

**GOVERNING BOARD SPECIAL MEETING MINUTES
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES**

Thursday, May 14, 2020

9:00 a.m.

Teleconference Public Meeting Agenda

1) Call to Order: (Laura Maffei, Board Chair)

Chair Laura Maffei called the meeting to order at 9:02 a.m.

2) Introductions: (Laura Maffei, Board Chair and staff)

All were in attendance via phone.

Chair Maffei, Vice-Chair Katie Jeremiah, and Board Members Scott Ashford, Diane Teeman and Linda Kozlowski.

Department of Geology and Mineral Industries (DOGAMI) staff in attendance:

Brad Avy, Director/State Geologist

Lori Calarruda, Recording Secretary/Executive Assistant

Dania Ballard, Chief Financial Officer (CFO)

Sarah Lewis, MLRR Program Manager

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator

Others in attendance:

John Terpening, Legislative Fiscal Office (LFO)

Renee Klein, DAS Office of the Chief Financial Officer (CFO)

Diane Lloyd, Department of Justice (DOJ)

1 3) Financial Update:

2 Dania Ballard, Chief Financial Officer, provided a financial update to the Board.

3
4 Ballard discussed the FY21 Budget Update and 2021-23 Biennium Budget Planning memo in the
5 board packet. She stated DOGAMI was tasked with budget reduction scenarios of 8.5% which is
6 actually equal to about 17% for one year since the first year of the biennium is almost complete. The
7 reductions were posted Tuesday (May 12) on DOGAMI's website. The list is prioritized by what
8 would be cut first to reach the 8.5% General Fund reduction. Ballard said the parameters were
9 strictly related to General Fund money for services and supplies and positions. She then explained
10 that state-wide actions such as furloughs, COLA freezes and other pay freezes would need to first be
11 negotiated with the unions. Ballard considers it a pre-list because the actions taken on the list will
12 occur after the May 20th state revenue forecast comes out. Since DOGAMI was given a one-year
13 budget of \$2,534,180, the exercise required the Agency to double the current budget to come up
14 with the expected General Fund reduction.

15
16 Ballard explained the exercise process in more detail and reviewed the list in order with the Board.
17 She stated the Leadership Team met for at least 2 hours every day and methodically went through

18 the list of services and supplies by line item for potential cuts followed by individual staff positions.
19 All positions including leadership were discussed regarding what each one did, what the impact
20 would be if the position was lost, and how the work could be covered. A balanced approach to
21 reducing direct and indirect functions was used to best maintain the Agency going forward.
22

23 DOGAMI already has a very tight services and supplies budget so the list started with and contained
24 the least negative impact to the Agency. The TriMet commuting pass program in Portland, has been
25 used by the GS&S Program for many years. Ballard said there are really no other services and
26 supplies cuts that could be made without looking at personal services. Chair Maffei confirmed there
27 are no other program cuts that can be made that are not related to personnel because the budget is
28 already cut to the bone.
29

30 The two vacant NRS 3 positions, were looked at first. One NRS 3 position was in the process of being
31 underfilled as an NRS 1 but the recruitment was ended. Ballard stated the positions are not being
32 lost, only the funding for them. If the budget for the next biennium is available, these positions could
33 be filled. Kozlowski asked if the NRS 1 was the early learner intern position. Dania said yes and
34 explained it was originally for an intern on a grant with an early career opportunity for landslide
35 mapping. The Agency decided to try and fill it as an NRS 1 permanent employee who met those
36 qualifications to serve on multiple projects. Avy added the hiring process had made it through
37 candidate screening.
38

39 The Chief Information Officer (CIO) position was created in 2016 when there was a need for higher-
40 level IT services. Over time, as needs were met, the level of support required has decreased and the
41 Agency has been on more of a maintenance status with the role under capacity. Connor Anderson
42 has been contracting with other agencies to help them and to save on General Fund. There are also
43 other staff supporting the IT needs. Avy stated Anderson was part of the Leadership Team for this
44 exercise and offered up his position because he understood current Agency IT needs. Kozlowski said
45 it was impressive that he stepped up in that manner.
46

47 The Publications position serves to do copy editing and consistency control of project report and
48 print production and distribution. This position is also partially funded by Federal Funds and Other
49 Funds. This position was under capacity at times and contracting work with other agencies, so was
50 reduced to half time. The Agency recognizes the continuing value of this position because there is an
51 ongoing need to support the projects.
52

53 The Fiscal Analyst 3 position was listed to maintain a balanced approach across the Agency. Ballard
54 said the Business Office now has a Grant Accountant processing accounts payable activity and grant
55 reporting, and a Contract Specialist producing and monitoring contracts as well as accounts
56 receivable activities. The Fiscal Analyst has been doing review work, creating tools to support grant
57 monitoring and has done a phenomenal job in helping with reconciliations and building tools to help
58 better manage things going forward. Ballard said in looking at the big picture and recognizing the
59 Agency still has services with DAS, the Agency could absorb the analytical functions easier than trying
60 to cover the processing activities.
61

62 Ballard said direct staff are also impacted, explaining a lengthy Leadership Team discussion took
63 place regarding every programmatic service the Agency has, including tsunami, landslide, STATEMAP,
64 and other services. The Resiliency position is an NRS 4 that deals with resiliency and emergency
65 preparedness. It is on the reduction list because it relies heavily on General Fund, has one staff

66 member, and will be the next least hurtful to the Agency if it had to lose the program. Also, this
67 function can be served in other ways by the State.
68

69 Kozlowski asked what products or service is delivered by this position. Avy answered the position
70 work includes consulting with local groups on how to be better prepared for earthquakes and
71 provides it from an engineering background. Also included is some work with the coastal hospitals in
72 producing smaller projects in conjunction with Oregon Health Authority (OHA). The position has a
73 long history of advocating for awareness and preparedness in the resiliency area linked to
74 earthquakes, but OEM has picked up part of that role, as well as other groups. Not to say this
75 position is not important, but in comparison to all the other program areas, this proposed reduction
76 is the least damaging to the mission of the Agency in a collective sense.
77

78 Kozlowski said this is very discouraging as a coastal representative, this position has had significant
79 impact on their infrastructure preparedness and in general as a resource. From her perspective,
80 DOGAMI's leadership and outreach makes and supports its effectiveness. She asked if these are in
81 order of priority, where this position falls in the order, or if it is a package reduction. Ballard said it is
82 in a prioritized order of least negative impact to most to reach the 8.5 percent scenario. It will
83 depend on the outcome of the May 20 state revenue forecast. For example, DOGAMI may only be
84 asked to take 5 percent at first, but she does expect more budget cuts later on (in addition to
85 furloughs and other types of cuts due to the economic environment).
86

87 Avy explained that during the reduction evaluation process, to remain objective, it was important to
88 not look at the individual's skillset or experience. When a person's bumping rights, if any, come into
89 play, skillsets will transfer where they are qualified to do the new position's work. He described
90 potential bumping scenarios. Avy stated the Agency may not necessarily lose the person in a cut
91 position and their contribution to the Agency, though they may be in a different role. The deeper the
92 cuts, the more bumping scenarios will likely occur. Kozlowski said those are hard decisions and she
93 appreciates the effort that went into the process.
94

95 Maffei asked what the next steps are. Ballard replied after the May revenue forecast, the
96 expectation is direction will be given on the required percentage cut, which will then cause layoff
97 notices and any bumping. Avy emphasized the Agency still does not have a second-year budget and
98 hopes to have it through an Emergency Board or Special Session in the near future. There is no
99 guarantee DOGAMI will get a second-year budget.
100

101 Ballard discussed the second year requested budget and the previous issues that led to the one-year
102 budget. She explained that last spring there were issues within fiscal operations and knowledge of
103 where the Agency was at in terms of spending. This led to LFO and DAS CFO to strongly participate in
104 guiding the Agency's financial direction. At the time, LFO did recommend a one-year budget based
105 on the information they knew, which the Agency is finding does not support normal Agency
106 operations. Because the first-year budget is so thin, the Agency expects to have a cash shortfall by
107 the end of May, which would be covered had the second-year budget been approved during the last
108 legislative session. DOGAMI has been told they are a priority for the Emergency Board. Ballard said
109 the Agency approached LFO and DAS CFO about if it should be looking at ceasing agency operations
110 and laying off staff, but was told to keep moving forward as status quo for the present.
111

112 Ashford said that just because there are no questions from the Board, it does not mean they are not
113 listening. They understand how difficult this situation is. Maffei said it seems the Agency cannot
114 catch a break.

115
116 Briefing: **No Board Action Required.**

117
118 **4) Review of Agency's Legislative Concepts (LCs):**

119 Maffei explained this meeting was scheduled prior to the shutdown and was done to be better
120 prepared for the next biennium and have time to review these ideas instead of waiting until July and
121 having no input.

122
123 Bob Houston, Interim GS&S Program Manager and Legislative Coordinator and Sarah Lewis, MLRR
124 Program Manager, presented the Agency's draft Legislative Concepts (LCs) for DOGAMI for the 2021-
125 23 Session.

126
127 For the 2021-23 biennium, the Agency is moving forward with two Legislative Concepts, the MLRR
128 Fee Increase and MLRR E-Permitting. Houston explained the MLRR program is supported only by
129 fees, and with the current fee structure the program will run short on money by early 2021. The
130 previous bill was proposed in the Short Session under SB 1579-1. The bill made it through the Joint
131 Committee on Ways and Means, but did not get a floor vote because of no quorum. The proposed LC
132 represents a collaborative agreement across the aggregate, oil and gas, and geothermal industries.
133 Due to the immediate funding needs, the Agency will be proposing to ask for an emergency clause
134 with implementation upon the Governor's signature.

135
136 Houston stated during conversations with the aggregate industry, OCAPA was advocating for an e-
137 permitting system. The E-Permitting LC is the Agency's good faith attempt to bring that request
138 forward. Lewis stated that permit, inspections, customer and other business records, and payments,
139 are still being done by paper. During this telework time, staff are having to go into the office to do
140 deposits to maintain revenue flow, and mail out paper permit renewals, which is causing
141 inefficiencies in core business tasks. Implementation of a modern, paperless e-permitting system and
142 online customer service would result in significant performance improvement, including streamlined
143 operations, more efficient delivery of service and higher customer satisfaction (including public
144 records requests). The e-permitting business case was developed in 2018 and a Policy Option
145 Package was included in the 2019 Legislative Session. Other agencies like State Lands are also looking
146 at a similar system. Lewis has been working with DOGAMI's CIO and Enterprise Information Services
147 to refine the logistics and costs in order to develop a more reasonable estimate, which is looking to
148 be about \$700,000 to \$1.1 million over 5-7 years. This would be covered with a fee across all permits
149 and would have a sunset date. There is very strong indication this is something the industry would
150 support. Lewis stated it is a difficult time to consider an additional fee on top of a fee increase, but it
151 is important to continue moving this concept forward.

152
153 Jeremiah said she is in full support of this fee for the long-term big picture by seeing cost savings due
154 to Agency efficiencies in the future. Maffei asked how this would be impacted if the CIO position is
155 eliminated. Lewis explained the CIO's role was instrumental in the first portion of this project and
156 that the contract would be done by DAS and Enterprise Information Services, then a project manager
157 would be hired to manage it through implementation.

158

159 Maffei asked about the MLRR program being over budget this summer and how it would be impacted
160 it if needed to wait until the long session for the fee increase. Houston said they would try to get the
161 fee increase through a Special Session after the May 20th state revenue forecast. Lewis said her
162 understanding is the revenue cushion will not go below zero until this winter. Ballard said the Agency
163 is attempting to get the fee increase now and explained the program is burning through the balance
164 faster than the fees are being brought in, and by winter the program will be in a negative cash flow
165 situation. Due to the revenue coming in through peaks throughout the year, if the fee increase is not
166 approved this year, the Agency will have to look at programmatic reductions because the current
167 fees do not support the operations.

168
169 Maffei asked what the likelihood is of getting the fee bill passed. Houston answered he thinks it is
170 going to be a challenge based on the COVID-19 economic impact. He stated one of the
171 recommendations received is to make sure it is a very clean bill and that stakeholders are all on the
172 same page. Avy said if the fee increase did not happen in a Special Session, the chances for passage
173 in full session diminish significantly due to competition with COVID related issues. Kozlowski asked if
174 there was full stakeholder support for the fee increase. Houston explained they met with OCAPA and
175 have an agreement with where it was left off at the 2020 Short Session for the fee bill, and there is
176 support from the Oil and Gas, and Geothermal programs as well.

177
178 Houston explained the challenges the Agency has been facing with the COVID-19 pandemic. He said
179 the Emergency Board can only approve the second-year budget, but it will not be able to address the
180 fee bill, only a legislative session can. Houston said it is difficult to move a fee increase forward when
181 there is an economic downturn. It will require the bill to be consistent with the version passing out
182 of full Ways and Means to have the greatest potential to move forward.

183
184

185 Board Action: **Jeremiah moved to approve moving forward with the Agency’s Legislative Concepts**
186 **(LCs) as presented. Teeman seconded. Motion carried.**

187
188

5) **Review Agency’s Policy Option Packages (POPs):**

189 Dania Ballard, Chief Financial Officer, presented the Agency’s Policy Option Packages (POPs) to the
190 Board. She explained that each biennium the service level budget gets incremental percentage
191 increases, if the budget for an item goes above that, it needs to be brought in as a Policy Option
192 Package for approval. She went through the list, which is in descending priority.

193
194

In order of priority, DOGAMI is considering the following POPs:

- 195 • IT computer and server replacement;
- 196 • General Fund match for grants and grant development;
- 197 • Increased funding to support “normal” levels of travel, agency representation, and technical
198 proficiency;
- 199 • Two GS&S program supervisors (assuming the second-year budget continues to include a
200 GS&S Program Manager);
- 201 • Position cleanup (matching position classification to actual duties); and
- 202 • General Fund to develop a probabilistic tsunami model.

203

204 **IT Computer and Server Replacement**

205 The IT computer and server replacement is for equipment that is at end of life, the last ones were
206 purchased in 2016 and 2017. The current budget does not support replacement of computer
207 equipment, this funding ask is to support acquiring new equipment for staff to continue functioning
208 in their roles.

209
210 **General Fund Match for Grants and Grant Development**

211 The General Fund match for grants and grant development, would allow the Agency to leverage
212 those dollars against Federal Funds or Other Funds for projects that better support DOGAMI's
213 mission. Ashford asked if the Agency would be subsidizing those federal grants with state funds.
214 Ballard answered yes and no, it would open up the opportunity to pursue new grants, which the
215 Agency currently is unable to do, because there are grants that require some type of a match from
216 the state. There are currently two grants on the books, one for STATEMAP, which has been
217 supported since 1992, it is 50% federal money and 50% state money, and is done on a yearly basis.
218 The second is landslide mapping that is 75% federal money and 25% state money (General Fund).
219 Ballard stated anything that is asked for in terms of General Fund money is going to be a tough ask,
220 and the likelihood that the Agency will receive it might be slim. She would still like to pursue asking
221 for it to support DOGAMI's ability to look elsewhere for other types of funding.

222
223 **Travel, Agency Representation, and Technical Proficiency**

224 The increased funding to support "normal" levels of travel, agency representation, and technical
225 proficiency is being asked for due to the budget being skinny and that travel expense is more than
226 budgeted for and is being offset in other categories. This ask for increased funding is in support of
227 normal travel activities related to agency business. Under technical proficiency, the Agency has cut
228 any type of professional development or training opportunities for staff. In a normal circumstance,
229 the Agency would like to have some funding to support the technical expertise it has in house.

230
231 **GS&S Program Supervisors**

232 The two GS&S program supervisors have been discussed for some time. In the second-year budget,
233 the Agency has asked for a Program Manager role and these supervisors would support that role.

234
235 **Position Cleanup**

236 Position cleanup is to match staff, working out of class, with what they are doing and what they are
237 being paid. This is not an actual increase in General Fund.

238
239 **Probabilistic Tsunami Model**

240 The General Fund to develop a probabilistic tsunami model is an idea supported by the Governor's
241 Office and the Agency wanted to move forward with it as a POP.

242
243 Ballard said that given all these items, the changes with budget reductions, and the economic
244 environment, the Agency recognizes the likelihood of anything moving forward is going to be
245 difficult. The list has since been revised and the Agency requests preliminary approval to move
246 forward with the following POPs.

- 247
248
 - The IT computer and server replacement because it is a serious need for the work being
249 done, the physical equipment is going to die within the next year or two and there is no
250 funding to support it.

252 • The General Fund match for grants and grant development to have the ability to leverage
253 whatever federal funds and other funds are out there to help provide more funding for the
254 Agency.

255
256 • The position cleanup because it improves budgeting with no financial impact.
257

258 Ballard said that with the Board’s approval to move forward the Legislative Concepts, there are two
259 more POPs related to e-permitting and the fee increase to support those items as well. Maffei asked
260 for clarification on the list of POPs of which ones were being asked for. Ballard went through the list.
261 Maffei wanted to verify the position cleanup is not a General Fund ask. Ballard said that is correct.
262

263 Ashford said he has concern about the General Fund match. When he joined the Board there was a
264 culture of getting work to keep the Agency busy. His concern is that the Agency not go after grants
265 to grow the Agency or to keep people busy versus using General Fund in a really targeted way to do
266 projects that makes sense for the Agency. Ashford is uneasy about the General Fund match for
267 grants. He wants to make sure the Agency is spending state funds on the highest priority projects for
268 the state and not just to get federal money for the work.
269

270 Avy said Ashford is correct that the Agency does not want to be in a position of chasing grants to
271 keep people busy if it is not in line with the mission. Avy believes this POP request is to support
272 grants that are central to the Agency and that it historically goes after like USGS STATEMAP that is
273 fundamental geologic mapping. Because it is a nationally awarded grant, the Agency does not have a
274 lot of flexibility in terms of refusing the match. For the Agency to do the work a match is required (in
275 some cases an in-kind match can be found). Currently the Agency has not been going after grants
276 that require a match and without General Fund support DOGAMI could lose grants that are vital to its
277 work.
278

279 Ashford asked if the Agency would only use the match for federal grants where it is required to
280 compete. Ballard said yes, that is the expectation. Ashford said sometimes the Agency has put in
281 match where it is not required and one of the criteria he wants is that the General Fund match is
282 used only for grants that require a match. Ballard said the other part of the POP request would also
283 support project managers in providing General Fund hours to go seek these grants. Ashford asked
284 who will approve which grants the Agency goes after and its priorities. Avy explained the internal
285 grant pipeline process that is used to approve seeking a grant. Ashford wants this to have quite a bit
286 of oversight. Ballard described more of the process used to determine if grants are pursued.
287

288 Board Action: **Kozlowski moved to approve the Agency’s Policy Option Packages (POPs) as follows:**
289 **IT computer and server replacement, the General Fund match for grants and grant development,**
290 **and the position cleanup, along with the Fee Bill and E-Permitting Legislative Concepts that are also**
291 **POPs. Jeremiah seconded. Motion carried.**
292
293

294 Board Action: **Teeman moved to accept the Agency’s other Policy Option Packages (POPs) that**
295 **were described in the Board Packet being: increased funding to support normal levels of travel, the**
296 **two GS&S program supervisors, and the probabilistic tsunami model to be considered at a later**
297 **date when we are not facing the current budget situation. Kozlowski seconded. Motion carried.**
298
299

300 **6) Public Comment:**

301 Only written comments received prior to or by 11 a.m. on the day of the meeting will be accepted.
302 Chair Maffei asked for any written public comments. No public comments.

303

304 **7) Board Adjourn:**

305 At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 10:34 a.m.

306

307 APPROVED

308

309

310

311

312



Laura Maffei, Chair