | - | 100,000,000 | - |
| Other Funds Revenues | | | |
| Charges for Services | 4,208,512 | 4,283,218 | 4,280,010 |
| Interest Income | 10,668,133,083 | 10,173,727,877 | 9,649,298,590 |
| Retirement System Contribution | 4,663,216,438 | 4,577,453,266 | 6,136,283,319 |
| Insurance Premiums | 221,747,184 | 532,320,468 | 83,002,020 |
| Other Revenues | 109,201,648 | 98,339,441 | 67,853,750 |
| Transfers In | | | |
| Lottery Funds | - | - | 19,337,052 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Public Employees Retirement System, Oregon

| | | | |
|-----------------------------|-----------------------|-----------------------|-----------------------|
| Transfers In | | | |
| Other Funds | 101,756,931 | 259,734,452 | 190,337,502 |
| Transfers Out | | | |
| Other Funds | (90,217,460) | (159,734,452) | (157,086,502) |
| All Funds Available for Exp | <u>92,821,278,284</u> | <u>95,533,312,278</u> | <u>98,969,407,214</u> |
| All Expenditures | | | |
| General Fund | - | 100,000,000 | - |
| Lottery Funds | - | - | 19,337,052 |
| Other Funds | 11,023,694,752 | 12,767,883,840 | 13,071,562,668 |
| Total Expenditures | <u>11,023,694,752</u> | <u>12,867,883,840</u> | <u>13,090,899,720</u> |
| Ending Balance | | | |
| Other Funds | 81,797,583,532 | 82,665,428,438 | 85,878,507,494 |

Racing Commission, Oregon

| | | | |
|------------------------------|-------------|-------------|-------------|
| Beginning Balance | | | |
| Other Funds | 1,178,189 | 1,163,683 | 1,163,683 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 596,324 |
| Other Funds Revenues | | | |
| General Fund Revenues | 1,173,548 | 1,199,493 | 1,657,404 |
| Business Lic and Fees | 940,066 | 1,737,400 | 2,018,700 |
| Charges for Services | 284,956 | 266,000 | 140,000 |
| Fines and Forfeitures | 15,136 | 15,000 | 15,000 |
| Pari-Mutuel Receipts | 4,485,965 | 3,598,481 | 4,972,212 |
| Other Revenues | 36,588 | 16,000 | 30,000 |
| Transfers In | | | |
| Other Funds | 684,606 | - | - |
| Transfers Out | | | |
| Other Funds | (1,858,154) | (1,199,493) | (1,657,404) |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|-------------------------------------|------------------------|--|--|
| PROGRAM AREA: ADMINISTRATION | | | |
| Racing Commission, Oregon | | | |
| All Funds Available for Exp | 6,940,900 | 6,796,564 | 8,935,919 |
| All Expenditures | | | |
| Other Funds | 6,179,495 | 3,899,658 | 6,590,140 |
| Total Expenditures | 6,179,495 | 3,899,658 | 6,590,140 |
| Ending Balance | | | |
| Other Funds | 761,405 | 2,896,906 | 2,345,779 |
| Revenue, Dept of | | | |
| Beginning Balance | | | |
| Other Funds | 123,574,431 | 37,827,306 | 37,827,306 |
| Beginning Balance Adjustment | | | |
| Other Funds | 74,149,640 | 35,526,678 | 62,144,131 |
| General Fund Appropriation | 194,420,886 | 213,103,682 | 215,064,325 |
| Other Funds Revenues | | | |
| General Fund Revenues | 20,963,045,415 | 20,507,807,888 | 21,594,783,672 |
| Corporate Activity Tax | - | - | 2,236,345,803 |
| Other Employer -Employee Taxes | 210,512,067 | 1,178,032,687 | 1,198,882,687 |
| Cigarette Taxes | 331,569,127 | 330,730,869 | 697,062,268 |
| Other Tobacco Products Taxes | 55,442,355 | 58,043,000 | 57,748,466 |
| Marijuana Taxes | 256,243,251 | 238,019,334 | 334,069,574 |
| Amusement Taxes | - | 3,890,000 | 3,890,000 |
| Eastern Oregon Severance Taxes | - | 18,000 | 20,260 |
| Western Oregon Severance Taxes | - | 970,000 | 970,000 |
| Other Severance Taxes | - | 150,000 | 150,000 |
| Privilege Taxes | 22,475,878 | 52,350,000 | 50,500,000 |
| Other Taxes | 609,139 | 1,201,245,830 | 453,695,715 |
| Business Lic and Fees | - | 11,597,353 | 12,103,704 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Revenue, Dept of

Other Funds Revenues

| | | | |
|--------------------------------|------------|------------|------------|
| Charges for Services | - | 20,311,377 | 20,390,986 |
| Admin and Service Charges | 28,344,224 | - | - |
| Fines and Forfeitures | 28,560,094 | 17,688,874 | 20,219,258 |
| General Fund Obligation Bonds | 9,382,352 | - | 4,245,000 |
| Interest Income | 118,669 | - | - |
| Donations | - | 2,000,000 | 2,000,000 |
| Sr Citizen Prop Tax Repayments | - | 40,924,836 | 42,583,895 |
| Other Revenues | 18,736,498 | 91,366,955 | 92,453,774 |

Transfers In

| | | | |
|-------------|---------------|-------------|-------------|
| Other Funds | 4,929,401,594 | 145,855,556 | 115,874,722 |
|-------------|---------------|-------------|-------------|

Transfers Out

| | | | |
|-------------|------------------|------------------|------------------|
| Other Funds | (26,744,162,160) | (23,780,220,445) | (26,824,471,168) |
|-------------|------------------|------------------|------------------|

All Funds Available for Exp

| | | |
|-------------|-------------|-------------|
| 502,423,460 | 407,239,780 | 428,554,378 |
|-------------|-------------|-------------|

All Expenditures

| | | | |
|--------------|-------------|-------------|-------------|
| General Fund | 190,620,511 | 213,103,682 | 215,064,325 |
| Other Funds | 115,143,687 | 128,350,426 | 141,720,264 |

Total Expenditures

| | | |
|-------------|-------------|-------------|
| 305,764,198 | 341,454,108 | 356,784,589 |
|-------------|-------------|-------------|

Reversions

| | | |
|-------------|---|---|
| (3,800,375) | - | - |
|-------------|---|---|

Ending Balance

| | | | |
|-------------|-------------|------------|------------|
| Other Funds | 192,858,887 | 65,785,672 | 71,769,789 |
|-------------|-------------|------------|------------|

Secretary of State

Beginning Balance

| | | | |
|---------------|------------|------------|------------|
| Other Funds | 13,808,016 | 11,615,360 | 11,095,130 |
| Federal Funds | 6,047,792 | 6,986,244 | 15,306,268 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

Secretary of State

| | | | |
|-----------------------------|-------------------|-------------------|--------------------|
| General Fund Appropriation | 14,357,322 | 14,158,129 | 13,855,207 |
| Other Funds Revenues | | | |
| General Fund Revenues | 74,602,902 | 74,167,092 | 66,725,170 |
| Business Lic and Fees | 17,010,396 | 18,321,291 | 21,234,721 |
| Non-business Lic. and Fees | 2,877,434 | 2,844,974 | 2,308,506 |
| Charges for Services | 36,891,032 | 40,129,153 | 56,616,218 |
| Interest Income | 43,318 | - | - |
| Sales Income | 66,579 | 145,000 | 45,000 |
| Other Revenues | 1,013,990 | 1,013,990 | 1,013,990 |
| Federal Funds | 5,437,012 | 20,000 | 20,000 |
| Transfers In | | | |
| Other Funds | 19,614,783 | 19,345,768 | 27,458,889 |
| Transfers Out | | | |
| Other Funds | (94,207,037) | (93,512,860) | (94,184,059) |
| All Funds Available for Exp | <u>97,910,838</u> | <u>95,234,141</u> | <u>121,495,040</u> |
| All Expenditures | | | |
| General Fund | 14,010,930 | 14,158,129 | 13,855,207 |
| Other Funds | 53,558,916 | 63,888,057 | 79,359,351 |
| Federal Funds | 3,452,394 | 5,387,041 | 5,886,909 |
| Total Expenditures | <u>71,022,240</u> | <u>83,433,227</u> | <u>99,101,467</u> |
| Reversions | (346,392) | - | - |
| Ending Balance | | | |
| Other Funds | 18,162,497 | 10,181,711 | 12,954,214 |
| Federal Funds | 8,379,709 | 1,619,203 | 9,439,359 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

State Library

| | | | |
|------------------------------|-------------------|-------------------|-------------------|
| Beginning Balance | | | |
| Other Funds | 1,875,003 | 784,228 | 784,228 |
| Beginning Balance Adjustment | | | |
| Other Funds | - | - | 1,880,686 |
| General Fund Appropriation | 4,060,172 | 4,200,159 | 4,317,952 |
| Other Funds Revenues | | | |
| Charges for Services | - | 160,000 | - |
| Rents and Royalties | 16,715 | - | 20,000 |
| Interest Income | 15,360 | 4,300 | 20,950 |
| Sales Income | 721 | 50 | - |
| Donations | 242,957 | 450,000 | 300,000 |
| Other Revenues | 100 | 12,000 | - |
| Federal Funds | 4,611,084 | 5,225,997 | 5,000,000 |
| Transfers In | | | |
| Other Funds | 6,203,092 | 7,138,296 | 7,114,162 |
| Transfers Out | | | |
| Other Funds | (424,954) | - | - |
| All Funds Available for Exp | <u>16,600,250</u> | <u>17,975,030</u> | <u>19,437,978</u> |
| All Expenditures | | | |
| General Fund | 4,033,676 | 4,200,159 | 4,317,952 |
| Other Funds | 6,009,988 | 6,987,429 | 7,087,183 |
| Federal Funds | 4,611,084 | 5,221,519 | 4,966,194 |
| Total Expenditures | <u>14,654,748</u> | <u>16,409,107</u> | <u>16,371,329</u> |
| Reversions | (26,496) | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: ADMINISTRATION

State Library

| | | | |
|----------------|-----------|-----------|-----------|
| Ending Balance | | | |
| Other Funds | 1,919,006 | 1,561,445 | 3,032,843 |
| Federal Funds | - | 4,478 | 33,806 |

Treasury, Oregon State

| | | | |
|-------------------|------------|------------|------------|
| Beginning Balance | | | |
| Other Funds | 11,370,634 | 11,294,603 | 12,608,603 |

| | | | |
|----------------------------|-----------|---|---|
| General Fund Appropriation | 5,361,270 | - | - |
|----------------------------|-----------|---|---|

| | | | |
|---------------------------|------------|------------|-------------|
| Other Funds Revenues | | | |
| Charges for Services | 84,468,235 | 92,832,251 | 127,587,158 |
| Admin and Service Charges | 878,536 | - | - |
| Interest Income | 106,116 | - | - |
| Other Revenues | 147,939 | - | - |

| | | | |
|--------------|------------|------------|------------|
| Transfers In | | | |
| Other Funds | 22,306,116 | 26,844,582 | 22,389,698 |

| | | | |
|---------------|--------------|--------------|--------------|
| Transfers Out | | | |
| Other Funds | (22,306,116) | (26,844,582) | (22,389,698) |

| | | | |
|-----------------------------|-------------|-------------|-------------|
| All Funds Available for Exp | 102,332,730 | 104,126,854 | 140,195,761 |
|-----------------------------|-------------|-------------|-------------|

| | | | |
|------------------|------------|------------|-------------|
| All Expenditures | | | |
| General Fund | 5,190,688 | - | - |
| Other Funds | 73,987,511 | 92,726,560 | 128,045,836 |

| | | | |
|--------------------|------------|------------|-------------|
| Total Expenditures | 79,178,199 | 92,726,560 | 128,045,836 |
|--------------------|------------|------------|-------------|

| | | | |
|------------|-----------|---|---|
| Reversions | (170,582) | - | - |
|------------|-----------|---|---|

| | | | |
|----------------|------------|------------|------------|
| Ending Balance | | | |
| Other Funds | 22,983,949 | 11,400,294 | 12,149,925 |

| | 2017-19 Actuals | 2019-21 Leg Approved Budget | 2021-23 Governor's Budget |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

Beginning Balance

| | | | |
|-------------|-----|---|---|
| Other Funds | 245 | - | - |
|-------------|-----|---|---|

General Fund Appropriation

| | | | |
|--|---------|---------|---------|
| | 629,880 | 730,962 | 835,286 |
|--|---------|---------|---------|

Other Funds Revenues

| | | | |
|-----------|-----|---|---|
| Donations | 200 | - | - |
|-----------|-----|---|---|

| | | | |
|----------------|-----|-------|-------|
| Other Revenues | 300 | 7,339 | 7,604 |
|----------------|-----|-------|-------|

All Funds Available for Exp

| | | | |
|--|---------|---------|---------|
| | 630,625 | 738,301 | 842,890 |
|--|---------|---------|---------|

All Expenditures

| | | | |
|--------------|---------|---------|---------|
| General Fund | 518,737 | 730,962 | 835,286 |
|--------------|---------|---------|---------|

| | | | |
|-------------|-----|-------|-------|
| Other Funds | 729 | 7,302 | 7,604 |
|-------------|-----|-------|-------|

Total Expenditures

| | | | |
|--|---------|---------|---------|
| | 519,466 | 738,264 | 842,890 |
|--|---------|---------|---------|

Reversions

| | | | |
|--|-----------|---|---|
| | (111,143) | - | - |
|--|-----------|---|---|

Ending Balance

| | | | |
|-------------|----|----|---|
| Other Funds | 16 | 37 | - |
|-------------|----|----|---|

Legislative Administration Committee

Beginning Balance

| | | | |
|-------------|------------|---------|---------|
| Other Funds | 22,898,684 | 115,000 | 130,000 |
|-------------|------------|---------|---------|

Beginning Balance Adjustment

| | | | |
|-------------|--------------|---|---------|
| Other Funds | (18,020,889) | - | 404,000 |
|-------------|--------------|---|---------|

General Fund Appropriation

| | | | |
|--|------------|------------|------------|
| | 49,693,363 | 50,784,229 | 77,134,181 |
|--|------------|------------|------------|

Other Funds Revenues

| | | | |
|----------------------|---------|--------|--------|
| Charges for Services | 128,272 | 51,200 | 39,359 |
|----------------------|---------|--------|--------|

| | | | |
|---------------------|---------|-----------|-----------|
| Rents and Royalties | 530,809 | 1,079,132 | 1,065,272 |
|---------------------|---------|-----------|-----------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Administration Committee

Other Funds Revenues

| | | | |
|-------------------------------|------------|-----------|------------|
| General Fund Obligation Bonds | 20,160,000 | 5,168,000 | - |
| Refunding Bonds | - | 7,170,001 | - |
| Interest Income | 534,858 | - | - |
| Sales Income | 705,357 | 1,092,250 | 775,368 |
| Donations | 3,310 | - | - |
| Other Revenues | 174,826 | 5,811,741 | 70,273,701 |

Transfers In

| | | | |
|-------------|-----------|---------|---------|
| Other Funds | 2,052,475 | 161,000 | 161,000 |
|-------------|-----------|---------|---------|

Transfers Out

| | | | |
|-------------|-------------|-----------|-----------|
| Other Funds | (2,052,475) | (161,000) | (161,000) |
|-------------|-------------|-----------|-----------|

All Funds Available for Exp

| | | | |
|--|------------|------------|-------------|
| | 76,808,590 | 71,271,553 | 149,821,881 |
|--|------------|------------|-------------|

All Expenditures

| | | | |
|--------------|------------|------------|------------|
| General Fund | 41,388,918 | 50,784,229 | 77,134,181 |
| Other Funds | 26,242,672 | 19,762,192 | 71,259,201 |

Total Expenditures

| | | | |
|--|------------|------------|-------------|
| | 67,631,590 | 70,546,421 | 148,393,382 |
|--|------------|------------|-------------|

Reversions

| | | | |
|--|-------------|---|---|
| | (8,304,445) | - | - |
|--|-------------|---|---|

Ending Balance

| | | | |
|-------------|---------|---------|-----------|
| Other Funds | 872,555 | 725,132 | 1,428,499 |
|-------------|---------|---------|-----------|

Legislative Assembly

Beginning Balance

| | | | |
|-------------|---------|---------|---------|
| Other Funds | 166,135 | 155,000 | 155,000 |
|-------------|---------|---------|---------|

Beginning Balance Adjustment

| | | | |
|-------------|---------|---|---|
| Other Funds | 154,228 | - | - |
|-------------|---------|---|---|

General Fund Appropriation

| | | | |
|--|------------|------------|------------|
| | 45,984,750 | 54,495,347 | 65,532,335 |
|--|------------|------------|------------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Assembly

Other Funds Revenues

| | | | |
|----------------------|---------|---------|---------|
| Charges for Services | 12,922 | - | - |
| Sales Income | 119,649 | 165,407 | 199,008 |
| Other Revenues | 7,436 | - | - |

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 46,445,120 | 54,815,754 | 65,886,343 |
|-----------------------------|------------|------------|------------|

All Expenditures

| | | | |
|--------------|------------|------------|------------|
| General Fund | 43,411,502 | 54,495,347 | 65,532,335 |
| Other Funds | 119,270 | 162,580 | 297,199 |

| | | | |
|--------------------|------------|------------|------------|
| Total Expenditures | 43,530,772 | 54,657,927 | 65,829,534 |
|--------------------|------------|------------|------------|

| | | | |
|------------|-------------|---|---|
| Reversions | (2,573,248) | - | - |
|------------|-------------|---|---|

Ending Balance

| | | | |
|-------------|---------|---------|--------|
| Other Funds | 341,100 | 157,827 | 56,809 |
|-------------|---------|---------|--------|

Legislative Counsel Committee

Beginning Balance

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 1,573,168 | 1,503,559 | 1,789,528 |
|-------------|-----------|-----------|-----------|

Beginning Balance Adjustment

| | | | |
|-------------|----------|---|---|
| Other Funds | (69,954) | - | - |
|-------------|----------|---|---|

| | | | |
|----------------------------|------------|------------|------------|
| General Fund Appropriation | 13,384,325 | 14,657,440 | 18,356,791 |
|----------------------------|------------|------------|------------|

Other Funds Revenues

| | | | |
|----------------------|-----------|-----------|-----------|
| Charges for Services | 298,379 | 273,700 | 273,700 |
| Sales Income | 1,517,439 | 1,724,375 | 1,724,375 |

Transfers In

| | | | |
|-------------|---------|-----------|-----------|
| Other Funds | 967,948 | 2,339,720 | 2,220,231 |
|-------------|---------|-----------|-----------|

Transfers Out

| | | | |
|-------------|-----------|-------------|-------------|
| Other Funds | (967,948) | (2,339,720) | (2,220,231) |
|-------------|-----------|-------------|-------------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Counsel Committee

| | | | |
|-----------------------------|------------|------------|------------|
| All Funds Available for Exp | 16,703,357 | 18,159,074 | 22,144,394 |
| All Expenditures | | | |
| General Fund | 11,712,733 | 14,657,440 | 18,356,791 |
| Other Funds | 1,455,752 | 2,626,718 | 2,640,304 |
| Total Expenditures | 13,168,485 | 17,284,158 | 20,997,095 |

| | | | |
|----------------|-------------|---------|-----------|
| Reversions | (1,671,592) | - | - |
| Ending Balance | | | |
| Other Funds | 1,863,280 | 874,916 | 1,147,299 |

Legislative Fiscal Office

| | | | |
|------------------------------|-----------|------------|------------|
| Beginning Balance | | | |
| Other Funds | 843,781 | 612,241 | 612,241 |
| Beginning Balance Adjustment | | | |
| Other Funds | (2) | 540,319 | 605,164 |
| General Fund Appropriation | 4,969,314 | 7,807,489 | 8,677,007 |
| Transfers In | | | |
| Other Funds | 4,000,000 | 4,500,000 | 4,500,000 |
| All Funds Available for Exp | 9,813,093 | 13,460,049 | 14,394,412 |
| All Expenditures | | | |
| General Fund | 4,633,272 | 7,807,489 | 8,677,007 |
| Other Funds | 3,691,219 | 4,435,155 | 4,850,514 |
| Total Expenditures | 8,324,491 | 12,242,644 | 13,527,521 |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Fiscal Office

| | | | |
|-------------------------------|-----------|-----------|---------|
| Reversions | (336,042) | - | - |
| Ending Balance Other Funds | 1,152,560 | 1,217,405 | 866,891 |

Legislative Policy and Research Committee

| | | | |
|----------------------------------|-------------------------|--------------------------|--------------------------|
| General Fund Appropriation | 9,889,412 | 11,018,643 | 12,872,239 |
| All Funds Available for Exp | <u>9,889,412</u> | <u>11,018,643</u> | <u>12,872,239</u> |
| All Expenditures General Fund | 8,650,956 | 11,018,643 | 12,872,239 |
| Total Expenditures | <u><u>8,650,956</u></u> | <u><u>11,018,643</u></u> | <u><u>12,872,239</u></u> |

| | | | |
|------------|-------------|---|---|
| Reversions | (1,238,456) | - | - |
|------------|-------------|---|---|

Legislative Revenue Office

| | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| General Fund Appropriation | 3,065,527 | 2,833,427 | 3,397,055 |
| All Funds Available for Exp | <u>3,065,527</u> | <u>2,833,427</u> | <u>3,397,055</u> |
| All Expenditures General Fund | 2,729,089 | 2,833,427 | 3,397,055 |
| Total Expenditures | <u><u>2,729,089</u></u> | <u><u>2,833,427</u></u> | <u><u>3,397,055</u></u> |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Revenue Office

| | | | |
|------------|-----------|---|---|
| Reversions | (336,438) | - | - |
|------------|-----------|---|---|

PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

Beginning Balance

| | | | |
|---------------|------------|-----------|-----------|
| Other Funds | 11,376,962 | 4,215,000 | 4,538,908 |
| Federal Funds | 65,709 | - | - |

Beginning Balance Adjustment

| | | | |
|-------------|-----------|---|---|
| Other Funds | (259,364) | - | - |
|-------------|-----------|---|---|

| | | | |
|----------------------------|-------------|-------------|-------------|
| General Fund Appropriation | 454,524,551 | 519,823,309 | 575,497,680 |
|----------------------------|-------------|-------------|-------------|

Other Funds Revenues

| | | | |
|-------------------------------|-------------|-------------|-------------|
| General Fund Revenues | 124,476,482 | 129,573,678 | 138,804,248 |
| Business Lic and Fees | 92,124 | 96,000 | 96,000 |
| State Court Fees | 27,564,001 | 13,808,502 | 16,141,663 |
| Federal Revenues | 1,027,111 | - | - |
| Charges for Services | 6,025,131 | 9,734,740 | 9,875,988 |
| Fines and Forfeitures | 121,262,531 | 151,253,935 | 120,951,866 |
| General Fund Obligation Bonds | 99,736,791 | 173,835,000 | 223,640,000 |
| Interest Income | 1,211,943 | 1,300,000 | - |
| Sales Income | 317,495 | 715,000 | 680,000 |
| Donations | 791,576 | 675,000 | 500,000 |
| Grants (Non-Fed) | 3,817,089 | 5,010,287 | 10,343,286 |
| Other Revenues | 93,179,631 | 507,578 | 199,887,578 |

| | | | |
|---------------|---------|-----------|-----------|
| Federal Funds | 878,028 | 1,357,254 | 1,476,446 |
|---------------|---------|-----------|-----------|

Transfers In

| | | | |
|-------------|------------|------------|------------|
| Other Funds | 38,291,431 | 25,183,624 | 27,983,966 |
|-------------|------------|------------|------------|

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|------------------------|--|--|
| PROGRAM AREA: JUDICIAL BRANCH | | | |
| Judicial Dept | | | |
| Transfers Out | | | |
| Other Funds | (273,294,234) | (293,823,494) | (275,114,369) |
| All Funds Available for Exp | <u>711,084,988</u> | <u>743,265,413</u> | <u>1,055,303,260</u> |
| All Expenditures | | | |
| General Fund | 452,089,382 | 519,823,309 | 575,497,680 |
| Other Funds | 242,363,787 | 217,814,418 | 474,946,372 |
| Federal Funds | 900,036 | 1,355,846 | 1,476,446 |
| Total Expenditures | <u>695,353,205</u> | <u>738,993,573</u> | <u>1,051,920,498</u> |
| Reversions | (2,435,169) | - | - |
| Ending Balance | | | |
| Other Funds | 13,252,913 | 4,270,432 | 3,382,762 |
| Federal Funds | 43,701 | 1,408 | - |
| Judicial Fitness and Disability, Comm on | | | |
| General Fund Appropriation | 252,710 | 274,890 | 289,534 |
| All Funds Available for Exp | <u>252,710</u> | <u>274,890</u> | <u>289,534</u> |
| All Expenditures | | | |
| General Fund | 243,060 | 274,890 | 289,534 |
| Total Expenditures | <u>243,060</u> | <u>274,890</u> | <u>289,534</u> |
| Reversions | (9,650) | - | - |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--|
|--|------------------------|--|--|

PROGRAM AREA: JUDICIAL BRANCH

Public Defense Svcs Comm

| | | | |
|------------------------------|--------------------|--------------------|--------------------|
| Beginning Balance | | | |
| Other Funds | 1,184,218 | - | - |
| Beginning Balance Adjustment | | | |
| Other Funds | (25,087) | 5,795 | - |
| General Fund Appropriation | 309,985,014 | 342,319,238 | 379,627,352 |
| Transfers In | | | |
| Other Funds | 8,305,272 | 7,255,881 | 17,040,972 |
| Transfers Out | | | |
| Other Funds | (3,892,376) | (3,200,000) | (3,591,305) |
| All Funds Available for Exp | <u>315,557,041</u> | <u>346,380,914</u> | <u>393,077,019</u> |
| All Expenditures | | | |
| General Fund | 309,088,199 | 342,319,238 | 379,627,352 |
| Other Funds | 4,700,093 | 4,039,068 | 13,449,667 |
| Total Expenditures | <u>313,788,292</u> | <u>346,358,306</u> | <u>393,077,019</u> |
| Reversions | (896,815) | - | - |
| Ending Balance | | | |
| Other Funds | 871,934 | 22,608 | - |

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

| | | | |
|----------------------------|---|-------------|-------------|
| General Fund Appropriation | - | 316,496,094 | 501,000,000 |
|----------------------------|---|-------------|-------------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--|
|------------------------|--|--|

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

| | | | |
|-----------------------------|---|-------------|-------------|
| All Funds Available for Exp | - | 316,496,094 | 501,000,000 |
| All Expenditures | | | |
| General Fund | - | 316,496,094 | 501,000,000 |
| Total Expenditures | - | 316,496,094 | 501,000,000 |

EXPENDITURES



Expenditures

Statewide Biennial Budget Summary

| <i>Description</i> | <i>Positions</i> | <i>Full-Time Equivalent (FTE)</i> | <i>ALL FUNDS</i> | <i>General Fund</i> |
|--|------------------|-----------------------------------|-----------------------|-----------------------|
| 2019-21 Leg Adopted Budget | 43,380 | 41,460.51 | 85,799,484,638 | 22,409,455,625 |
| 2019-21 Emergency Boards | 18 | 9.09 | 1,071,452,416 | - |
| 2019-21 Leg Approved Budget | 43,398 | 41,469.60 | 86,870,937,054 | 22,409,455,625 |
| 2021-23 Base Budget Adjustments | | | | |
| Net Cost of Position Actions | | | | |
| Administrative Biennialized E-Board, Phase-Out | (790) | (321.20) | 512,230,457 | 71,855,073 |
| Estimated Cost of Merit Increase | | | | |
| Base Debt Service Adjustment | | | (1,334,853,532) | 40,979,238 |
| Base Nonlimited Adjustment | | | 3,917,167,242 | - |
| Capital Construction | | | (528,860,645) | - |
| Subtotal 2021-23 Base Budget | 42,608 | 41,148.40 | 89,436,620,576 | 22,522,289,936 |
| Essential Packages | | | | |
| 010 - Non-PICS Pers Svc/Vacancy Factor | | | | |
| Vacancy Factor (Increase)/Decrease | - | - | 18,610,348 | 7,300,644 |
| Non-PICS Personal Service (Increase)/Decrease | - | - | 74,819,414 | 38,715,275 |
| Subtotal | - | - | 93,429,762 | 46,015,919 |
| 020 - Phase In / Out Pgm & One-time Cost | | | | |
| 021 - Phase-in | 92 | 94.84 | 1,800,915,723 | 205,059,538 |
| 022 - Phase-out Pgm & One-time Costs | (9) | (8.50) | (2,733,812,760) | (635,845,230) |
| Subtotal | 83 | 86.34 | (932,897,037) | (430,785,692) |
| 030 - Inflation & Price List Adjustments | | | | |
| Cost of Goods & Services Increase/(Decrease) | - | - | 3,032,616,783 | 898,492,433 |
| State Gov't & Services Charges Increase/(Decrease) | | | 171,424,683 | 103,063,753 |
| Subtotal | - | - | 3,204,041,466 | 1,001,556,186 |
| 040 - Mandated Caseload | | | | |
| 040 - Mandated Caseload | 847 | 655.02 | 1,885,298,990 | 370,830,657 |

| <i>Lottery Funds</i> | <i>Other Funds</i> | <i>Federal Funds</i> | <i>Nonlimited Other Funds</i> | <i>Nonlimited Federal Funds</i> |
|----------------------|-----------------------|-----------------------|-------------------------------|---------------------------------|
| 1,258,968,067 | 21,092,678,185 | 21,462,665,021 | 16,824,353,958 | 2,751,363,782 |
| - | - | 20,000,000 | 1,051,452,416 | - |
| 1,258,968,067 | 21,092,678,185 | 21,482,665,021 | 17,875,806,374 | 2,751,363,782 |

| | | | | |
|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| 8,955,659 | 309,403,824 | 122,015,901 | - | - |
| 50,375,071 | 41,412,334 | - | (1,437,267,996) | (30,352,179) |
| - | - | - | 3,832,243,524 | 84,923,718 |
| - | (495,149,645) | (33,711,000) | - | - |
| 1,318,298,797 | 20,948,344,698 | 21,570,969,922 | 20,270,781,902 | 2,805,935,321 |

| | | | | |
|---------------------|----------------------|----------------------|---------------------|---|
| 291,427 | 10,500,844 | 517,433 | - | - |
| 834,773 | 27,924,373 | 7,344,993 | - | - |
| 1,126,200 | 38,425,217 | 7,862,426 | - | - |
| 7,477,155 | 1,318,716,138 | 269,662,892 | - | - |
| (105,095,588) | (1,491,293,864) | (490,038,607) | (11,539,471) | - |
| (97,618,433) | (172,577,726) | (220,375,715) | (11,539,471) | - |
| 8,456,728 | 802,990,723 | 1,322,676,899 | - | - |
| 2,031,491 | 50,432,532 | 15,896,907 | - | - |
| 10,488,219 | 853,423,255 | 1,338,573,806 | - | - |
| - | 35,331,815 | 1,479,136,518 | - | - |

Statewide Biennial Budget Summary (continued)

| <i>Description</i> | <i>Positions</i> | <i>Full-Time Equivalent (FTE)</i> | <i>ALL FUNDS</i> | <i>General Fund</i> |
|--|------------------|-----------------------------------|-----------------------|-----------------------|
| 050 - Fundshifts and Revenue Reductions | | | | |
| 050 - Fundshifts | - | - | (25,951,761) | 631,765,021 |
| 060 - Technical Adjustments | | | | |
| 060 - Technical Adjustments | (16) | (13.36) | 68,705,879 | (411,587) |
| Subtotal: 2021-23 Current Service Level | 43,522 | 41,876.40 | 93,729,247,875 | 24,141,260,440 |

| <i>Lottery Funds</i> | <i>Other Funds</i> | <i>Federal Funds</i> | <i>Nonlimited Other Funds</i> | <i>Nonlimited Federal Funds</i> |
|--------------------------|-----------------------|--------------------------|-----------------------------------|---|
| (162,362,738) | (124,933,958) | (370,420,086) | - | - |
| 68,468,970 | 814,753 | (166,257) | - | - |
| 1,138,401,015 | 21,578,828,054 | 23,805,580,614 | 20,259,242,431 | 2,805,935,321 |

| <i>Description</i> | <i>Positions</i> | <i>Full-Time Equivalent (FTE)</i> | <i>ALL FUNDS</i> | <i>General Fund</i> |
|--|------------------|-----------------------------------|------------------------|-----------------------|
| Subtotal: 2021-23 Current Service Level | 43,522 | 41,876.40 | 93,729,247,875 | 24,141,260,440 |
| 070 - Revenue Reductions/Shortfall | | | | |
| 070 - Revenue Shortfalls | (140) | (139.94) | (312,489,401) | 1,265 |
| Modified 2021-23 Current Service Level | 43,382 | 41,736.46 | 93,416,758,474 | 24,141,261,705 |
| 080 - E-Boards | | | | |
| 080 - March 2020 Eboard | - | - | - | - |
| 080 - May 2020 Eboard | - | - | - | - |
| 081 - April 2020 Eboard | 10 | 10.00 | 6,235,167 | 4,388,058 |
| 082 - May 2020 Eboard | - | - | - | - |
| 083 - June 2020 Eboard | 2 | 1.99 | 711,224 | 43,931 |
| 084 - June 2020 Special Session | 4 | 4.00 | 2,015,872 | 1,800,749 |
| 085 - July 2020 Emergency Board | - | - | - | - |
| 087 - August 2020 Special Session | 51 | 51.37 | 191,170,755 | 23,350,503 |
| 088 - September 2020 Emergency Board | - | 12.71 | 42,178,087 | 300,552 |
| Subtotal Emergency Board Packages | 67 | 80.07 | 242,311,105 | 29,883,793 |
| Subtotal Policy Packages | 1,274 | 962.30 | 6,538,234,126 | (88,483,628) |
| Total 2021-23 Governor's Budget | 44,723 | 42,778.83 | 100,197,303,705 | 24,082,661,870 |
| Percentage Change From 2019-21 Leg Approved Budget | 3.05% | 3.16% | 15.34% | 7.47% |
| Percentage Change From 2021-23 Current Service Level | 2.76% | 2.15% | 6.90% | -0.24% |

| <i>Lottery Funds</i> | <i>Other Funds</i> | <i>Federal Funds</i> | <i>Nonlimited Other Funds</i> | <i>Nonlimited Federal Funds</i> |
|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|
| 1,138,401,015 | 21,578,828,054 | 23,805,580,614 | 20,259,242,431 | 2,805,935,321 |
| (9,273,006) | (241,733,758) | (61,483,902) | - | - |
| 1,129,128,009 | 21,337,094,296 | 23,744,096,712 | 20,259,242,431 | 2,805,935,321 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 1,847,109 | - | - |
| - | - | - | - | - |
| - | 666,385 | 908 | - | - |
| - | 215,123 | - | - | - |
| - | - | - | - | - |
| (8,839,612) | 91,094,060 | 65,260,804 | 20,305,000 | - |
| - | 41,877,535 | - | - | - |
| (8,839,612) | 133,853,103 | 67,108,821 | 20,305,000 | - |
| 397,830,877 | 4,181,799,704 | 740,189,130 | 270,375,247 | 1,036,522,796 |
| 1,518,119,274 | 25,652,747,103 | 24,551,394,663 | 20,549,922,678 | 3,842,458,117 |
| 20.58% | 21.62% | 14.28% | 14.96% | 39.66% |
| 33.36% | 18.88% | 3.13% | 1.43% | 36.94% |

Schedule V. Summary of Total Expenditures

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|-------------------------|--|--------------------------------------|
| PROGRAM AREA: EDUCATION | | | |
| Education, Dept of | | | |
| General Fund | 8,381,344,703 | 8,617,962,824 | 8,662,014,428 |
| Lottery Funds | 536,371,121 | 530,839,727 | 702,094,815 |
| Other Funds | 588,169,946 | 2,389,037,456 | 3,195,603,418 |
| Federal Funds | 1,319,475,644 | 1,516,562,703 | 1,614,928,863 |
| All Funds | 10,825,361,414 | 13,054,402,710 | 14,174,641,524 |
| Higher Education Coordinating Commission | | | |
| General Fund | 1,934,338,293 | 2,184,067,916 | 2,280,815,034 |
| Lottery Funds | 93,123,293 | 144,428,093 | 152,467,602 |
| Other Funds | 793,315,212 | 421,781,616 | 598,914,309 |
| Federal Funds | 88,661,456 | 151,846,937 | 148,734,096 |
| All Funds | 2,909,438,254 | 2,902,124,562 | 3,180,931,041 |
| Teacher Standards & Practices Comm | | | |
| General Fund | 1,700,000 | - | 3,563,936 |
| Other Funds | 6,656,350 | 9,306,571 | 10,329,429 |
| All Funds | 8,356,350 | 9,306,571 | 13,893,365 |
| Education Total | | | |
| General Fund | 10,317,382,996 | 10,802,030,740 | 10,946,393,398 |
| Lottery Funds | 629,494,414 | 675,267,820 | 854,562,417 |
| Other Funds | 1,388,141,508 | 2,820,125,643 | 3,804,847,156 |
| Federal Funds | 1,408,137,100 | 1,668,409,640 | 1,763,662,959 |
| All Funds | \$13,743,156,018 | \$15,965,833,843 | \$17,369,465,930 |
| PROGRAM AREA: HUMAN SERVICES | | | |
| Commission for the Blind | | | |
| General Fund | 3,486,160 | 6,634,036 | 5,368,120 |
| Other Funds | 1,436,725 | 1,560,451 | 1,022,642 |
| Federal Funds | 16,456,334 | 15,955,857 | 16,856,449 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

| | | | |
|------------------|-------------------|-------------------|-------------------|
| All Funds | 21,379,219 | 24,150,344 | 23,247,211 |
|------------------|-------------------|-------------------|-------------------|

Human Services, Dept. of

| | | | |
|------------------|-----------------------|-----------------------|-----------------------|
| General Fund | 3,184,660,160 | 3,855,078,525 | 4,497,036,224 |
| Other Funds | 539,735,821 | 673,915,109 | 669,370,817 |
| Federal Funds | 7,094,020,822 | 8,034,133,180 | 9,500,592,689 |
| All Funds | 10,818,416,803 | 12,563,126,814 | 14,666,999,730 |

Long Term Care Ombudsman

| | | | |
|------------------|------------------|------------------|-------------------|
| General Fund | 6,169,136 | 7,728,112 | 10,091,058 |
| Other Funds | 673,947 | 845,016 | 854,216 |
| All Funds | 6,843,083 | 8,573,128 | 10,945,274 |

Oregon Health Authority

| | | | |
|------------------|-----------------------|-----------------------|-----------------------|
| General Fund | 2,107,755,471 | 2,724,376,308 | 3,153,348,633 |
| Lottery Funds | 12,464,286 | 17,093,071 | 17,080,260 |
| Other Funds | 6,985,820,099 | 7,907,384,335 | 8,877,829,761 |
| Federal Funds | 11,665,087,092 | 12,789,227,237 | 15,178,539,882 |
| All Funds | 20,771,126,948 | 23,438,080,951 | 27,226,798,536 |

Psychiatric Security Review Board

| | | | |
|------------------|------------------|------------------|------------------|
| General Fund | 2,843,045 | 3,198,150 | 3,642,643 |
| Other Funds | 1,888 | - | - |
| All Funds | 2,844,933 | 3,198,150 | 3,642,643 |

Human Services Total

| | | | |
|---------------|----------------|----------------|----------------|
| General Fund | 5,304,913,972 | 6,597,015,131 | 7,669,486,678 |
| Lottery Funds | 12,464,286 | 17,093,071 | 17,080,260 |
| Other Funds | 7,527,668,480 | 8,583,704,911 | 9,549,077,436 |
| Federal Funds | 18,775,564,248 | 20,839,316,274 | 24,695,989,020 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: HUMAN SERVICES

Human Services Total

| | | | |
|------------------|-------------------------|-------------------------|-------------------------|
| All Funds | \$31,620,610,986 | \$36,037,129,387 | \$41,931,633,394 |
|------------------|-------------------------|-------------------------|-------------------------|

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | 1,749,079,552 | 1,853,930,976 | 1,864,488,400 |
| Other Funds | 76,635,479 | 200,679,312 | 132,304,434 |
| Federal Funds | 3,691,353 | 5,473,702 | 4,533,582 |
| All Funds | 1,829,406,384 | 2,060,083,990 | 2,001,326,416 |

Criminal Justice Comm, Oregon

| | | | |
|------------------|-------------------|--------------------|-------------------|
| General Fund | 64,360,696 | 79,843,528 | 68,227,639 |
| Lottery Funds | - | 555,000 | 578,865 |
| Other Funds | 1,686,356 | 14,962,708 | 7,252,418 |
| Federal Funds | 7,071,139 | 5,337,957 | 5,643,281 |
| All Funds | 73,118,191 | 100,699,193 | 81,702,203 |

District Attorneys and their Deputies

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 13,238,151 | 12,839,916 | 14,423,425 |
| All Funds | 13,238,151 | 12,839,916 | 14,423,425 |

Justice, Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 89,726,176 | 114,789,120 | 117,886,841 |
| Other Funds | 314,248,330 | 351,837,618 | 381,678,963 |
| Federal Funds | 182,172,657 | 186,995,478 | 210,729,095 |
| All Funds | 586,147,163 | 653,622,216 | 710,294,899 |

Military Dept, Oregon

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 27,496,724 | 36,233,168 | 36,626,672 |
| Other Funds | 117,719,586 | 136,320,740 | 179,237,932 |
| Federal Funds | 174,936,798 | 318,358,977 | 308,729,297 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: PUBLIC SAFETY

Military Dept, Oregon

| | | | |
|------------------|--------------------|--------------------|--------------------|
| All Funds | 320,153,108 | 490,912,885 | 524,593,901 |
|------------------|--------------------|--------------------|--------------------|

Oregon Youth Authority

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 310,184,353 | 330,726,201 | 341,887,662 |
| Other Funds | 54,926,508 | 14,553,422 | 59,421,307 |
| Federal Funds | 30,108,116 | 40,643,083 | 29,521,114 |
| All Funds | 395,218,977 | 385,922,706 | 430,830,083 |

Parole & Post Prison Supervision, State Board of

| | | | |
|------------------|------------------|------------------|-------------------|
| General Fund | 9,034,911 | 8,680,101 | 9,996,215 |
| Other Funds | 10,167 | 11,682 | 12,184 |
| All Funds | 9,045,078 | 8,691,783 | 10,008,399 |

Police, Dept of State

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 301,571,927 | 318,475,460 | 368,474,420 |
| Lottery Funds | 8,001,563 | 10,004,076 | 8,725,708 |
| Other Funds | 143,714,659 | 164,937,371 | 286,067,535 |
| Federal Funds | 9,584,689 | 12,616,262 | 14,023,012 |
| All Funds | 462,872,838 | 506,033,169 | 677,290,675 |

Public Safety Standards & Training, Dept of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 9,795,963 | 9,665,010 | 9,107,640 |
| Other Funds | 47,121,802 | 48,102,591 | 49,257,005 |
| Federal Funds | 7,392,919 | 7,689,376 | 7,583,071 |
| All Funds | 64,310,684 | 65,456,977 | 65,947,716 |

Public Safety Total

| | | | |
|---------------|---------------|---------------|---------------|
| General Fund | 2,574,488,453 | 2,765,183,480 | 2,831,118,914 |
| Lottery Funds | 8,001,563 | 10,559,076 | 9,304,573 |
| Other Funds | 756,062,887 | 931,405,444 | 1,095,231,778 |
| Federal Funds | 414,957,671 | 577,114,835 | 580,762,452 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: PUBLIC SAFETY

Public Safety Total

| | | | |
|------------------|------------------------|------------------------|------------------------|
| All Funds | \$3,753,510,574 | \$4,284,262,835 | \$4,516,417,717 |
|------------------|------------------------|------------------------|------------------------|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | - | 15,688,586 | 87,908,837 |
| Other Funds | 1,125,308,536 | 1,774,385,467 | 5,333,108,559 |
| Federal Funds | 211,739,778 | 254,315,171 | 373,922,993 |
| All Funds | 1,337,048,314 | 2,044,389,224 | 5,794,940,389 |

Housing & Community Svcs Dept

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | 58,891,653 | 113,968,486 | 166,085,271 |
| Lottery Funds | 17,507,281 | 21,789,335 | 31,039,264 |
| Other Funds | 1,042,124,123 | 1,610,949,935 | 1,550,212,085 |
| Federal Funds | 245,122,949 | 278,790,653 | 308,410,524 |
| All Funds | 1,363,646,006 | 2,025,498,409 | 2,055,747,144 |

Oregon Business Development Department

| | | | |
|------------------|--------------------|----------------------|----------------------|
| General Fund | 53,895,208 | 76,832,542 | 104,023,196 |
| Lottery Funds | 112,713,373 | 127,365,166 | 165,097,039 |
| Other Funds | 343,372,297 | 835,862,144 | 1,216,583,273 |
| Federal Funds | 28,541,477 | 43,094,384 | 74,368,932 |
| All Funds | 538,522,355 | 1,083,154,236 | 1,560,072,440 |

Veterans' Affairs, Oregon Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 7,850,833 | 8,352,877 | 8,256,289 |
| Lottery Funds | 14,015,771 | 20,559,847 | 20,555,431 |
| Other Funds | 434,586,284 | 517,302,425 | 319,558,014 |
| Federal Funds | 6,429,755 | 1,525,000 | 1,617,844 |
| All Funds | 462,882,643 | 547,740,149 | 349,987,578 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Economic & Community Development Total

| | | | |
|------------------|------------------------|------------------------|------------------------|
| General Fund | 120,637,694 | 214,842,491 | 366,273,593 |
| Lottery Funds | 144,236,425 | 169,714,348 | 216,691,734 |
| Other Funds | 2,945,391,240 | 4,738,499,971 | 8,419,461,931 |
| Federal Funds | 491,833,959 | 577,725,208 | 758,320,293 |
| All Funds | \$3,702,099,318 | \$5,700,782,018 | \$9,760,747,551 |

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 23,393,923 | 25,991,367 | 26,998,831 |
| Lottery Funds | 9,439,215 | 10,568,358 | 8,837,118 |
| Other Funds | 59,882,893 | 74,372,889 | 80,246,238 |
| Federal Funds | 11,662,188 | 17,472,153 | 17,389,246 |
| All Funds | 104,378,219 | 128,404,767 | 133,471,433 |

Columbia River Gorge Comm

| | | | |
|------------------|----------------|------------------|------------------|
| General Fund | 991,912 | 1,160,612 | 1,349,300 |
| All Funds | 991,912 | 1,160,612 | 1,349,300 |

Energy, Dept of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | - | 6,334,048 | - |
| Lottery Funds | 3,023,628 | 3,023,365 | 3,022,570 |
| Other Funds | 72,888,683 | 73,841,597 | 59,404,461 |
| Federal Funds | 2,269,529 | 2,300,096 | 3,038,773 |
| All Funds | 78,181,840 | 85,499,106 | 65,465,804 |

Environmental Quality, Dept of

| | | | |
|---------------|-------------|-------------|-------------|
| General Fund | 48,700,887 | 58,777,160 | 62,283,485 |
| Lottery Funds | 4,732,711 | 5,300,822 | 5,824,651 |
| Other Funds | 263,838,483 | 372,047,600 | 486,425,080 |
| Federal Funds | 22,127,468 | 29,410,521 | 28,582,660 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: NATURAL RESOURCES

Environmental Quality, Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| All Funds | 339,399,549 | 465,536,103 | 583,115,876 |
|------------------|--------------------|--------------------|--------------------|

Fish & Wildlife, Oregon Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 29,458,284 | 35,094,508 | 40,138,854 |
| Lottery Funds | 5,326,259 | 7,621,405 | 6,243,283 |
| Other Funds | 182,645,607 | 203,027,596 | 221,865,389 |
| Federal Funds | 118,359,703 | 144,438,993 | 153,185,351 |
| All Funds | 335,789,853 | 390,182,502 | 421,432,877 |

Forestry, Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 135,624,513 | 90,604,264 | 113,902,322 |
| Lottery Funds | 2,600,999 | 2,543,451 | 2,564,210 |
| Other Funds | 326,602,365 | 260,068,337 | 284,531,617 |
| Federal Funds | 15,136,881 | 35,483,276 | 37,493,713 |
| All Funds | 479,964,758 | 388,699,328 | 438,491,862 |

Geology & Mineral Industries, Dept of

| | | | |
|------------------|-------------------|------------------|------------------|
| General Fund | 5,355,361 | 2,534,180 | 1,834,234 |
| Other Funds | 5,727,167 | 2,817,896 | 2,950,968 |
| Federal Funds | 3,800,717 | 2,902,495 | 721,181 |
| All Funds | 14,883,245 | 8,254,571 | 5,506,383 |

Land Conservation & Development, Dept of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 14,971,597 | 20,231,675 | 21,488,326 |
| Other Funds | 872,431 | 1,460,817 | 2,220,615 |
| Federal Funds | 4,477,331 | 6,755,041 | 7,182,205 |
| All Funds | 20,321,359 | 28,447,533 | 30,891,146 |

Land Use Board of Appeals

| | | | |
|--------------|-----------|-----------|-----------|
| General Fund | 1,997,590 | 2,061,858 | 2,364,439 |
| Other Funds | 16,789 | 34,981 | 34,981 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: NATURAL RESOURCES

Land Use Board of Appeals

| | | | |
|------------------|------------------|------------------|------------------|
| All Funds | 2,014,379 | 2,096,839 | 2,399,420 |
|------------------|------------------|------------------|------------------|

Lands, Dept of State

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 5,000,000 | - | - |
| Other Funds | 66,508,779 | 64,707,097 | 61,588,580 |
| Federal Funds | 2,143,876 | 2,295,209 | 2,370,195 |
| All Funds | 73,652,655 | 67,002,306 | 63,958,775 |

Marine Board, Oregon State

| | | | |
|------------------|-------------------|-------------------|-------------------|
| Other Funds | 25,608,383 | 28,360,346 | 29,654,047 |
| Federal Funds | 5,079,300 | 6,317,622 | 6,592,864 |
| All Funds | 30,687,683 | 34,677,968 | 36,246,911 |

Parks & Recreation Dept

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 226,952 | - | 500,000 |
| Lottery Funds | 105,117,102 | 116,785,574 | 122,852,220 |
| Other Funds | 91,153,615 | 130,655,323 | 112,984,028 |
| Federal Funds | 8,544,806 | 16,685,823 | 22,722,629 |
| All Funds | 205,042,475 | 264,126,720 | 259,058,877 |

Water Resources Dept

| | | | |
|------------------|-------------------|--------------------|--------------------|
| General Fund | 33,084,577 | 36,722,794 | 40,104,341 |
| Lottery Funds | 3,953,965 | 7,566,502 | 14,289,736 |
| Other Funds | 19,559,551 | 99,151,093 | 93,363,622 |
| Federal Funds | 641,406 | 875,519 | 716,840 |
| All Funds | 57,239,499 | 144,315,908 | 148,474,539 |

Watershed Enhancement Board, Oregon

| | | | |
|---------------|------------|------------|------------|
| General Fund | 161,750 | - | - |
| Lottery Funds | 79,589,459 | 90,535,226 | 76,371,684 |
| Other Funds | 2,023,581 | 3,070,646 | 14,863,984 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: NATURAL RESOURCES

Watershed Enhancement Board, Oregon

| | | | |
|------------------|--------------------|--------------------|--------------------|
| Federal Funds | 27,968,015 | 45,304,270 | 48,011,159 |
| All Funds | 109,742,805 | 138,910,142 | 139,246,827 |

Natural Resources Total

| | | | |
|------------------|------------------------|------------------------|------------------------|
| General Fund | 298,967,346 | 279,512,466 | 310,964,132 |
| Lottery Funds | 213,783,338 | 243,944,703 | 240,005,472 |
| Other Funds | 1,117,328,327 | 1,313,616,218 | 1,450,133,610 |
| Federal Funds | 222,211,220 | 310,241,018 | 328,006,816 |
| All Funds | \$1,852,290,231 | \$2,147,314,405 | \$2,329,110,030 |

PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| Other Funds | 12,429,592 | 20,035,792 | 20,949,490 |
| Federal Funds | 7,081,965 | 11,312,356 | 6,131,467 |
| All Funds | 19,511,557 | 31,348,148 | 27,080,957 |

Transportation, Oregon Dept of

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | 23,456,104 | 25,306,026 | 18,371,940 |
| Lottery Funds | 113,596,785 | 115,592,980 | 125,155,188 |
| Other Funds | 3,337,042,236 | 4,935,032,604 | 5,319,523,418 |
| Federal Funds | 96,656,536 | 134,914,377 | 125,925,657 |
| All Funds | 3,570,751,661 | 5,210,845,987 | 5,588,976,203 |

Transportation Total

| | | | |
|------------------|------------------------|------------------------|------------------------|
| General Fund | 23,456,104 | 25,306,026 | 18,371,940 |
| Lottery Funds | 113,596,785 | 115,592,980 | 125,155,188 |
| Other Funds | 3,349,471,828 | 4,955,068,396 | 5,340,472,908 |
| Federal Funds | 103,738,501 | 146,226,733 | 132,057,124 |
| All Funds | \$3,590,263,218 | \$5,242,194,135 | \$5,616,057,160 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 2,334,613 | 2,788,351 | 3,157,159 |
| All Funds | 2,334,613 | 2,788,351 | 3,157,159 |

Construction Contractors Board

| | | | |
|------------------|-------------------|-------------------|-------------------|
| Other Funds | 13,845,585 | 15,038,579 | 17,481,456 |
| All Funds | 13,845,585 | 15,038,579 | 17,481,456 |

Consumer and Business Svcs, Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | - | 1,299,319 | - |
| Other Funds | 392,019,919 | 578,530,627 | 543,162,967 |
| Federal Funds | 14,624,345 | 100,670,278 | 119,746,686 |
| All Funds | 406,644,264 | 680,500,224 | 662,909,653 |

Health Related Licensing Boards

| | | | |
|---------------------------------------|------------------|------------------|------------------|
| Medical Imaging - OF | 904,834 | 1,175,429 | 527,791 |
| Mortuary and Cemetery Board - OF | 1,922,723 | 2,343,995 | 1,392,291 |
| Naturopathic Medicine - OF | 831,172 | 1,166,035 | 511,817 |
| Occupational Therapy Licensing - OF | 427,315 | 619,842 | 334,104 |
| Speech-Language Path. and Audio. - OF | 611,106 | 979,115 | 524,135 |
| Veterinary Medical Examiners - OF | 1,063,350 | 1,203,614 | 657,323 |
| All Boards | 5,760,500 | 7,488,030 | 3,947,461 |

Labor & Industries, Bureau of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 12,855,950 | 14,894,178 | 17,238,841 |
| Lottery Funds | - | 250,000 | - |
| Other Funds | 12,070,114 | 14,853,296 | 15,657,919 |
| Federal Funds | 1,186,762 | 1,335,294 | 1,802,960 |
| All Funds | 26,112,826 | 31,332,768 | 34,699,720 |

Licensed Social Workers, Board of

| | | | |
|-------------|-----------|-----------|-----------|
| Other Funds | 1,643,073 | 1,804,612 | 2,222,536 |
|-------------|-----------|-----------|-----------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Licensed Social Workers, Board of

| | | | |
|------------------|------------------|------------------|------------------|
| All Funds | <u>1,643,073</u> | <u>1,804,612</u> | <u>2,222,536</u> |
|------------------|------------------|------------------|------------------|

Mental Health Regulatory Agency

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 3,180,556 | 3,941,338 | 4,893,297 |
| All Funds | <u>3,180,556</u> | <u>3,941,338</u> | <u>4,893,297</u> |

Nursing, Board of

| | | | |
|------------------|-------------------|-------------------|-------------------|
| Other Funds | 16,500,862 | 19,719,954 | 20,321,598 |
| All Funds | <u>16,500,862</u> | <u>19,719,954</u> | <u>20,321,598</u> |

Oregon Board of Chiropractic Examiners

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 1,967,830 | 2,260,448 | 2,121,070 |
| All Funds | <u>1,967,830</u> | <u>2,260,448</u> | <u>2,121,070</u> |

Oregon Board of Dentistry

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 3,013,093 | 3,535,260 | 3,658,308 |
| All Funds | <u>3,013,093</u> | <u>3,535,260</u> | <u>3,658,308</u> |

Oregon Medical Board

| | | | |
|------------------|-------------------|-------------------|-------------------|
| Other Funds | 11,555,508 | 13,662,415 | 16,496,735 |
| All Funds | <u>11,555,508</u> | <u>13,662,415</u> | <u>16,496,735</u> |

Pharmacy, Board of

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 6,963,846 | 8,761,878 | 9,104,052 |
| All Funds | <u>6,963,846</u> | <u>8,761,878</u> | <u>9,104,052</u> |

Public Utility Commission

| | | | |
|---------------|-------------|-------------|-------------|
| Other Funds | 102,067,848 | 103,564,338 | 101,077,570 |
| Federal Funds | 686,647 | 1,025,117 | 1,174,921 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Public Utility Commission

| | | | |
|------------------|--------------------|--------------------|--------------------|
| All Funds | <u>102,754,495</u> | <u>104,589,455</u> | <u>102,252,491</u> |
|------------------|--------------------|--------------------|--------------------|

Real Estate Agency

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 7,470,242 | 8,499,070 | 9,515,923 |
| All Funds | <u>7,470,242</u> | <u>8,499,070</u> | <u>9,515,923</u> |

Tax Practitioners, State Board of

| | | | |
|------------------|----------------|------------------|------------------|
| Other Funds | 966,391 | 1,091,888 | 1,069,266 |
| All Funds | <u>966,391</u> | <u>1,091,888</u> | <u>1,069,266</u> |

Consumer & Business Services Total

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | 12,855,950 | 16,193,497 | 17,238,841 |
| Lottery Funds | - | 250,000 | - |
| Other Funds | 581,359,980 | 785,540,084 | 753,887,317 |
| Federal Funds | 16,497,754 | 103,030,689 | 122,724,567 |
| All Funds | <u>\$610,713,684</u> | <u>\$905,014,270</u> | <u>\$893,850,725</u> |

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

| | | | |
|------------------|----------------------|----------------------|----------------------|
| General Fund | 26,417,214 | 36,464,185 | 24,456,495 |
| Lottery Funds | 19,701,680 | 22,613,333 | 31,543,133 |
| Other Funds | 1,085,905,156 | 1,271,665,783 | 1,389,257,447 |
| Federal Funds | 847,000 | - | - |
| All Funds | <u>1,132,871,050</u> | <u>1,330,743,301</u> | <u>1,445,257,075</u> |

Employment Relations Board

| | | | |
|------------------|------------------|------------------|------------------|
| General Fund | 2,451,129 | 2,956,273 | 3,186,292 |
| Other Funds | 2,297,704 | 2,404,621 | 2,504,923 |
| All Funds | <u>4,748,833</u> | <u>5,360,894</u> | <u>5,691,215</u> |

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|--|------------------------|--|--------------------------------------|
|--|------------------------|--|--------------------------------------|

PROGRAM AREA: ADMINISTRATION

Governor, Office of the

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 12,948,557 | 16,491,702 | 17,593,820 |
| Lottery Funds | 3,543,111 | 3,932,736 | 4,439,445 |
| Other Funds | 3,012,098 | 3,910,275 | 4,231,034 |
| Federal Funds | 3,030,525 | - | - |
| All Funds | 22,534,291 | 24,334,713 | 26,264,299 |

Oregon Advocacy Commissions Office

| | | | |
|------------------|----------------|----------------|------------------|
| General Fund | 714,860 | 756,596 | 1,120,823 |
| Other Funds | 4,694 | 9,841 | 9,841 |
| All Funds | 719,554 | 766,437 | 1,130,664 |

Oregon Government Ethics Commission

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 2,571,969 | 2,903,298 | 3,191,597 |
| All Funds | 2,571,969 | 2,903,298 | 3,191,597 |

Oregon Liquor Control Comm

| | | | |
|------------------|--------------------|--------------------|--------------------|
| Other Funds | 204,862,429 | 247,046,671 | 388,546,500 |
| All Funds | 204,862,429 | 247,046,671 | 388,546,500 |

Public Employees Retirement System, Oregon

| | | | |
|------------------|-----------------------|-----------------------|-----------------------|
| General Fund | - | 100,000,000 | - |
| Lottery Funds | - | - | 19,337,052 |
| Other Funds | 11,023,694,752 | 12,767,883,840 | 13,071,562,668 |
| All Funds | 11,023,694,752 | 12,867,883,840 | 13,090,899,720 |

Racing Commission, Oregon

| | | | |
|------------------|------------------|------------------|------------------|
| Other Funds | 6,179,495 | 3,899,658 | 6,590,140 |
| All Funds | 6,179,495 | 3,899,658 | 6,590,140 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: ADMINISTRATION

Revenue, Dept of

| | | | |
|------------------|--------------------|--------------------|--------------------|
| General Fund | 190,620,511 | 213,103,682 | 215,064,325 |
| Other Funds | 115,143,687 | 128,350,426 | 141,720,264 |
| All Funds | 305,764,198 | 341,454,108 | 356,784,589 |

Secretary of State

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 14,010,930 | 14,158,129 | 13,855,207 |
| Other Funds | 53,558,916 | 63,888,057 | 79,359,351 |
| Federal Funds | 3,452,394 | 5,387,041 | 5,886,909 |
| All Funds | 71,022,240 | 83,433,227 | 99,101,467 |

State Library

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 4,033,676 | 4,200,159 | 4,317,952 |
| Other Funds | 6,009,988 | 6,987,429 | 7,087,183 |
| Federal Funds | 4,611,084 | 5,221,519 | 4,966,194 |
| All Funds | 14,654,748 | 16,409,107 | 16,371,329 |

Treasury, Oregon State

| | | | |
|------------------|-------------------|-------------------|--------------------|
| General Fund | 5,190,688 | - | - |
| Other Funds | 73,987,511 | 92,726,560 | 128,045,836 |
| All Funds | 79,178,199 | 92,726,560 | 128,045,836 |

Administration Total

| | | | |
|------------------|-------------------------|-------------------------|-------------------------|
| General Fund | 256,387,565 | 388,130,726 | 279,594,914 |
| Lottery Funds | 23,244,791 | 26,546,069 | 55,319,630 |
| Other Funds | 12,577,228,399 | 14,591,676,459 | 15,222,106,784 |
| Federal Funds | 11,941,003 | 10,608,560 | 10,853,103 |
| All Funds | \$12,868,801,758 | \$15,016,961,814 | \$15,567,874,431 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

| | | | |
|------------------|----------------|----------------|----------------|
| General Fund | 518,737 | 730,962 | 835,286 |
| Other Funds | 729 | 7,302 | 7,604 |
| All Funds | 519,466 | 738,264 | 842,890 |

Legislative Administration Committee

| | | | |
|------------------|-------------------|-------------------|--------------------|
| General Fund | 41,388,918 | 50,784,229 | 77,134,181 |
| Other Funds | 26,242,672 | 19,762,192 | 71,259,201 |
| All Funds | 67,631,590 | 70,546,421 | 148,393,382 |

Legislative Assembly

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 43,411,502 | 54,495,347 | 65,532,335 |
| Other Funds | 119,270 | 162,580 | 297,199 |
| All Funds | 43,530,772 | 54,657,927 | 65,829,534 |

Legislative Counsel Committee

| | | | |
|------------------|-------------------|-------------------|-------------------|
| General Fund | 11,712,733 | 14,657,440 | 18,356,791 |
| Other Funds | 1,455,752 | 2,626,718 | 2,640,304 |
| All Funds | 13,168,485 | 17,284,158 | 20,997,095 |

Legislative Fiscal Office

| | | | |
|------------------|------------------|-------------------|-------------------|
| General Fund | 4,633,272 | 7,807,489 | 8,677,007 |
| Other Funds | 3,691,219 | 4,435,155 | 4,850,514 |
| All Funds | 8,324,491 | 12,242,644 | 13,527,521 |

Legislative Policy and Research Committee

| | | | |
|------------------|------------------|-------------------|-------------------|
| General Fund | 8,650,956 | 11,018,643 | 12,872,239 |
| All Funds | 8,650,956 | 11,018,643 | 12,872,239 |

Legislative Revenue Office

| | | | |
|--------------|-----------|-----------|-----------|
| General Fund | 2,729,089 | 2,833,427 | 3,397,055 |
|--------------|-----------|-----------|-----------|

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Revenue Office

| | | | |
|------------------|------------------|------------------|------------------|
| All Funds | <u>2,729,089</u> | <u>2,833,427</u> | <u>3,397,055</u> |
|------------------|------------------|------------------|------------------|

Legislative Branch Total

| | | | |
|------------------|-----------------------------|-----------------------------|-----------------------------|
| General Fund | 113,045,207 | 142,327,537 | 186,804,894 |
| Other Funds | 31,509,642 | 26,993,947 | 79,054,822 |
| All Funds | <u>\$144,554,849</u> | <u>\$169,321,484</u> | <u>\$265,859,716</u> |

PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

| | | | |
|------------------|---------------------------|---------------------------|-----------------------------|
| General Fund | 452,089,382 | 519,823,309 | 575,497,680 |
| Other Funds | 242,363,787 | 217,814,418 | 474,946,372 |
| Federal Funds | 900,036 | 1,355,846 | 1,476,446 |
| All Funds | <u>695,353,205</u> | <u>738,993,573</u> | <u>1,051,920,498</u> |

Judicial Fitness and Disability, Comm on

| | | | |
|------------------|-----------------------|-----------------------|-----------------------|
| General Fund | 243,060 | 274,890 | 289,534 |
| All Funds | <u>243,060</u> | <u>274,890</u> | <u>289,534</u> |

Public Defense Svcs Comm

| | | | |
|------------------|---------------------------|---------------------------|---------------------------|
| General Fund | 309,088,199 | 342,319,238 | 379,627,352 |
| Other Funds | 4,700,093 | 4,039,068 | 13,449,667 |
| All Funds | <u>313,788,292</u> | <u>346,358,306</u> | <u>393,077,019</u> |

Judicial Branch Total

| | | | |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| General Fund | 761,420,641 | 862,417,437 | 955,414,566 |
| Other Funds | 247,063,880 | 221,853,486 | 488,396,039 |
| Federal Funds | 900,036 | 1,355,846 | 1,476,446 |
| All Funds | <u>\$1,009,384,557</u> | <u>\$1,085,626,769</u> | <u>\$1,445,287,051</u> |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|------------------------|--|--------------------------------------|
|------------------------|--|--------------------------------------|

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

| | | | |
|------------------|----------|--------------------|--------------------|
| General Fund | - | 316,496,094 | 501,000,000 |
| All Funds | - | 316,496,094 | 501,000,000 |

Miscellaneous Programs Total

| | | | |
|------------------|----------|----------------------|----------------------|
| General Fund | - | 316,496,094 | 501,000,000 |
| All Funds | - | \$316,496,094 | \$501,000,000 |

PROGRAM AREA: ALL PROGRAM AREAS

All Agencies

| | | | |
|------------------|-------------------------|-------------------------|--------------------------|
| General Fund | 19,783,555,928 | 22,409,455,625 | 24,082,661,870 |
| Lottery Funds | 1,144,821,602 | 1,258,968,067 | 1,518,119,274 |
| Other Funds | 30,521,226,171 | 38,968,484,559 | 46,202,669,781 |
| Federal Funds | 21,445,781,492 | 24,234,028,803 | 28,393,852,780 |
| All Funds | \$72,895,385,193 | \$86,870,937,054 | \$100,197,303,705 |

NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| Administrative Svcs, Dept of | \$551,630,456 | \$620,302,181 | \$699,442,471 |
| Employment Dept | \$23,283,341 | \$29,236,295 | \$34,621,303 |
| Justice, Dept of | \$188,873,982 | \$199,429,370 | \$218,150,938 |
| Secretary of State | \$25,951,255 | \$31,466,364 | \$37,491,261 |
| All Funds | \$789,739,034 | \$880,434,210 | \$989,705,973 |

* See agency narrative section for complete Agency Request information.

** FOR INFORMATION ONLY - Total expenditures represent the expenditure limitation agencies require to execute their budget. Non-add expenditures, which are a part of Total Expenditures, are generally intra-agency transfers that fund administrative functions and are paid for by agency programs.

Schedule VI. Expenditures by Category by Fund

| <i>Fund</i> | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---------------------------------|-------------------------|--|--|
| Personal Services | | | |
| General Fund | 3,197,372,632 | 4,232,851,727 | 4,545,547,713 |
| Lottery Funds | 95,588,609 | 113,632,082 | 118,798,790 |
| Other Funds | 2,710,355,478 | 3,057,797,196 | 3,389,901,857 |
| Other Funds - NA | (352,421,937) | (391,847,465) | (448,977,200) |
| Federal Funds | 1,224,294,613 | 1,442,187,139 | 1,555,736,756 |
| Total | \$7,227,611,332 | \$8,846,468,144 | \$9,609,985,116 |
| Services & Supplies | | | |
| General Fund | 1,478,969,337 | 1,582,430,364 | 1,921,304,883 |
| Lottery Funds | 46,702,421 | 63,290,172 | 61,118,977 |
| Other Funds | 5,079,638,413 | 6,025,296,574 | 7,348,181,519 |
| Other Funds - NA | (393,260,930) | (446,381,316) | (496,507,782) |
| Federal Funds | 762,611,347 | 1,017,280,719 | 964,436,181 |
| Total | \$7,367,921,518 | \$8,688,297,829 | \$10,295,041,560 |
| Capital Outlay | | | |
| General Fund | 22,605,977 | 38,854,583 | 42,814,744 |
| Lottery Funds | 16,571,524 | 3,498,577 | 3,486,390 |
| Other Funds | 278,616,455 | 531,823,930 | 987,759,918 |
| Other Funds - NA | (38,231,896) | (34,965,095) | (37,417,993) |
| Federal Funds | 40,092,194 | 48,546,447 | 16,288,397 |
| Total | \$357,886,150 | \$622,723,537 | \$1,050,349,449 |
| Special Payments | | | |
| General Fund | 14,548,685,640 | 15,841,343,990 | 16,741,322,257 |
| Lottery Funds | 734,756,858 | 812,925,877 | 1,012,891,185 |
| Other Funds - NA | (5,824,271) | (7,240,334) | (6,802,998) |
| Other Funds | 19,834,555,895 | 25,532,687,985 | 31,916,078,659 |
| Federal Funds | 19,393,228,277 | 21,695,662,319 | 25,857,391,446 |
| Total | \$54,511,226,670 | \$63,882,620,171 | \$75,527,683,547 |
| Debt Service | | | |
| General Fund | 535,922,342 | 713,974,961 | 831,672,273 |
| Lottery Funds | 251,202,190 | 265,621,359 | 321,823,932 |
| Other Funds - NA | - | - | - |
| Other Funds | 1,828,320,896 | 2,940,444,664 | 1,571,041,855 |
| Federal Funds | 25,555,061 | 30,352,179 | - |
| Total | \$2,641,000,489 | \$3,950,393,163 | \$2,724,538,060 |
| Total - All Expenditures | | | |
| General Fund | 19,783,555,928 | 22,409,455,625 | 24,082,661,870 |
| Lottery Funds | 1,144,821,602 | 1,258,968,067 | 1,518,119,274 |
| Other Funds | 29,731,487,137 | 38,088,050,349 | 45,212,963,808 |
| Other Funds - NA | (789,739,034) | (880,434,210) | (989,705,973) |
| Federal Funds | 21,445,781,492 | 24,234,028,803 | 28,393,852,780 |
| Total | \$72,105,646,159 | \$85,990,502,844 | \$99,207,597,732 |

() Non-add expenditures displayed for information only; not included in totals.

Schedule VII. Number of Full Time Equivalent Positions

| | <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|---|----------------------------|--|--|
| EDUCATION | | | |
| Education, Dept of | 553.49 | 653.30 | 705.87 |
| Higher Education Coordinating Commission | 120.28 | 137.37 | 131.19 |
| Teacher Standards & Practices Comm | 25.71 | 24.75 | 29.50 |
| EDUCATION TOTAL | 699.48 | 815.42 | 866.56 |
| HUMAN SERVICES | | | |
| Commission for the Blind | 65.00 | 66.00 | 65.42 |
| Human Services, Dept. of | 8,747.82 | 9,324.14 | 9,819.55 |
| Long Term Care Ombudsman | 25.50 | 29.14 | 35.50 |
| Oregon Health Authority | 4,124.91 | 4,243.01 | 4,368.63 |
| Psychiatric Security Review Board | 11.00 | 11.00 | 11.00 |
| HUMAN SERVICES TOTAL | 12,974.23 | 13,673.29 | 14,300.10 |
| PUBLIC SAFETY | | | |
| Corrections, Dept of | 4,566.73 | 4,699.06 | 4,488.67 |
| Criminal Justice Comm, Oregon | 14.54 | 21.51 | 20.00 |
| District Attorneys and their Deputies | 36.00 | 36.00 | 36.00 |
| Justice, Dept of | 1,355.64 | 1,420.13 | 1,377.43 |
| Military Dept, Oregon | 427.24 | 467.00 | 507.13 |
| Oregon Youth Authority | 949.85 | 980.88 | 948.38 |
| Parole & Post Prison Supervision, State Board of | 28.00 | 25.00 | 25.00 |
| Police, Dept of State | 1,356.46 | 1,382.29 | 1,355.13 |
| Public Safety Standards & Training, Dept of | 157.97 | 149.87 | 149.06 |
| PUBLIC SAFETY TOTAL | 8,892.43 | 9,181.74 | 8,906.80 |
| ECONOMIC & COMMUNITY DEVELOPMENT | | | |
| Employment Dept | 1,249.88 | 1,323.58 | 1,981.40 |
| Housing & Community Svcs Dept | 154.88 | 216.71 | 240.34 |
| Oregon Business Development Department | 134.50 | 138.63 | 142.10 |
| Veterans' Affairs, Oregon Dept of | 94.92 | 104.47 | 102.59 |
| ECONOMIC & COMMUNITY DEVELOPMENT TOTAL | 1,634.18 | 1,783.39 | 2,466.43 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|----------------------------|--|--|
|----------------------------|--|--|

NATURAL RESOURCES

| | | | |
|--|-----------------|-----------------|-----------------|
| Agriculture, Oregon Dept of | 375.82 | 383.77 | 381.60 |
| Energy, Dept of | 93.50 | 79.25 | 76.00 |
| Environmental Quality, Dept of | 734.83 | 765.49 | 794.24 |
| Fish & Wildlife, Oregon Dept of | 1,151.49 | 1,154.69 | 1,156.47 |
| Forestry, Dept of | 853.33 | 848.99 | 895.18 |
| Geology & Mineral Industries, Dept of | 42.92 | 19.46 | 11.00 |
| Land Conservation & Development, Dept of | 56.79 | 62.09 | 62.47 |
| Land Use Board of Appeals | 6.00 | 6.00 | 7.00 |
| Lands, Dept of State | 110.68 | 113.00 | 102.50 |
| Marine Board, Oregon State | 39.00 | 39.25 | 39.50 |
| Parks & Recreation Dept | 590.90 | 602.55 | 597.19 |
| Water Resources Dept | 166.43 | 171.79 | 165.44 |
| Watershed Enhancement Board, Oregon | 33.00 | 34.00 | 32.00 |
| NATURAL RESOURCES TOTAL | 4,254.69 | 4,280.33 | 4,320.59 |

TRANSPORTATION

| | | | |
|--------------------------------|-----------------|-----------------|-----------------|
| Aviation, Dept of | 14.59 | 15.49 | 12.59 |
| Transportation, Oregon Dept of | 4,485.91 | 4,710.09 | 4,654.19 |
| TRANSPORTATION TOTAL | 4,500.50 | 4,725.58 | 4,666.78 |

CONSUMER & BUSINESS SERVICES

| | | | |
|-------------------------------------|--------|--------|--------|
| Accountancy, Board of | 7.50 | 7.50 | 7.50 |
| Construction Contractors Board | 60.00 | 61.00 | 60.00 |
| Consumer and Business Svcs, Dept of | 947.91 | 957.92 | 929.55 |
| Health Related Licensing Boards | | | |
| Mortuary and Cemetery Board | 7.00 | 7.00 | 3.50 |
| Naturopathic Medicine | 3.00 | 4.00 | 1.38 |
| Occupational Therapy Licensing | 1.50 | 1.75 | 0.75 |
| Medical Imaging | 3.00 | 3.50 | 1.63 |
| Speech-Language Path. and Audio. | 2.31 | 3.00 | 1.50 |
| Veterinary Medical Examiners | 3.75 | 3.75 | 1.88 |
| Labor & Industries, Bureau of | 105.00 | 109.80 | 117.50 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|----------------------------|--|--|
|----------------------------|--|--|

CONSUMER & BUSINESS SERVICES

| | | | |
|---|-----------------|-----------------|-----------------|
| Licensed Social Workers, Board of | 6.00 | 6.00 | 7.00 |
| Mental Health Regulatory Agency | 11.79 | 12.00 | 14.00 |
| Nursing, Board of | 48.90 | 53.90 | 53.90 |
| Oregon Board of Chiropractic Examiners | 5.10 | 5.10 | 5.10 |
| Oregon Board of Dentistry | 8.00 | 8.00 | 8.00 |
| Oregon Medical Board | 40.00 | 41.00 | 42.00 |
| Pharmacy, Board of | 20.00 | 22.00 | 22.00 |
| Public Utility Commission | 122.63 | 127.75 | 128.00 |
| Real Estate Agency | 29.00 | 29.00 | 29.00 |
| Tax Practitioners, State Board of | 2.50 | 2.50 | 2.00 |
| CONSUMER & BUSINESS SERVICES TOTAL | 1,434.89 | 1,466.47 | 1,436.19 |

ADMINISTRATION

| | | | |
|--|-----------------|-----------------|-----------------|
| Administrative Svcs, Dept of | 904.89 | 906.95 | 943.13 |
| Employment Relations Board | 13.00 | 13.00 | 13.00 |
| Governor, Office of the | 59.13 | 61.63 | 63.00 |
| Oregon Advocacy Commissions Office | 2.50 | 2.50 | 4.00 |
| Oregon Government Ethics Commission | 9.00 | 9.00 | 9.00 |
| Oregon Liquor Control Comm | 312.77 | 362.00 | 388.71 |
| Public Employees Retirement System, Oregon | 371.31 | 414.32 | 422.80 |
| Racing Commission, Oregon | 12.27 | 6.14 | 10.39 |
| Revenue, Dept of | 960.75 | 983.39 | 1,018.29 |
| Secretary of State | 212.86 | 223.42 | 230.75 |
| State Library | 40.04 | 39.04 | 38.16 |
| Treasury, Oregon State | 152.15 | 164.47 | 202.45 |
| ADMINISTRATION TOTAL | 3,050.67 | 3,185.86 | 3,343.68 |

LEGISLATIVE BRANCH

| | | | |
|--------------------------------------|--------|--------|--------|
| Indian Svcs, Comm on | 2.00 | 2.00 | 2.00 |
| Legislative Administration Committee | 76.68 | 74.42 | 75.46 |
| Legislative Assembly | 251.52 | 253.44 | 253.02 |
| Legislative Counsel Committee | 50.84 | 55.08 | 55.08 |

| <i>2017-19 Actuals</i> | <i>2019-21 Leg Approved Budget</i> | <i>2021-23 Governor's Budget</i> |
|----------------------------|--|--|
|----------------------------|--|--|

LEGISLATIVE BRANCH

| | | | |
|---|---------------|---------------|---------------|
| Legislative Fiscal Office | 22.00 | 25.77 | 27.00 |
| Legislative Policy and Research Committee | 41.29 | 41.29 | 41.29 |
| Legislative Revenue Office | 8.00 | 7.00 | 7.00 |
| LEGISLATIVE BRANCH TOTAL | 452.33 | 459.00 | 460.85 |

JUDICIAL BRANCH

| | | | |
|--|------------------|------------------|------------------|
| Judicial Dept | 1,773.90 | 1,817.22 | 1,904.30 |
| Judicial Fitness and Disability, Comm on | 0.50 | 0.50 | 0.50 |
| Public Defense Svcs Comm | 75.80 | 80.80 | 106.05 |
| JUDICIAL BRANCH TOTAL | 1,850.20 | 1,898.52 | 2,010.85 |
| STATE OF OREGON TOTAL FTE POSITIONS | 39,743.60 | 41,469.60 | 42,778.83 |

Per ORS 291.216 (9)(b) and (c), 5,340 positions were vacant on July 1, 2020. The vacancy rate on the date was 12.4 percent. Oregon University System data is not included.

Statutory Limits

Revenues in Excess of Estimate (ORS 291.349)

The “kicker” law was first passed in 1979. It directed the state to give credits to taxpayers if certain conditions were met. In November 2000, voters passed Measure 86, which placed the “kicker” in the Oregon Constitution. Personal income taxpayers receive a credit if all other General Fund revenue is more than two percent above forecast. If revenues received from corporate income and excise taxes is two percent or more above the forecast, the total amount of that excess is retained in the General Fund and used to provide additional funding for public education, specifically kindergarten through grade 12.

The kicker calculation is based on the forecast issued at the end of each legislative session. Actual receipts collected for the two-year period are compared with the forecast and if revenue is two percent or more above the forecast, a credit is due to taxpayers. The Department of Administrative Services certifies the amount of any credit in September of odd-numbered years.

The Department of Revenue manages the kicker distribution process. Individual taxpayers receive their credits in the form of a refund against the prior tax year. The credit for individual taxpayers appears on tax forms for the year the biennium ends.

The Governor’s Budget proposal for the next two years is based on the December 2020 revenue forecast. This forecast does not anticipate a kicker credit for individual taxpayers for 2019-21. Additionally, the budget does not anticipate corporate and excise tax collections at a level that would require the excess funds to be allocated for public education, kindergarten through grade 12.

Appropriations Limit (ORS 291.357)

The 2001 Legislature passed House Bill 3997 which set a limit on state appropriations. The law places limits on all “governmental activities” as defined by the Governmental Accounting Standards Board. The budget cannot exceed eight percent of the projected personal income in Oregon. The income data comes from the U.S. Department of Commerce and is printed by the Oregon Department of Administrative Services. The law states that the final comparison shall be based on the last forecast before the Legislature adjourns.

- ***Personal Income*** - The December 2020 revenue forecast projects Oregon’s total personal income for the next biennium to be \$483.7 billion. Based on that figure, the eight percent limit is \$38.55 billion.
- ***Subject appropriations*** - By definition, certain activities are exempt from the statute. Fiduciary activities (retirement, unemployment, benefit funds, etc.) and business activities (loan programs, enterprise programs, etc.) are excluded.

For 2012-23, the Governor’s Budget, when adjusted as described above, totals 7.97 percent of personal income.

Full-Time Equivalent Positions (ORS 240.185)

This law limits the number of state positions. The limit equals one percent of the state's population in the previous year as calculated on a full-time equivalent basis.

The Office of the Governor, the Secretary of State, the Treasurer of State, and the Judicial and Legislative Branch agencies are not counted under the limit. Some positions in the Employment Department are also exempted.

The state's population is estimated at 4,265,200 as of July 1, 2020, and projected to be 4,323,900 as of July 1, 2022. Using these numbers, the cap is at 42,652 and 43,239 full-time equivalent positions at the beginning and end of the 2021-23 biennium.

The Governor's Budget for the 2021-23 biennium includes 38,957 full-time equivalent positions, when adjusted as described above.

Deferred Maintenance (ORS 291.215)

The 2017 Legislature passed Senate Bill 1067, which requires the Governor's Budget to include an amount for deferred maintenance and capital improvements which is at least two percent of the current replacement value of state-owned buildings and infrastructure, with some exclusions. For the 2021-23 Governor's Budget, deferred maintenance is funded at 7.4 percent of the current replacement value of state-owned buildings and infrastructure.

Implementation of Audit Findings or Recommendations

The 2019 Legislature passed Senate Bill 1052, which requires the Governor's Budget to identify any new or enhanced funding or savings included in the budget as a result of implementation of audit findings or recommendations. The Governor's Budget includes \$117.6 million total funds across agency budgets to address audit findings and include the following:

- Procurement and Implementation of an employment complaint and investigation tracking system within the Department of Administrative Services.
- Deferred maintenance funding at the Oregon Department of Fish and Wildlife.
- Additional staff at the Oregon Department of Revenue to improve diversity and career paths within the agency.
- Funding for an internal auditor position at the Department of Agriculture.
- Staffing within the Oregon Department of Forestry to modernize Oregon's wildfire response and coordination efforts across the state.
- Funding to enhance wildfire severity response efforts at the Oregon Department of Forestry focused on slowing the increasing size and frequency of large fires by improving the ability to detect and suppress fires quickly.

- Funding for Oregon State Police to interface the Sex Offender Registry into the LEDS 2020 data base system
- Additional staff at Oregon State Police to address State P-Card of Oregon Transaction System (SPOTS) card risk mitigation.
- Provides for oversight and risk mitigation of vendor services at the Office of the Oregon State Fire Marshal.
- Staffing to with the Office of Emergency Management to provide grants management and oversight of federal grants.
- Funding within the Department of Justice to reorganize and provide adequate staffing to improve efficiency in state contract review and to provide adequate training to client agencies.
- Staffing to expand the Oregon Child Abuse Hotline, as well as positions to provide appropriate capacity to assess and respond to allegations of child abuse.
- Training for child welfare staff to appropriately assess and respond to allegations of child abuse and neglect.
- Establishes the Family Preservation and Prevention Services Program to focus on strategies to keep children safely in their homes, rather than entering the foster care system.
- Creates a Respite Care Program for foster families with the intent of increasing the number of people willing to serve as foster families.
- Permanent resources for positions supporting the child welfare program.
- Funding to support the implementation of a new time, attendance and payment system for Home Care Workers and Personal Support Workers.
- Enhancing the quality in Oregon's child care background check process for the Employment Related Day Care program and provides funding to review background checks within Recorded programs.

APPENDICES



Glossary

| | |
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| Adaptation, adapt (in facilities) | Changes to the interior arrangements or other physical characteristics of a facility or permanent installation of equipment enabling a building to be better used for its current purpose or adapted to a new one. Adaptation can include code compliance. |
| Allocation | An allocation is a cash transfer of either Lottery or Criminal Fine Account (CFA) funds to an agency by the Legislature. Allocated funds cannot be spent without expenditure limitation. |
| Allotment | An allotment is an agency's plan of estimated expenditures, revenues, cash disbursements, and cash receipts for each month of the biennium. It is used to monitor quarterly spending of an agency. Agencies must submit their allotment to the Department of Administrative Services each quarter for review. Upon approval, the requested funds are made available to the agency. |
| Analyst | The Department of Administrative Services Chief Financial Office (Budget and Management section) analyst assigned to an agency. |
| Appropriated Funds | A coding structure that reflects revenues and expenditures by funding source and purpose. |
| Appropriation | An amount of money from the General Fund approved by the Legislature for a certain purpose. |
| Authorization | The substantive legislation that establishes the purpose and guidelines for a given activity and usually sets a limit on the amount that can be appropriated or spent. The authorization does not provide actual dollars for a program. |
| Base Budget | The starting point for budgeting. To budget for the upcoming biennium, the base budget begins with the current biennium Legislatively Adopted Budget (LAB). The LAB is adjusted for Emergency Board, February even-year session, special session, and administrative actions through a designated date in the current biennium, and personal services changes from the Oregon's Position Information Control System (ORPICS). The result is the base budget. |

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| BIPOC | Black, Indigenous and People of Color |
| Bond | A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state year. |
| Budget Document | The detailed material prepared by agencies as directed by the Department of Administrative Services Chief Financial Office for all phases of budget development. |
| Budget Report | Official report of the Joint Committee on Ways and Means for a bill that appropriates money or limits expenditures. The Budget Report includes the Committee's recommendations to the Legislature on levels of revenues and expenditures. |
| Capital Assets | Tangible or intangible assets held and used in state operations which have a service life of more than one year and meet the state's capitalization policy. Capital assets of the state include land, infrastructure, and improvements to land, buildings, leasehold improvements, vehicles, furnishings, equipment, collections, and all other tangible and intangible assets used in state operations. |
| Capital Outlay | Expenditures for the acquisition or major repair of fixed assets intended to benefit future periods. As an expenditure category, capital outlay is limited to items that: (i) are not consumed in the usual course of agency operations; (ii) can normally be used more than once; (iii) have a useful life of more than two years; and, (iv) have an initial value of \$5,000 or more. |
| Certificates of Participation (COP's) | Tax-exempt government securities used to raise funds to improve and construct buildings or purchase equipment. |
| Cross Reference Number | A computerized table in ORBITS that specifies the organizational structure under which an agency builds and presents its budget. A Summary Cross Reference (SCR) is a program unit, and is composed of two or more Detail Cross References (DCRs). |
| Construction | Building, installing, or assembling a new structure. Adding to, expanding, altering, converting, or replacing a structure. Moving a structure to a new location. Includes site preparation and equipment installed and made part of the structure. |

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| Construction Costs | Direct costs, including labor, materials, and equipment rental. For total related costs, see <i>Project Costs</i> . |
| Current Service Level | The calculated cost of continuing only current legislatively approved programs into future biennia. For the upcoming biennium, Current Service Level begins with the current biennium Legislatively Adopted Budget. Added to it are Emergency Board actions, through May of the even number year, programs phased in, mandatory caseload increases, and other cost increases such as inflation. Subtracted are one-time costs, programs phased out, and pilot programs. |
| Debt Service | Expenditures for principal, interest, discounts, and premiums related to payment of state debt. |
| Deferred Maintenance | Facilities Maintenance that was not performed when it should have been or a backlog of activities that agencies deem necessary to bring facilities into good repair. Deferred maintenance is generally work left undone due to the lack of resources or perceived lower priority than projects funded. Failure to perform deferred work may result in the progressive deterioration of the facility condition or performance, and if not addressed, will significantly increase restoration cost. It may also include maintenance needs resulting from unforeseen circumstances such as windstorms, premature failure of facilities components, etc. |
| Diversity, Equity, and Inclusion (DEI) | <p>Diversity: Appreciation and prioritization of different backgrounds, identities, and experiences collectively and as individuals.</p> <p>Equity: Effort to provide different levels of support based on an individual's or group's needs in order to achieve fairness in outcomes. Equity actionably empowers communities most impacted by systematic oppression and requires the redistribution of resources, power, and opportunity to those communities.</p> <p>Inclusion: State of belonging when persons of different backgrounds, experiences, and identities are valued, integrated, and welcomed equitably as decision makers, collaborators, and colleagues.</p> |
| Emergency Board | The legislative committee with constitutional and statutory authority to make fiscal decisions for the Legislature when the Legislature is not in session. |

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| Emergency Fund | A fund from which the Emergency Board can provide General Fund appropriations to agencies for needs that arise after their budget is approved, or for programs approved but not funded during the legislative session. |
| Essential Package | A package to adjust the base budget, not to request new programs or expansions. Essential Packages may adjust for one-time costs, programs phased in or out, vacancy factors, non-PICS Personal Services costs, inflation, price list cost changes, fund shifts, and mandated caseload changes. An agency's base budget, plus essential packages, is its current service level. |
| Executive Branch | The branch of state government that carries out and enforces state laws. In common use, refers to all of state government outside the Legislative Branch and the Judicial Branch. Sometimes refers only to the governor and agencies that answer directly to the governor. Rarely used in statute. The state constitution actually names four "departments": the Executive, Administrative, Judicial, and Legislative. |
| Executive Service | Commonly used for certain unclassified or exempt employees. Most are department heads, administrators, and deputies; their executive assistants; and certain principal assistants. |
| Expenditures | Decreases in net current financial resources. Expenditures include disbursements and accruals for the current period. Encumbrances are not included. |
| Expenditure Limitation | A spending limit set by the Legislature identifying the maximum amount of Lottery Funds, Other Funds, or Federal Funds an agency may spend. Defined in an agency's budget. If an agency receives more Other Funds or Federal Funds than the Legislature approved them to spend, they must obtain an increase in their expenditure limitation from the Legislature or the Emergency Board in order to spend the revenue. |
| Facility | A building or structure, including utility and other support systems. A real property improvement. A campus or group of structures. See <i>Real Property Improvements</i> . |
| Federal Funds | Money a state agency receives directly from the Federal Government. It is spent under a Federal Funds expenditure limitation or as Nonlimited Federal Funds. |

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| Fee | A fee is a charge, fixed by law, for the benefit of a service or to cover the cost of a regulatory program or the costs of administering a program for which the fee payer benefits. For example, professional license fees which cover the cost of administering and regulating that category of professions are fees. Other charges that are categorized as fees include tolls and tuition. Fees must be authorized in statute. The Legislature may set the rates in statute or authorize a state agency to set rates using administrative procedures. |
| Financing Agreement | Any agreement to finance real or personal property, which is or will be owned and operated by an agency. Includes lease-purchase, installment sale, or loan agreements and Certificates of Participation. |
| Fiscal Year | The state government fiscal year runs from July 1 of one calendar year to June 30 of the next. See <i>Biennium</i> . |
| Full Time Equivalent (FTE) | The standard unit for budgeting positions. An FTE is the number of months in the biennium for which the position is budgeted, divided by 24. One FTE equals one full-time position budgeted for the entire biennium. A permanent, part-time position budgeted for 12 months is 0.50 FTE. A full-time, limited duration position phased in 6 months after the start of the biennium (or budgeted for 18 months) is 0.75 FTE. |
| General Fund | Money available for the state budget that is not dedicated to a specific agency or purpose and that can be used for general purposes of state government. Most General Fund money in Oregon derives from personal and corporate income taxes. Some revenue from liquor, cigarettes, and other sources also go into the General Fund. See <i>Appropriation</i> . |
| Governor's Budget | The constitutionally required budget recommended to the Legislature by the Governor. The Governor first reviews and decides on agencies' requests for funding. The Governor's Budget must be submitted by December 1 of even-numbered years. A newly elected Governor has until the following February 1 to publish a budget. |
| Interagency Transfer | A transfer of funds between agencies. Agencies must balance all interagency transfers before requesting an ORBITS audit. |
| Joint Committee on Ways and Means | A standing committee of senators and representatives appointed by their presiding officers. The Committee reviews the management and recommended budgets of entities that receive or administer state funds. It recommends the amounts of revenues and expenditures for the Legislatures approved budget. |

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| Judicial Branch | The branch of state government that interprets all state laws. Includes state courts. The Chief Justice of the Supreme Court is the chief executive of the branch. |
| Legislative Branch | The Legislative Assembly and its staff. The branch of state government that enacts state laws, grants agencies statutory powers and duties, and adopts the state budget. The Legislative Branch in Oregon consists of a Senate with 30 elected members and a House of Representatives with 60 elected members. |
| Legislative Fiscal Office | Analyzes and presents a wide range of budget and related data on state programs to the Legislature. Staff to the Joint Ways and Means Committee and the state Emergency Board. |
| Legislative Concept | Relating to an agency or statute. Major or minor policy and program changes and non-policy technical adjustments or corrections to the current Oregon Revised Statutes. Approved concepts are sent to Legislative Counsel for bill drafting. |
| Legislative Session | The Legislative Assembly convenes annually in February. Sessions may not exceed 160 days in odd-numbered years and 35 days in even-numbered years. Five-day extensions are allowed by a two-thirds vote in each house. Special sessions can occur at other times. |
| Legislatively Adopted Budget | The budget approved by the Legislature during the regular legislative session. It sets maximum spending and staffing levels. It can be modified by actions of the Emergency Board or special sessions. |
| Legislatively Approved Budget | The legislatively adopted budget as modified by Emergency Board or other legislative action. |
| Lottery Funds | Money received by a state agency from lottery proceeds. The Legislature decides how much to provide and for what purpose. The state constitution restricts use of these funds. Lottery Funds include any of the following: (1) funds allocated to an agency by the Legislature as Lottery Funds; (2) Lottery Funds revenue transfers between agencies, i.e., Lottery Funds transferred by an agency must be received by the receiving agency as Lottery Funds; (3) all interest earned on Lottery Funds while held by an agency. Lottery Funds lose their identity, for budget purposes, when expended. Ballot Measure 66 requires certain agencies to track and report Lottery Funds expenditures at a more detailed level. |

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| Maintenance | Keeping property in good operating condition. Does not add value to or extend the economic life of a property. Commonly includes inspecting, calibrating, lubricating, and cleaning. Maintenance costs are categorized as Services and Supplies expenditures. |
| Management Service | Supervisory, confidential, or managerial employees excluded from collective bargaining. |
| Modified Current Service Level | Current service level less adjustment for revenue reductions. |
| Nonlimited Expenditures | Expenditures for which the Legislature defines purposes, but sets no dollar limits. They are subject to allotment control. The budget document describes them. The appropriation bill defines their allowed purposes. Revenue may be continuously appropriated for them. Their nature may be that they cannot be avoided, stopped, or reduced by agency action. Other factors often limit their ultimate costs. |
| Other Payroll Expenses (OPE) | Expenses other than salaries paid for state employees. These include retirement payments, Social Security taxes, and health insurance costs. |
| ORBITS | Oregon's Budget Information Tracking System (ORBITS) is a system used to prepare budget requests. It compiles, maintains, and reports revenue, expenditure, and position data for budget preparation and execution. |
| Oregon's Position Information Control System (ORPICS) | A computerized statewide database of authorized position details for budget preparation and execution. |
| Other Funds | Money received by state agencies that does not come from the General Fund or from the federal government. Other Funds come from sources such as gasoline taxes, driver licenses fees, and fishing license fees. Other Funds may be dedicated, requiring the revenue to be spent for specific purposes. Examples of dedicated funds are park user fees dedicated to park programs and gasoline taxes dedicated to highway programs. It is spent as Other Funds expenditure limitation or as Nonlimited Other Funds. |

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| Package | A component of a program unit that presents proposed budget, policy, and program changes for an agency. The two types are essential and policy packages. |
| Personal Services | Employee gross compensation (salary, pay differentials, other payroll expenses). Includes state temporary personnel service. |
| Planning Study (in capital budgeting) | Provides enough data for full project development. Normally includes siting, feasibility, and preliminary design studies. Includes cost estimates and all else that is needed to do a capital project budget request. |
| Policy Package | A package that presents policy and program changes above or below the agency's current service level budget. An agency's total budget is the sum of its base budget, essential packages, and policy packages. |
| Price List of Goods and Services | Identifies projected state assessments and user fees. Compiled for budgeting by the Department of Administrative Services (DAS). Includes assessments and fees of DAS, Department of Justice, Correction Industries, Secretary of State, Treasurer of State, and Central Government Services (certain costs of the Legislative Assembly, Legislative Fiscal Office, Legislative Council, and Governor's Office). Also allocates other shared statewide costs for services of the PEBB Employee Assistance Program, State Library, Law Library, Government Ethics Commission, and Capitol Mall security functions. |
| Program Unit | A budget structure containing similar services or functions for deliberation of major policy issues and budget information. Agency activities may be grouped into one or more program units. |
| Project Costs (in capital budgeting) | The total of all necessary costs to construct the complete facility. Includes site acquisition, direct construction costs, furnishings, equipment, and contingencies allowance. Includes all indirect costs, such as design consultants, material testing services, special inspection services, project management, One Percent for Art, and others. |
| Racial Equity | Closing the gaps so that race can no longer predict one's outcomes. |

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| Racial Justice Council | Advisory group to the Governor with subgroups focused on criminal justice reform and policy accountability, health equity, economic opportunity, housing and homelessness, environmental equity/natural resources, and education. Members of the Council are from diverse set of backgrounds with a majority from BIPOC (Black, Indigenous and People of Color) and Tribal communities. |
| Real Property Improvements | Property that is fixed, immovable, and permanent. Real property includes land, structures affixed to the land, property affixed to the structures, and in some cases, trees etc., growing on the land. Includes sidewalks, landscaping, drives, tunnels, drains and sewers. |
| Reclassification | A change in position classification because duties, authority, and responsibilities are significantly changed, but the required knowledge and skills remain similar. |
| Revenues | Cash receipts and receivables of a governmental unit derived from taxes and other sources. |
| Repairs | Work done to restore worn or damaged property to normal operating condition. Repairs are usually Services and Supplies expenditures. |
| Replacement (in capital budgeting) | Putting one facility component in place of another to gain equal or greater performance or economy or to comply with codes. It performs the same function. Usually required by wear or by accidental damage. |
| Salary Adjustment Allocations | Money or limitation allocated by the Emergency Board to fund approved compensation plan increases. |
| Services and Supplies | Expenditures for business operations. Examples include personal service contracts, consumable materials, publishing, office supplies, travel, utilities, rent, and maintenance and repair of equipment and buildings. |
| Space Planning | Analyzing workflow, space, and equipment needs of work units to plan efficient equipment, furnishings, and support systems. |
| Special Payments | Budgeted transfers and payments where goods and services are not received in return. Paying out contributions, loans, deposits, or collections. Also, paying federal or state funds to eligible people, cities, counties, quasi-public agencies, and others. |

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| Special Session | Meeting of the Legislature between regularly scheduled sessions. May be called by the Governor or the Legislature. |
| State Agency or Agency | Variously defined in state statutes. Commonly, a department, office, board, or commission created by state law to carry out duties assigned by law. Agencies range in size from thousands of employees with billion dollar budgets to one employee with a tiny budget. They are funded by license and user fees, state and federal taxes, fines, and fees for service. Some agencies report to a board or commission. |
| Underserved communities | Referred to Oregonians who are: Native Americans, members of Oregon's nine federally recognized tribes, American Indians, Alaska Natives; Black, Africans, African Americans; Latino, Latina, Latinx, Hispanic; Asians, Pacific Islanders; Immigrant, Refugees, Asylum seekers; Undocumented, DREAMers; Linguistically diverse; People with disabilities; LGBTQ+; Aging/older adults; Economically disadvantaged; Farmworkers, migrant workers; and Living in rural parts of the state. |
| Unfunded Mandate | A requirement that a lower level of government provides a program or performs an activity within existing resources. Under a federal mandate, the federal government may require a state or local government to provide a service and not provide additional federal funding to pay for it. Under a state mandate, the state may require a local government to provide a service. However, under the Oregon Constitution, a local government is not required to comply with certain new state mandates unless the state pays the costs of the new services. The Constitution provides exceptions. |
| Vacancy Factor | A calculation to project budget savings expected from staff turnover during the biennium. |

Legislative Bill Table

2021-23 Agency Appropriation Bills

| Agency Name | House Bills | Senate Bills |
|---|-------------|--------------|
| Accountancy, Oregon Board of | HB5001 | |
| Administrative Services, Department of | HB5002 | |
| Advocacy Commissions Office, Oregon | | SB5501 |
| Agriculture, Department of | | SB5502 |
| Agriculture, Department of - Fee Bill | | SB5503 |
| Aviation, Department of | | SB5504 |
| Blind, Commission for the | HB5003 | |
| Bond Limit | | SB5505 |
| Capital Construction | | SB5506 |
| Chiropractic Examiners, State Board of | | SB5507 |
| Columbia River Gorge Commission | | SB5508 |
| Construction Contractors Board | | SB5509 |
| Consumer and Business Services, Department of | | SB5510 |
| Corrections, Department of | HB5004 | |
| Criminal Justice Commission | HB5005 | |
| Dentistry, Board of | | SB5511 |
| District Attorneys and their Deputies | | SB5512 |
| Education, Department of | | SB5513 |
| Education, Department of - State School Fund | | SB5514 |
| Emergency Fund | HB5006 | |
| Employment Department | HB5007 | |
| Employment Relations Board | HB5008 | |
| Energy, Dept. of | | SB5515 |
| Environmental Quality, Department of | | SB5516 |
| Environmental Quality, Department of Fee bill | | SB5517 |
| Fish and Wildlife, Department of | HB5009 | |
| Forestry, Department of | | SB5518 |
| Geology and Mineral Industries, State Department of | HB5010 | |
| Government Ethics Commission, Oregon | | SB5519 |
| Governor, Office of the | | SB5520 |
| Health Related Licensing Boards | | SB5521 |
| Medical Imaging - Fee Bill | | SB5522 |
| Mortuary/Cemetery Board - Fee Bill | | SB5524 |
| Naturopathic Medical Board - Fee Bill | | SB5525 |
| Occupational Therapy Board - Fee Bill | | SB5526 |

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| Speech Language Pathology Audiology Board - Fee Bill | | SB5527 |
| Higher Education Coordinating Commission | | SB5528 |
| Housing and Community Services Department | HB5011 | |
| Human Services, Department of | | SB5529 |
| Judicial Department | HB5012 | |
| Judicial Fitness, Commission on | HB5013 | |
| Justice, Department of | HB5014 | |
| Labor and Industries, Bureau of | HB5015 | |
| Land Conservation and Development, Department of | | SB5530 |
| Land Use Board of Appeals | | SB5531 |
| Legislative Agencies | HB5016 | |
| Library, Oregon State | HB5017 | |
| Licensed Social Workers, Board of | | SB5532 |
| Liquor Control Commission, Oregon | HB5018 | |
| Long Term Care Ombudsman | HB5019 | |
| Lottery Allocation | | SB5533 |
| Lottery Bond | | SB5534 |
| Marine Board, Oregon State | HB5020 | |
| Medical Board, Oregon | HB5021 | |
| Mental Health Regulatory | | SB5523 |
| Military Department | | SB5535 |
| Nursing, Oregon State Board of | HB5022 | |
| Oregon Business Development Department | HB5023 | |
| Oregon Health Authority | HB5024 | |
| Parks and Recreation Department | HB5025 | |
| Parole & Post Prison Supervision, State Board of | HB5026 | |
| Pharmacy, Board of | HB5027 | |
| Police, Department of State | HB5028 | |
| Psychiatric Security Review Board | HB5029 | |
| Public Defense Services Commission | HB5030 | |
| Public Employees' Retirement System | | SB5536 |
| Public Safety Standards and Training, Department of | HB5031 | |
| Public Utility Commission | HB5032 | |
| Racing Commission | HB5033 | |
| Real Estate Agency | HB5034 | |
| Revenue, Department of | | SB5537 |
| Secretary of State | | SB5538 |
| State Lands, Department of | | SB5539 |
| Tax Practitioners | | SB5540 |
| Teacher Standards and Practices Commission | HB5035 | |
| Tobacco Settlement Funds Account Allocation | | SB5541 |

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| Transportation, Department of | | SB5542 |
| Transportation, Department of - Fee Bill | | SB5543 |
| Treasury, Oregon State | | SB5544 |
| Veterans' Affairs, Department of | HB5036 | |
| Water Resources, Department of | | SB5545 |
| Watershed Enhancement Board | HB5037 | |
| Watershed Enhancement Board - Local Grants | HB5038 | |
| Youth Authority, Oregon | HB5039 | |

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