

2015 - 2017

GOVERNOR'S BUDGET

STATE OF OREGON



John A. Kitzhaber, M.D. Governor

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JOHN A. KITZHABER MD
GOVERNOR

Governor's Budget Message

Investing in children and families • Creating good Jobs • Building statewide prosperity

Fellow Oregonians,

Together over the last four years we have worked hard to rethink how government works in Oregon, seeking new ways to invest in our children, expand access to health care and improve our economy.

Because of that work we have an opportunity today to significantly invest in our system of public education and ensure our children have a fair shot at the American dream. We also have the opportunity to invest in rural Oregon and improve the safety of our communities.

My proposed 2015-17 budget is about priorities, not programs. It is driven by the principle that we all want the same things. We all want to be able to meet our basic needs and the needs of our families. We want to believe that we have the opportunity to achieve our full potential, that hard work is rewarded with a better life, and that we can leave our children better off than we were, both economically and environmentally.

This budget is also part of our strategic 10-year Plan, aimed at leveraging our state resources in ways that improve the lives of Oregonians and ensure prosperity for all. It is a true equity budget because the goals and outcomes will ultimately help to reduce disparities and increase equity throughout the state.

We've come a long way. Four years ago, we faced daunting challenges: double-digit unemployment, soaring health care costs and a \$3.5 billion budget gap. We came together as Oregonians and took those challenges head on, creating a new model for health care that will save the state \$3 billion over the next eight years, reforming our education system and realigning our public safety system to prioritize the safety of our communities over simply building new prison beds.

Oregon has created more than 100,000 new jobs since 2011, we secured a historic \$1 billion investment in education over the last two years and we have dramatically expanded access to affordable health care. Today 95 percent of Oregonians have health insurance coverage.

But not everyone has shared equally in Oregon's recovery. Oregon is ever evolving. Our cities and towns have become rich with growing communities of color who enhance our lives with deep traditions, new languages and broadening perspectives. Additionally, our rural communities are steeped in a long history of hard work and strong values. However, despite these important contributions to Oregon's foundation, parts of rural Oregon and communities of color still face double-digit unemployment rates and there is more work to do to meet our commitment to the class of 2025 that they all obtain a high school diploma.



JOHN A. KITZHABER MD
GOVERNOR

My budget includes \$808 million in targeted investments in education from birth to postsecondary education and training. These investments will accelerate progress toward our 40-40-20 goal: that by 2025 all Oregonians will have a high school diploma or its equivalent, 40 percent will get at least two years of post-secondary education or training and hold an associates degree or technical certificate, and 40 percent will hold a bachelor's degree or higher.

The budget funds all-day Kindergarten and early learning initiatives that will build a bridge from age three to third grade, ensuring that in four years 95 percent of Oregon children are reading at grade level in third grade. It makes investments building a similar bridge from ninth grade to college – including investments in STEM and CTE – ensuring that Oregon students are on track to graduate and have a pathway into a meaningful career. And the budget includes more funding for community colleges than they've seen since the Great Recession.

The budget also includes investments that will grow our economy and ensure that our economic recovery reaches every corner of the state and lifts up rural Oregon as well as historically underserved populations. Building on the success of our Regional Solutions Teams, the budget includes new resources to aid in the development of water resources statewide, including the Umatilla and Klamath basins as well as an expansion of our regional economic development strategies. This includes \$30 million to retain and create jobs in Oregon through a Working Forests and Working Farms Finance Initiative.

Finally, the budget seeks to “make work pay” by smoothing the path up the income ladder toward the middle class. A series of investments will help ensure that hard work is actually rewarded with a better life; that when low income Oregonians earn more in their paycheck, they have more resources to support themselves and their families. In addition, the budget includes a substantial investment targeted toward housing for homeless children and families.

Many of these investments are made possible because we were able to limit the growth of our prison population, reduce public pension liabilities and develop our network of coordinated care organizations. My budget aims to expand the coordinated care model to cover more public employees and make it available to small businesses to lower costs and improve their competitiveness.

By emphasizing partnerships and regional community-based investments we have put Oregon on a track toward prosperity and opened up an opportunity for significant additional investments in our children. The decisions we make today will determine the Oregon that they inherit from us. Together, we can and will make their future bright.

John A. Kitzhaber, M.D.

Governor

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INTRODUCTION

SECTION A



THE ECONOMIC AND REVENUE ENVIRONMENT

Economic Performance and Outlook

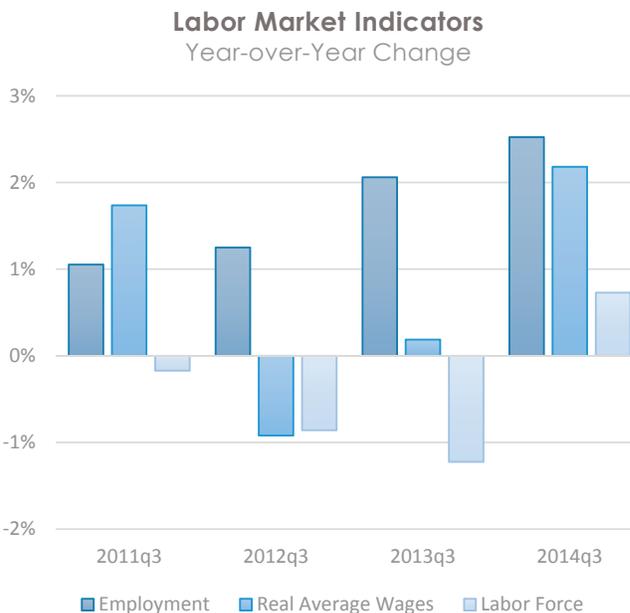
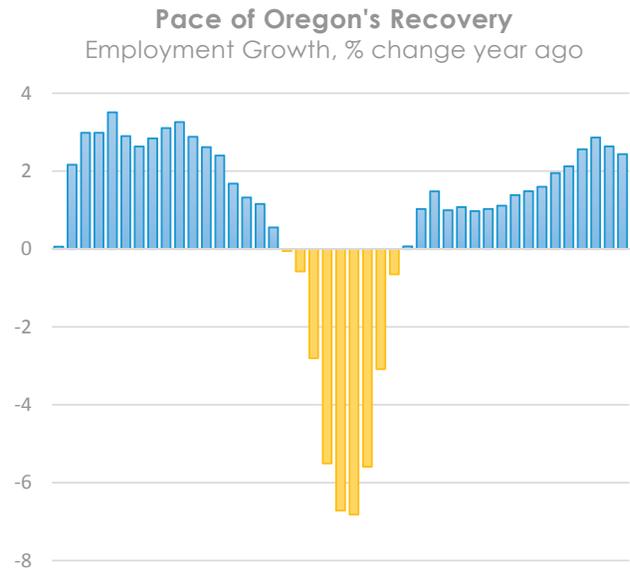
On the eve of the Great Recession's seventh anniversary, the U.S. economy has regained its recessionary losses across most top-line economic indicators. Employment, personal income, stock prices and GDP are all at or near record levels.

Although aggregate measures of economic activity have bounced back, the U.S. economic recovery is not yet complete. In particular, there is still slack in the labor market, with many workers unable to land the type of job that they are aiming for given their individual skillsets. Other workers have become discouraged and have left the labor force altogether.

In Oregon, the overall number of jobs has yet to return to its pre-recession peak, but will no doubt do so before the 2015-17 biennium begins. As has historically been the case, Oregon's recession and recovery have shown more of a boom-bust cycle than what has been seen in other states. After suffering relatively severe job losses during the recession, Oregon is now experiencing above-average job growth. Employment growth in Oregon accelerated in 2013, and has outstripped growth in the typical state ever since.

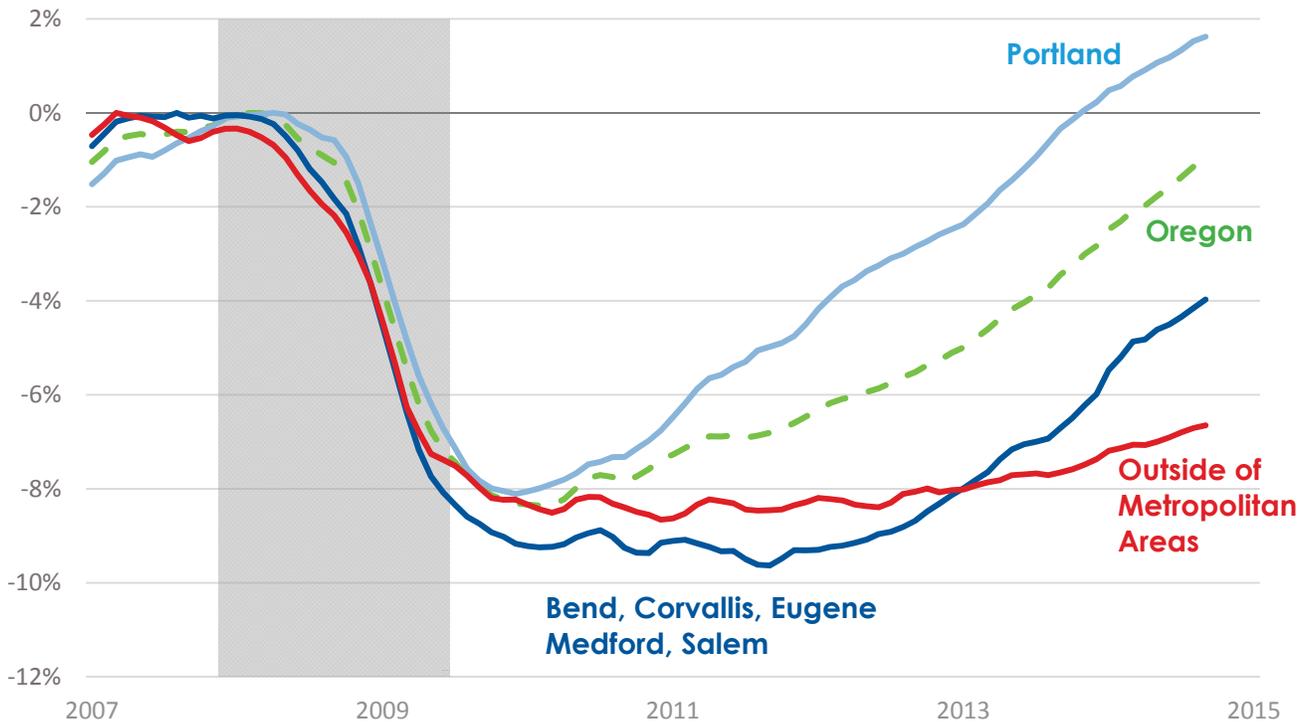
In addition to job growth, Oregon is beginning to see deeper signs of improvement in labor market conditions.

Such improvement is not yet evident in the typical state. In particular, a tighter labor market is finally being reflected in growth in inflation-adjusted wages. Along with improved pay has come healthy labor force growth, as workers respond to more lucrative job opportunities.



Uneven Recovery Across Oregon

Employment Relative to Pre-recession Peak



Oregon's job gains accelerated as the recovery spread out from the Portland area and became more broad-based across the state. Currently, only one in five of our counties are still missing out on job growth.

In general, Oregon's largest population centers have fared the best during the recovery. The Portland area was the first to start adding jobs in 2010, and has grown steadily ever since. There are now 15,000 more jobs in the Portland area than there were before the recession began. Oregon's smaller metropolitan areas did not begin to expand until the second half of 2012, but many have been adding jobs at a rapid pace since. Leading the way has been the Bend metropolitan area along with other areas that were the hardest hit by the housing downturn. Oregon's rural communities have yet to see much of a recovery to date. With public sector payrolls stabilizing, the typical rural area finally started netting a few jobs over the past year. Despite recent improvement, most rural areas have just begun to repair the damage done by the recession.

Oregon's economic recovery has been uneven across industries as well as across regions of the state. The large service sector has generated the most jobs, both in terms of outright job gains and above-average growth rates. Expanding industries include professional and business services, health services, and leisure and hospitality industries. These three industries have gained 20,200 jobs in the past year and account for 49 percent of all job gains across the state. Although this share remains large, as other industries continue to strengthen, it represents the smallest share these service industries have contributed since employment began growing.

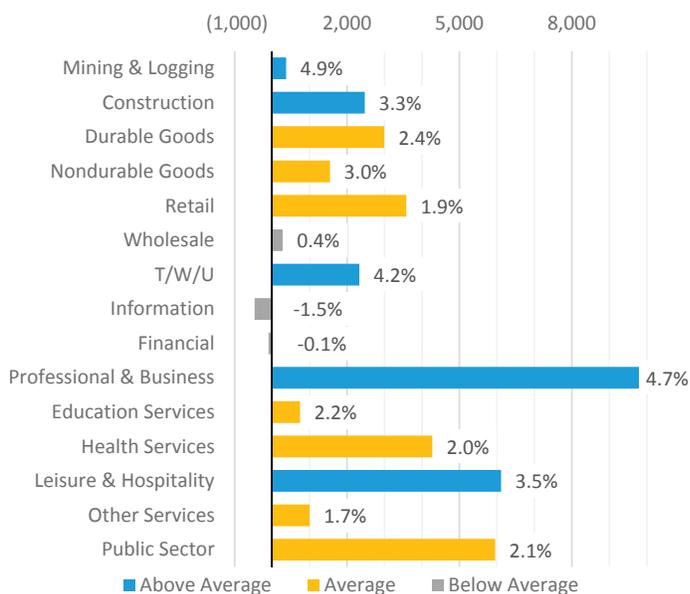
Manufacturing continues to add jobs in line with the average industry. Mining and logging and construction are growing at rates significantly faster than average. All told, mining and logging firms have regained nearly half of their recessionary losses while construction firms have added back approximately one-third of industry job losses so far.

Currently, employment for five major industries, which account for 40 percent of statewide jobs, has reached an all-time high. Private sector education, health services, and food manufacturing never really suffered recessionary losses – although growth did slow during the Great Recession. Professional and business services and leisure and hospitality firms have each regained all their recessionary losses and are leading growth today.

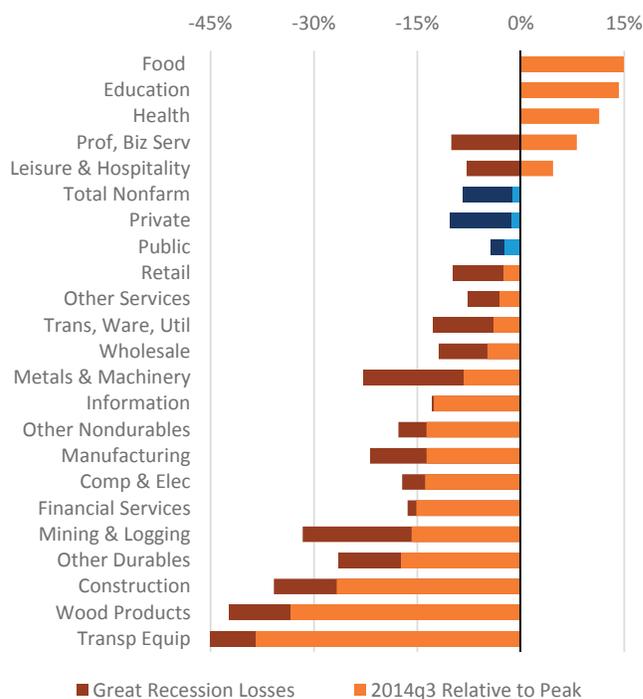
With the Great Recession being characterized by a housing bubble, it is no surprise to see wood products, construction, mining, logging and financial services (losses are mostly real estate agents) among the hardest hit industries. Housing and related sectors are now beginning to recover, but have much ground to make up. Transportation equipment manufacturing suffered the worst, which is likely a structural decline due to the RV industry’s collapse. With that being said, the subsectors tied to aerospace are doing well and the ship and boat building subsector is growing again. Metals and machinery manufacturing, along with mining and logging, have shown the largest improvements since the depths of the recession.

All told, each of Oregon’s major industries has experienced some growth in recovery, albeit uneven. As the economy continues to recover there will be net winners and net losers when it comes to jobs, income and sales as business cycles have a way of restructuring the economy. However, coming off such a deep recession, and with a strong manufacturing cycle today, the goods-producing industries have

Oregon Employment Growth
2013q3 to 2014q3



Oregon Employment by Industry



and will exhibit stronger growth than in past cycles. This is good news for Oregon and its many farms, manufacturers and resource industries.

OUTLOOK

The employment outlook calls for the current pace of growth to persist for two to three years before longer-run demographic trends weigh on growth rates. Should this outlook come to pass, this economic expansion will not reach the rates of growth that Oregon has become accustomed to during previous expansions. During the 1990s, employment grew at over three percent per year. During the housing boom, Oregon averaged nearly 2.5 percent over the entire expansion. So far in the aftermath of the Great Recession, Oregon has averaged just 1.7 percent job growth and the forecast calls for peak growth rates of 2.6 percent over the 2014-2016 time frame.

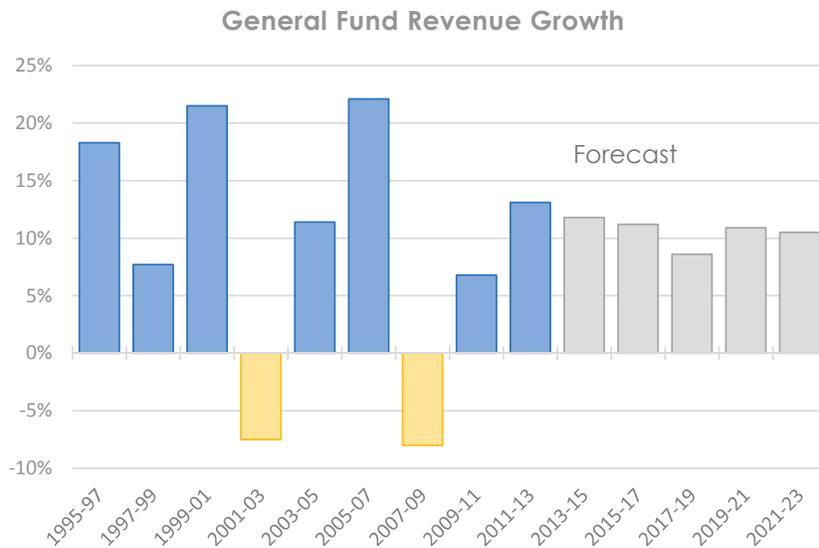
Private sector growth, measured by the number of jobs created, will be dominated by large, service sector industries like professional and business services, leisure and hospitality and health. Nevertheless, goods-producing industries, while smaller, are expected to grow at above-average rates. Job growth in mining and logging, construction and manufacturing – led by durable goods – will outpace the average industry in both 2014 and 2015 as the recovery continues to strengthen. As usual, however, job gains among manufacturers will not replace all of those lost during the recession. Longer term, the employment share in manufacturing and resource industries will continue to decline.

Public sector employment at the local, county and state level for both education and non-education workers has recently begun growing in Oregon, as state and local revenues continue to bounce back along with an improving economy. Over the forecast horizon, government employment growth is expected to trail private sector gains, staying in line with population growth and increased demand for public services.

Although conditions have stabilized among many state and local governments, federal fiscal and monetary policies will not support near-term growth. Although the policy remains unclear, more deficit reduction can be expected from federal policymakers in the next budget. With the Federal Reserve having ended its quantitative easing program, monetary policy has turned the corner and will become much tighter going forward. Should the recovery remain intact, policymakers are expected to start raising interest rates at the start of the next biennium.

Along with an improving labor market, stronger personal income gains will come. 2013 personal income is estimated to have increased by just 2.3 percent. This largely reflects the pulling forward of investment-type income into 2012 in anticipation of increased federal tax rates in 2013. Personal income is expected to increase by 4.9 percent in 2014, 5.1 percent in 2015 and 5.8 percent in 2016.

Over the extended horizon, Oregon is expected to grow slower than in the past, but retain its growth advantage relative to the typical state. Oregon has many comparative advantages including its natural resources and strategic location between large markets in California, Canada, the Midwest and Asia. Housing is affordable in Oregon and a wide range of business costs are low. Oregon businesses face relatively low rents, energy costs and labor costs relative to their counterparts in other states. Most importantly, Oregon benefits from an influx of households from other states, including an ample supply of young, skilled workers. This advantage should remain in place over the next decade as Millennials go through their 20's and 30's.



With the economic recovery expected to remain at its current pace, the outlook for General Fund revenue growth over the 2015-17 biennium is stable as well. General Fund revenues are expected to total \$17,615 million in 2015-17 biennium, an increase of 11.2 percent from the prior period. This is roughly the same as the 12.0 percent growth seen in the 2013-15 biennium.

Revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As

the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

RISKS

The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should contractionary monetary policy or economic weakness among our trading partners derail the U.S. economy, the strong expected growth in Oregon's tax collections will not be realized. Although far from comprehensive, several major risks now facing the Oregon economy are listed below:

- *Federal Fiscal Policy.* Federal fiscal policy remains a risk. Transportation funding and county timber payments are major concerns.
- *Strength and Durability of the Housing Market Recovery.* Construction and other housing-related economic activities are only around halfway back to their typical size. Continued improvement in housing activity is crucial for the outlook, particularly in Oregon's rural areas.
- *Global Spillovers Both Up and Down.* The international list of risks seems to change by the day: sovereign debt problems in Europe, equity and property bubbles in places like South America and Asia, political unrest in the Middle East and Ukraine, and commodity price

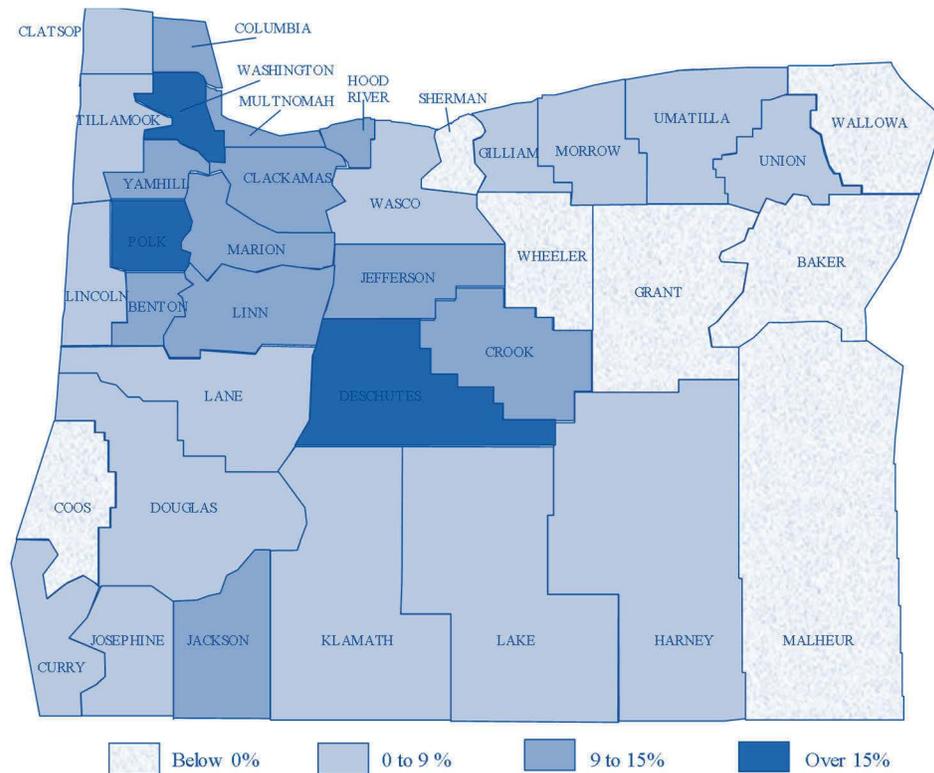
spikes and inflationary pressures in emerging markets. In particular, China with its overvalued currency, is now a top destination for Oregon exports.

- Undoing the Monetary Policy Used to Combat the Financial Crisis and Recession. Exit strategies will have to be carefully implemented to prevent choking off the recovery. In particular, General Fund revenues in Oregon are particularly sensitive to asset prices.
- Law Changes, Initiatives, Referendums, and Referrals. Generally, the ballot box and legislative changes bring a number of unknowns that could have sweeping impacts on Oregon's revenue picture.

Demographic Change

Oregon’s estimated population reached 3.96 million on July 1, 2014. This is an increase of 133,675 persons or 3.5 percent since the 2010 Census. Population growth slowed in recent years following the recession of 2009 and slow economic recovery since then. During the rapid economic expansion of 1990s, Oregon’s population growth rate was 11th highest in the nation. That ranking dropped to 18th between 2000 and 2010, then to 24th between 2010 and 2013. Oregon’s growth rate was slower than all of its neighboring states for the 2010 to 2013 period. Over the long run, Oregon has retained the distinction of being a major destination for migrants in the United States. Since 2010, 62 percent of the population growth was due to net in-migration. Oregon’s population growth changes with its economic and employment outlook. Population growth in the near future is expected to continue the path of moderate growth in sync with the recovering economy. Oregon’s population is expected to reach 4.3 million in 2020 with an annual rate of growth approaching 1.2 percent.

County Population Growth, 2003 – 2013 (Oregon: 10.8 percent)



Sources: Population Research Center, Portland State University.

GEOGRAPHIC VARIATIONS

The figure above shows a decade long population change by county between 2003, and 2013. Overall, Oregon’s population growth was 10.8 percent during this period. However, there are large variations by region and county. High growth counties (exceeding 15 percent increase) in order of magnitude were Deschutes, Washington, and Polk. Although growth slowed considerably in Deschutes County in recent years, the county led the state with 29.6 percent growth in ten years. The moderately growing counties (between 9 and 15 percent increase) were Crook, Yamhill, Jefferson, Hood River, Multnomah,

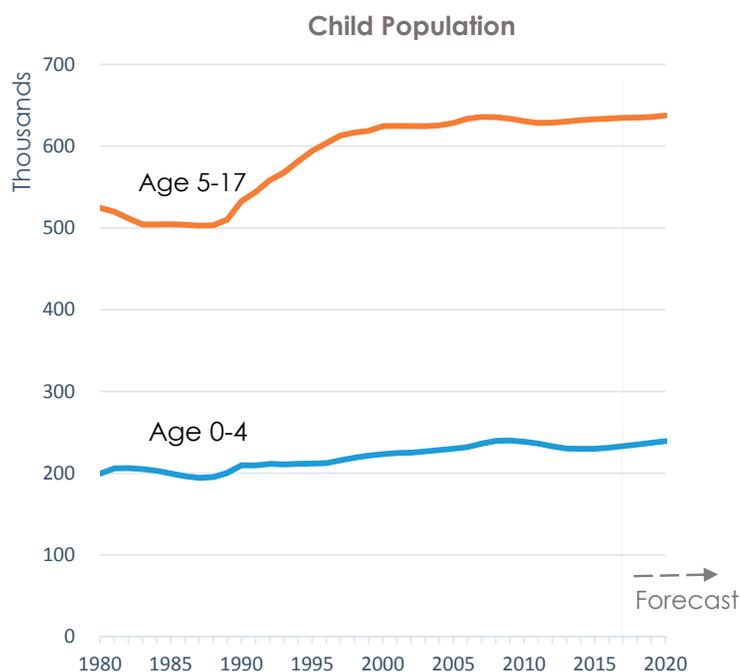
Linn, Columbia, Jackson, Clackamas, Marion, and Benton. The slow growing counties (between zero and 9 percent increase) were Wasco, Umatilla, Lane, Union, Josephine, Douglas, Lake, Curry, Clatsop, Klamath, Tillamook, Gilliam, Lincoln, Morrow, and Harney. Seven counties losing population (negative growth) were Coos, Baker, Wallowa, Malheur, Grant, Wheeler, and Sherman. Population growth by county reflects the local economic environment. In general, counties in the upper Willamette Valley, Central and Southern Oregon experienced high population growth, whereas Eastern Oregon counties lost population over the decade.

CHANGE IN AGE STRUCTURE

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

Children

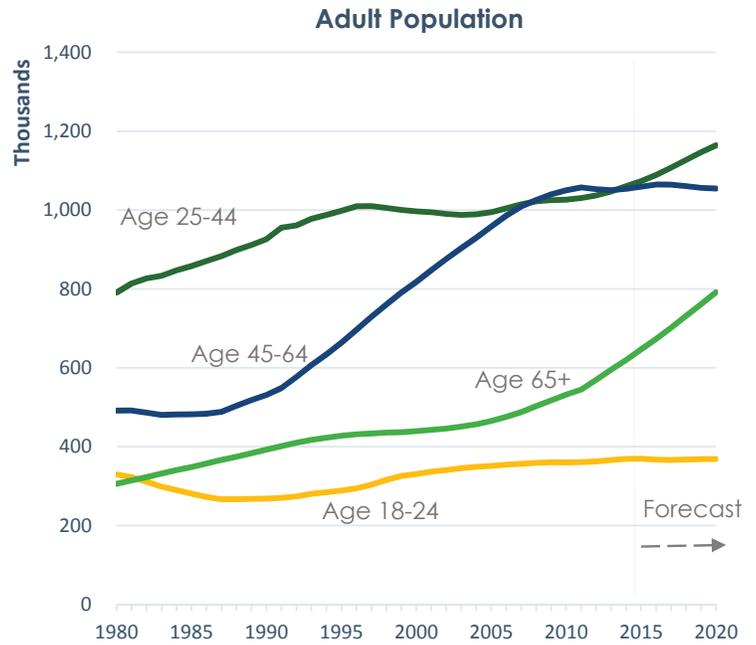
- Under five years.* The size of this age group directly affects demand for childcare, Head Start, and Temporary Assistance for Needy Families (TANF). Between 2015 and 2017 the number of children under age five will increase by 1.4 percent which is slower than the state’s overall growth of 2.4 percent. The slow growth in this age group is mainly due to the recent 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 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 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 has turned positive starting in 2012. However, the percentage increase remains well below the state’s overall population rate of change. Between 2015 and 2017, the number of school-age children is expected to grow by 0.3 percent. Even with very low rate of increase in school-age population, public schools feel added pressure during economic hardship when parents cannot afford private school expenses.

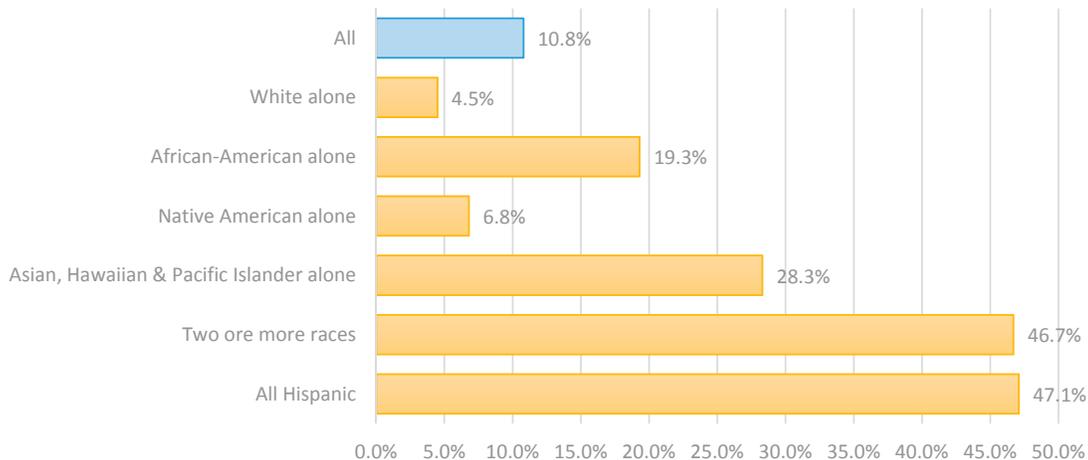
Adults

- Ages 18 to 24. This age group drives demand for post-secondary education and entry-level jobs. Nearly 70 percent of all undergraduate students in Oregon public universities are 18 to 24 years old. However, college enrollment in Oregon has increased in recent years 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 criminally “at risk” population with the highest arrest rate of all adults. Consequently, population increase in this age group can raise demand for prison and jail beds and probation services. The growth in this population group, however, has slowed and will continue to taper off to negative territory as the “baby-boom-echo” cohort exits this age group. Between 2015 and 2017, this population will decline by 0.8 percent.



- 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, especially young adults at the beginning stage of their family formation, need affordable housing, childcare, and schools for their young children. Overall, this population group will grow by 1.8 percent between 2015 and 2017, with

Oregon's Population Growth by Race and Ethnicity, 2003-13



older working age adults 45 to 64 growing by 0.5 percent as the early baby-boomers continue to mature out of this age category.

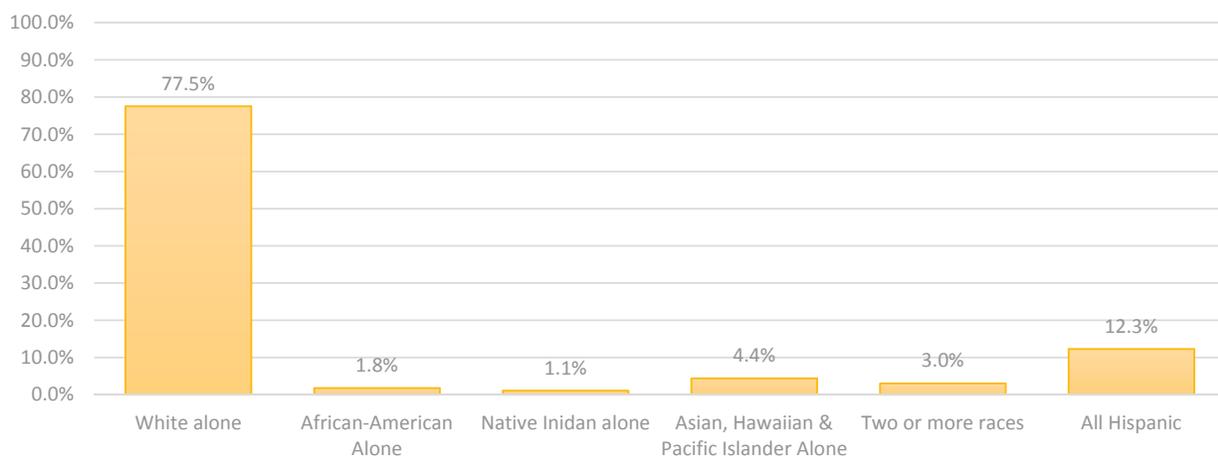
Older Adults

- *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 until 2002, largely due to the depression era birth-cohort reaching retirement age. However, the trend has already reversed and will continue its faster pace of growth. Beginning in 2011, this population group has and will consistently exceed a four percent annual growth rate. The older adult population accounts for 15.6 percent of the total population. Between 2015 and 2017, the combined older adult population will grow by 8.5 percent. However, the number of young elderly (aged 65 to 74) will increase by a staggering 10.1 percent as the early baby boomers continue to enter this age group, far exceeding the state’s overall growth of 2.4 percent and will grow at the fastest pace of all age groups. During the same period, the number of oldest elderly (85 plus) will increase by 2.6 percent. The number of persons aged 75-84 has just transitioned from a period of negative growth to slow but steady growth. The young elderly require relatively little government 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 elderly population will manifest the effects of people born during the depression era and baby-boom period.

Race and Ethnic Composition

- *Oregon has become more racially and ethnically diverse.* A more diverse population entails meeting the needs of increasing racial and ethnic minorities. Oregon’s population is overwhelmingly White. The Census Bureau estimated 88.1 percent of Oregon’s population as of the White racial group in 2013. However, only 77.5 percent were non-Hispanic White in 2013, down from 83.9 percent in 2000 Census. Each of the other racial group accounted for less than five percent of the population. Between 2003, and 2013, the non-Hispanic Asian, Hawaiian, and Pacific Islander population grew by 28.3 percent and the non-Hispanic African-American racial

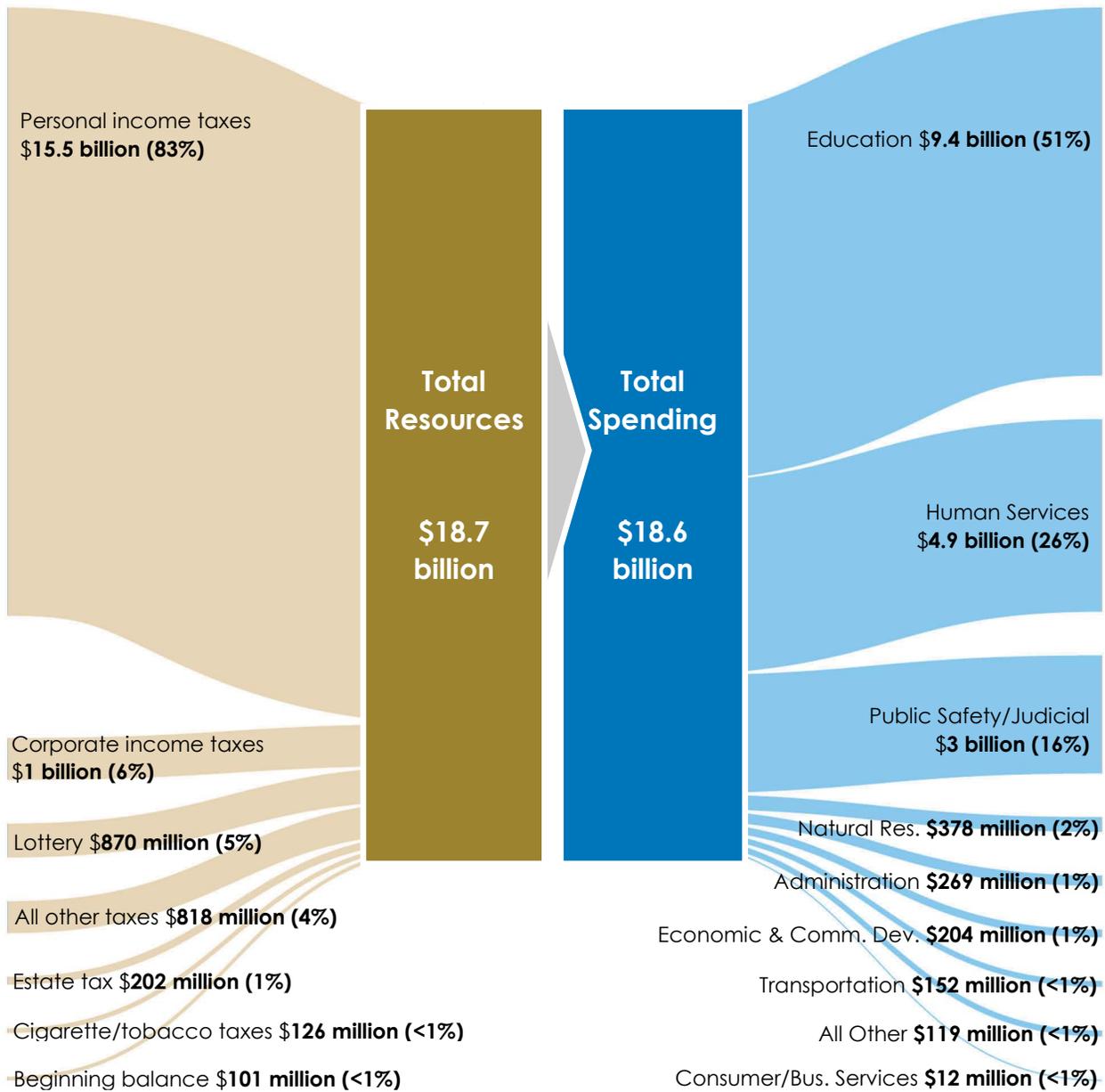
Population by Race and Ethnicity, 2013
(Percent of total population)



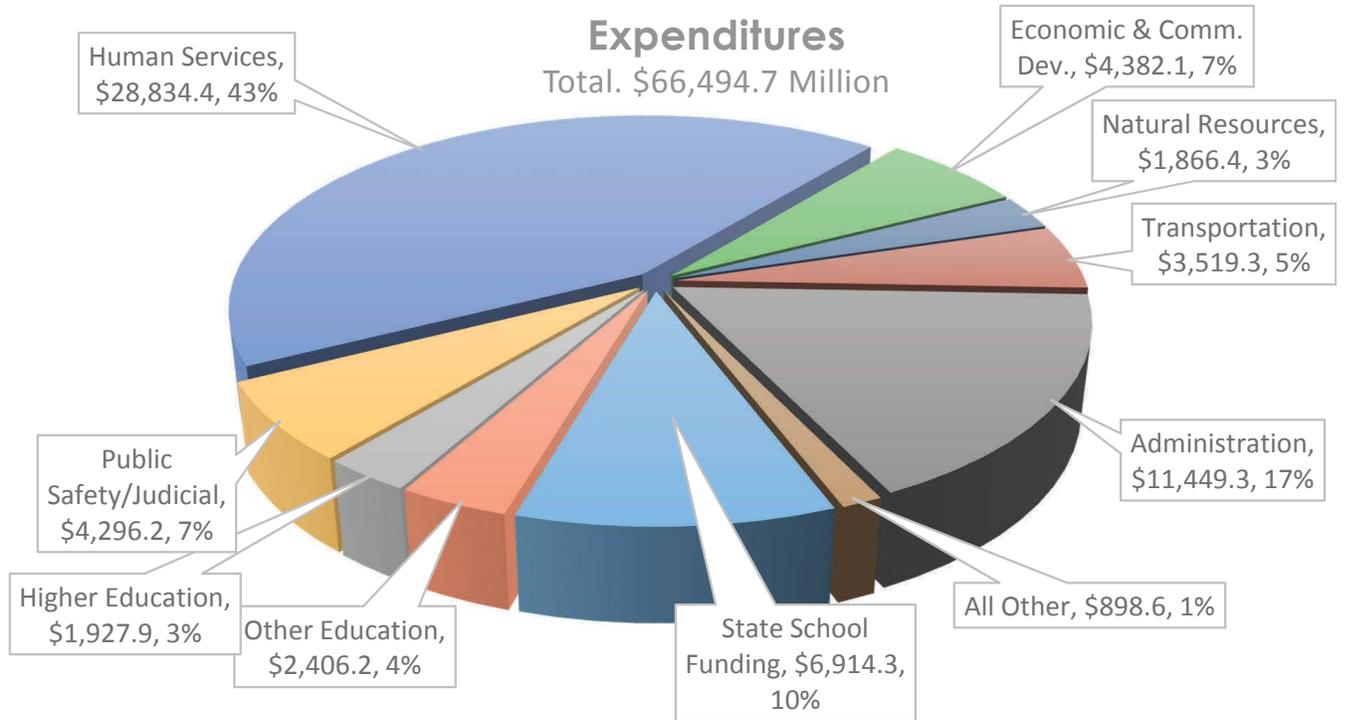
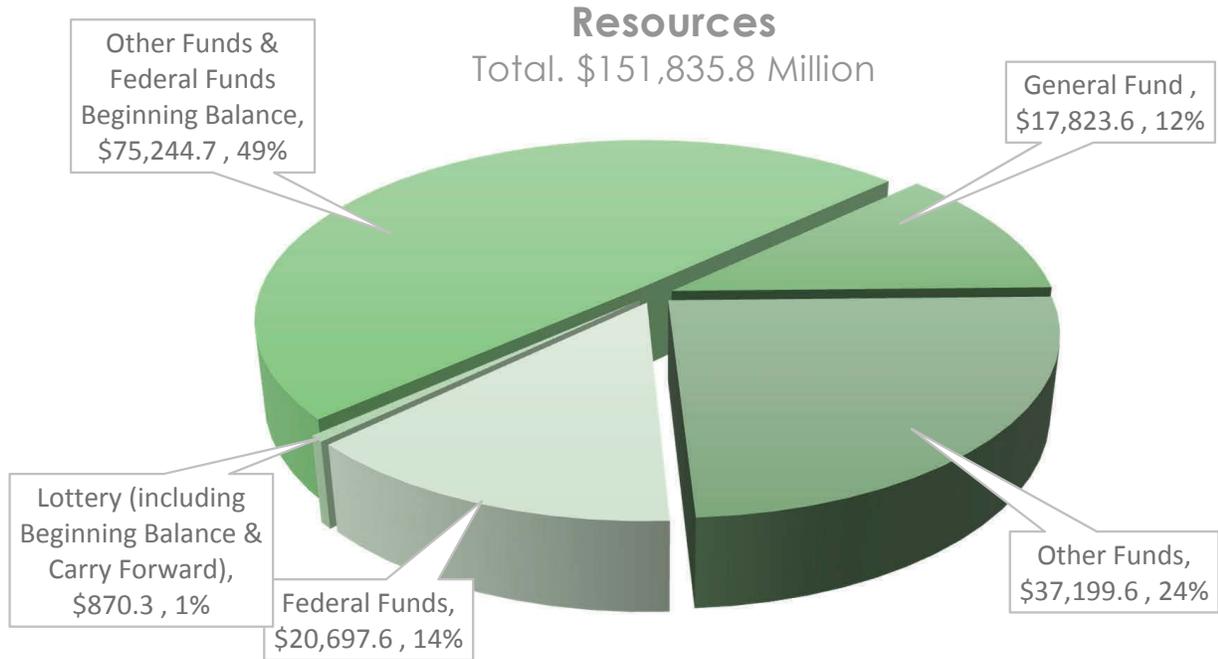
group increased by 19.3 percent, much faster than 4.5 percent growth of the non-Hispanic White population.

- Oregon's hispanic population. The Hispanic or Latino ethnic group, which can be of any race, reached 12.3 percent of Oregon's population in 2013. This ethnic group has been increasing very rapidly. The Hispanic population increased from 112,707 in 1990 to 275,321 in 2000 Census. This ethnic group has grown to 483,758 in 2013. Between 2003, and 2013, the Hispanic population increased by 47.1 percent whereas the non-Hispanic population increased by 7.1 percent.

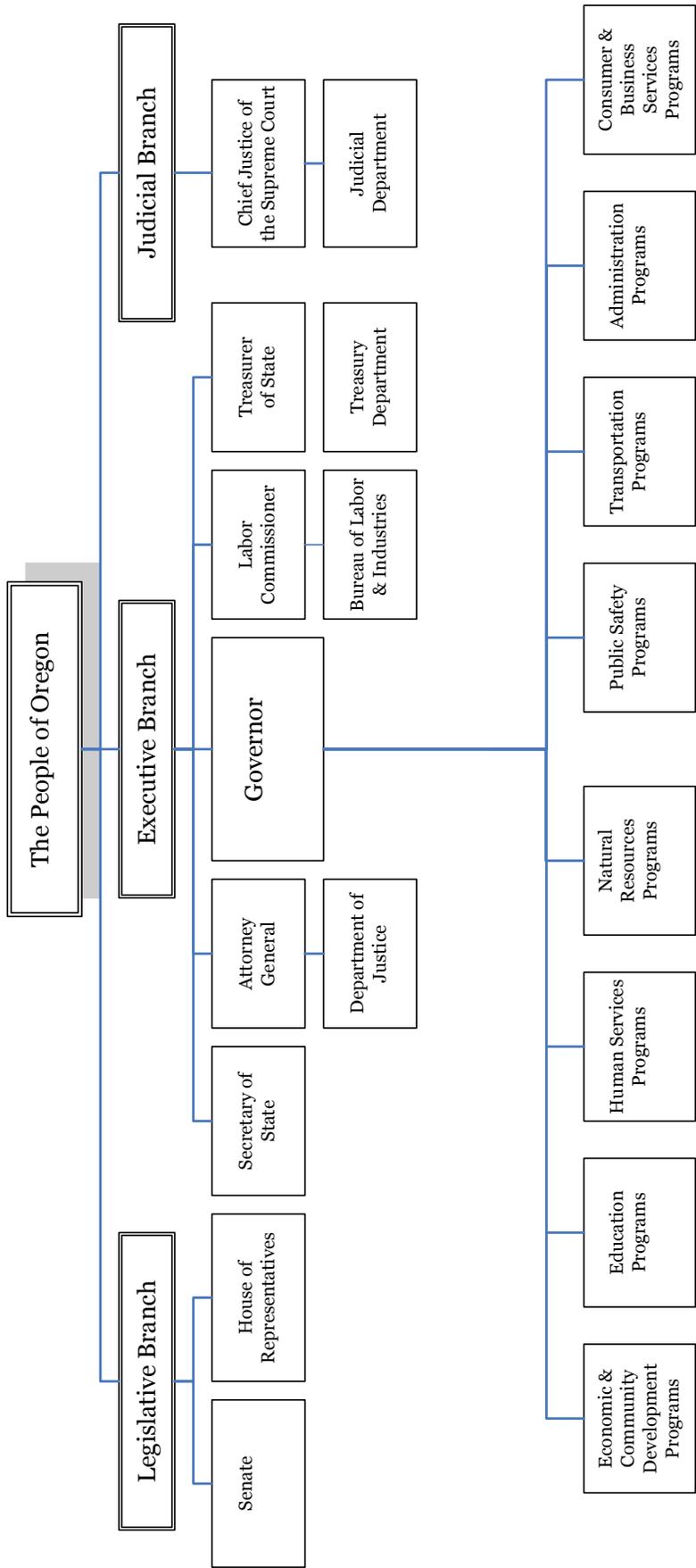
2015-17 GENERAL FUND/LOTTERY FUNDS BUDGET



2015-17 ALL FUNDS BUDGET



STATE OF OREGON ORGANIZATION CHART



EDUCATION

Program Area and Agency Information

SECTION B



EDUCATION AGENCIES

Department of Community Colleges and Workforce Development.....B-33
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Office of Student Access and Completion..... B-60
Teacher Standards and Practices Commission.....B-61

Education Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	6,723,490,255	8,222,717,163	9,012,420,914
Lottery Funds	630,148,132	415,383,924	369,604,071
Other Funds	125,858,090	513,543,674	211,836,268
Federal Funds	1,037,635,740	1,113,234,205	1,135,076,450
Other Funds (Nonlimited)	105,632,390	94,531,467	112,600,452
Federal Funds (Nonlimited)	355,046,972	368,961,704	406,976,559
Total Funds	\$8,977,811,579	\$10,728,372,137	\$11,248,514,714
Positions	594	667	720
FTE	559.74	624.41	684.64

OVERVIEW

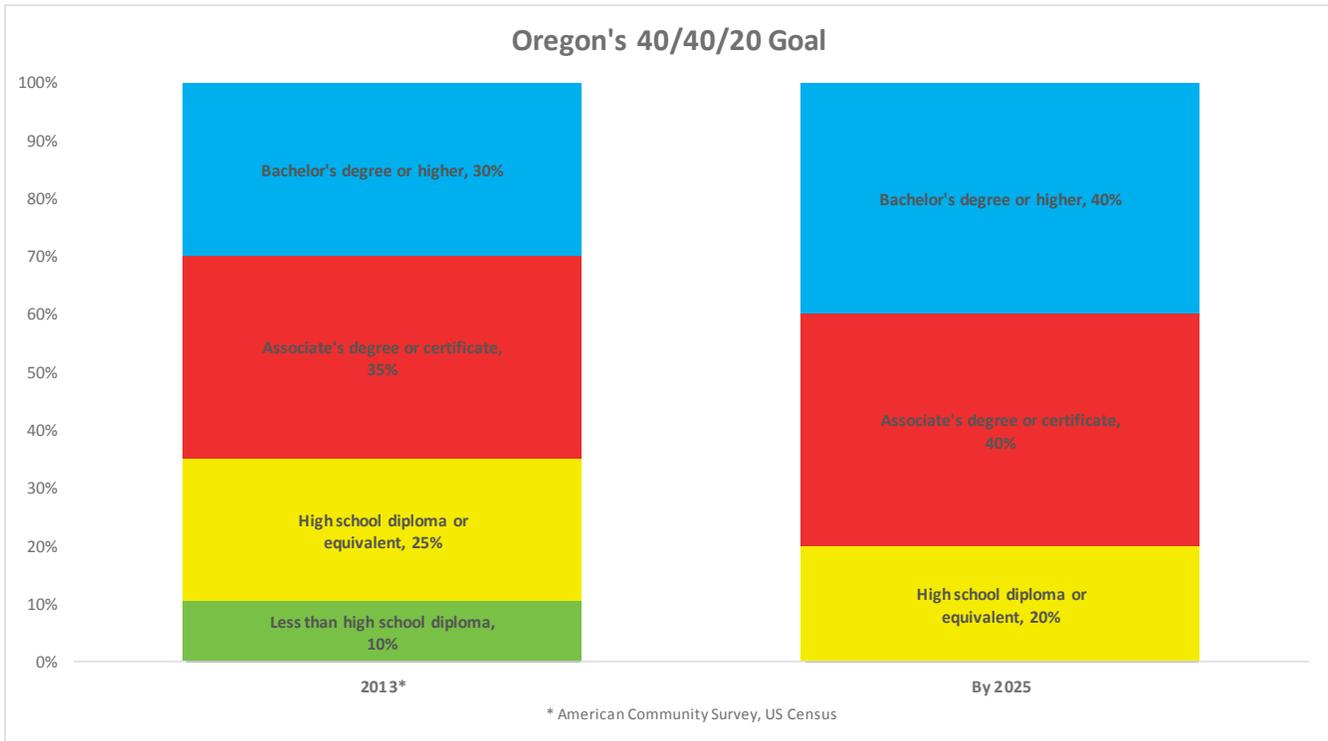
More than ever before, increased levels of education impact family economic prospects, community vitality, and business and economic competitiveness. Oregon’s future rests on the quality and productivity of its education system, in particular public institutions that serve students.

Many students make it through the public education system successfully, but too many do not. Individuals with less than a high school education are confined to lower paying jobs with less job security. Lower levels of education correlate with higher rates of poverty, family instability, and community insecurity that can extend for generations and add costs to the public budgets of the public safety and social services systems. This unrealized human potential also hurts businesses and local economies, which depend on educated employees for quality performance, productivity, and innovation. As students successfully navigate educational milestones, obtaining diplomas, then degrees and certificates, they improve their own lives and that of their families and communities.

As the demographic profile of the state changes, our charge to ensure that all children succeed becomes more important. By any number of indicators, there is an unacceptable gap in achievement and attainment for poor children, children of color, and English language learners. Too many are not prepared to start school and then fall behind, struggle, and often do not complete their education.

Improving educational access and success is an issue of fairness and equity, but doing so also builds stronger communities and local economies.

To address these social and economic inequalities and set the state on a path to prosperity, Oregon adopted an ambitious goal: that by 2025, 40 percent of Oregonians have a bachelor's degree or higher, 40 percent have an associate's degree or certificate, and the remaining 20 percent have a high school diploma or equivalent. The following chart shows Oregon's educational landscape in 2013 and how much progress is needed in a short period of time.



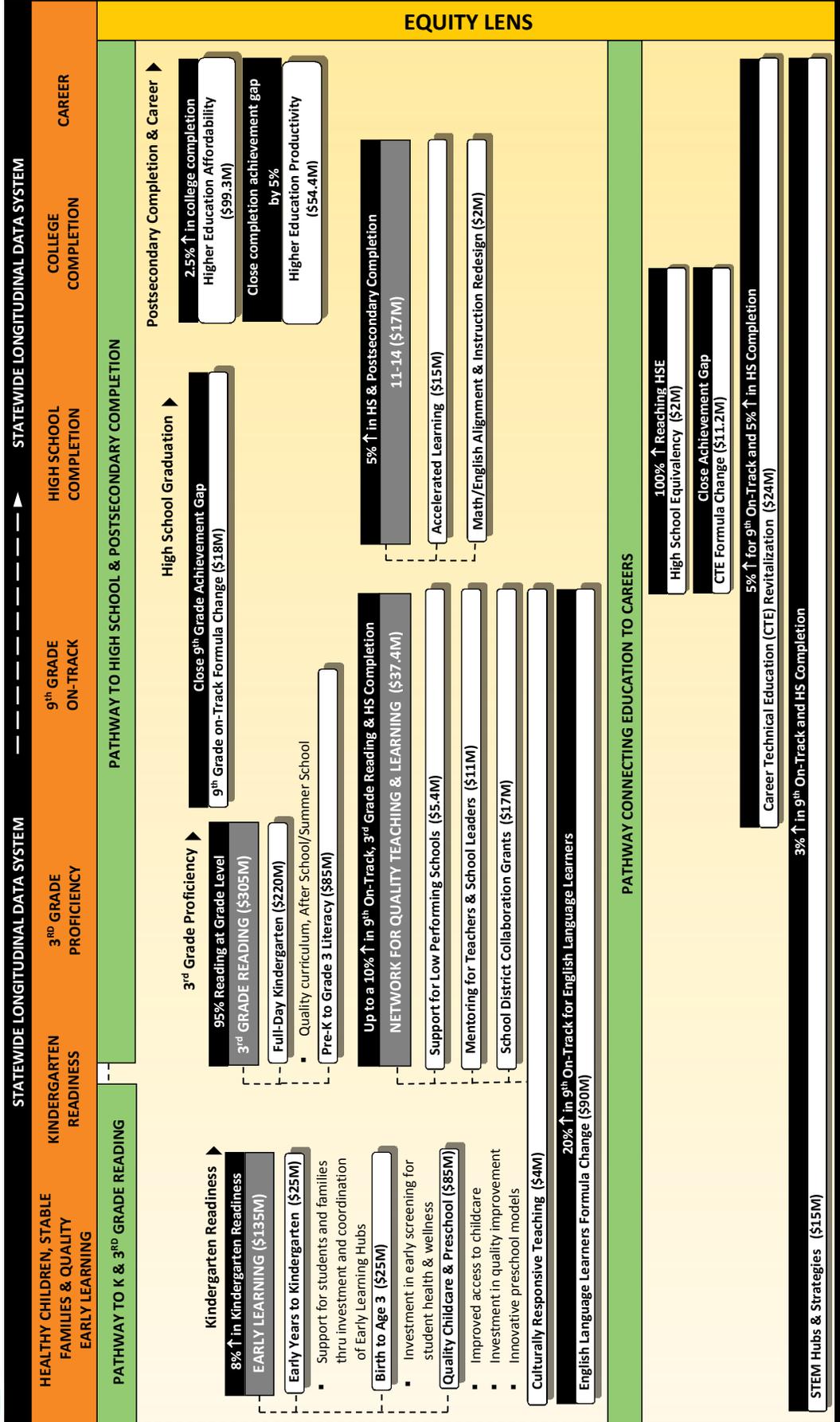
To meet this ambitious goal, the Oregon Education Investment Board was created in 2011 to oversee the creation of an integrated P-20 public education system. In 2012, the Governor put forward a 10-Year Plan to boost the state's economy, raise education outcomes, improve the health of the state's people and its environment, and guarantee safe homes and communities.

For the education system, the 10-Year Plan adopted a vision of equipping Oregonians with the knowledge and skills needed for rewarding careers. The Plan's strategy was aligned with the OEIB mission, to develop a seamless education system from birth to career, to invest in proven strategies to raise student outcomes, and to build statewide systems of support and accountability. Key outcomes, in addition to progress on the 40/40/20 goal, include closing the achievement gap for disadvantaged student populations, ensuring kindergarteners are ready to learn, making sure third graders are ready to learn, improving school attendance and graduation, increasing the numbers of students attending and completing post-secondary education, and providing science, technology, engineering, and mathematics skills needed by Oregon businesses.

The Oregon Education Investment Board and the Chief Education Officer have identified three pathways to measure progress towards the larger goal: to kindergarten readiness and third grade



Outcomes-Based Strategies to Meet 40-40-20



reading, to high school and post-secondary completion, and from education to career. Outcome measures for the three pathways include the percent of students ready for kindergarten and the percent reading proficiently by third grade; the five year high school completion rate and the post-secondary degree and certificate completion rate; the number of graduates employed in their field of study and the number employed in science, technology, engineering, and mathematics (STEM) fields. Significant investments have been made in each of these pathways, as indicated in the Outcome Strategies map on the previous page. Specific investment recommendations are discussed below and in individual agency sections.

Programs in this outcome area operate or support all public educational activities from prekindergarten to post-secondary and life-long learning.

- The Oregon Education Investment Board was established by Senate Bill 909 (2011) to oversee a unified public education system that begins with early childhood services and continues throughout public education from kindergarten to post-secondary. The Chief Education Officer serves as the Board's executive officer in the creation, implementation, and management of an integrated and aligned public education system.
- The Department of Education supports pre-kindergarten through 12th grade (PK-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 following two policy organizations are located within the Department of Education.
 - The Early Learning Council was created to assist the OEIB in the creation of a unified system of early childhood services directed to children from birth to age six. The Commission has absorbed the responsibilities and many of the programs from the Commission on Children and Families, the Council on Child Care and Oregon's official State Advisory Council on the Education and Care for Children mandated by the federal Head Start Act.
 - The Youth Development Council 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, under the direction and control of the OEIB, 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 Degree Authorization and the Private Career Schools programs are located in the HECC.

- Duties, staff, and funding for the Department of Community Colleges and Workforce Development are transferred to HECC as a result of House Bill 4018 (2014). Responsibilities include coordination of the efforts of the 17 community colleges and of the state's workforce development activities. State support for general community college operations and for community college capital construction projects is distributed by this program. Administration of federal Workforce Investment Act programs, supporting local workforce investment boards and service providers, is also located in this program.
- Office of Student Access and Completion duties, staff, and funding are also transferred to HECC. Programs being shifted to HECC include the Oregon Opportunity Grant, the ASPIRE mentoring program, the Student Child Care program, and administration of nearly 500 publically and privately funded grants and scholarships. State funding to support the seven public universities that were part of the Oregon University System and the Oregon Health and Science University will be distributed by the HECC; currently the Department of Administrative Services is responsible for transferring state support to the campuses. State funds contribute to the operation of the seven campuses, the Oregon State University Cascades campus in Bend, and the Oregon State University Statewide Public Service Programs. At OHSU, the state supports operation of the schools of Medicine, Nursing, and Dentistry, the Office of Rural Health and the Area Health Education Centers, the Child Development and Rehabilitation Centers, and the Oregon Poison Center.
- The Teacher Standards and Practices Commission works to ensure that every student in Oregon receives instruction from skilled and ethical educators.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The 2015-17 Governor's Budget for the Education Program Area is \$9,012.4 million General Fund, \$369.6 million Lottery Funds, \$11,248.5 million total funds and 720 positions. General Fund and Lottery Funds have grown by a combined 8.6 percent from the 2013-15 Legislatively Approved Budget, total funds have increased by 4.8 percent, and FTE has increased by 9.6 percent. Highlights include:

The State School Fund is funded at \$6,914.3 million total funds, including \$6,598.8 million General Fund and \$311.6 million Lottery Funds. It includes funding for extending kindergarten from a half-day to a full-day if criteria are met for better integration of early education. This funding constitutes the Third Grade Proficiency investment which is part of OEIB's Pathway to Kindergarten and Third Grade Reading strategy. The budget, through formula changes, also targets existing funding to outcomes for English language learners, keeping 9th graders on track to finish high school, and career and technical education. Linking distribution formulas to outcomes constitutes the High School Graduation investment, which is part of OEIB's Pathway to High School and Completion strategy.

Key investments include:

- *Grant in Aid funding in addition to the State School Fund.* This program is funded at \$1,623.5 million total funds including \$354.8 million General Fund. Investments include \$83.2 million General Fund for improving integration between pre-kindergarten, kindergarten, and first through third grade. This funding will help achieve third-grade literacy goals and is part of the Third Grade Proficiency investment element of OEIB's Pathway to Kindergarten and Third

Grade Reading. Investments in career and technical education, high school equivalency and math redesign will help achieve the goals for transitions to college and/or career. The additional funding is part of the High School Graduation investment element of the OEIB's Pathway to High School and Postsecondary completion. Investment in educator effectiveness through district collaboration grants, mentoring and support for low performing schools will help achieve outcomes in the OEIB Pathway to Kindergarten and Third Grade Reading and in the Pathway to High School and Postsecondary Completion.

- Early Learning. \$407.2 million total funds, including \$263.7 million General Fund. Investments include \$10 million for home visiting, \$24 million for Early Learning Hubs, \$5 million for kindergarten partnerships, \$15 million for Early Intervention and Early Childhood Special Education, and \$35.4 million for childcare. The Department of Human Services budget includes investment of \$49.6 million for additional childcare slots. These investments support the Kindergarten Readiness investment which is part of the OEIB's Pathway to Kindergarten and Third Grade Reading.
- Community College Support Fund. \$500 million General Fund, including \$30 million to continue the tuition buy-down approved in the 2013 Special Legislative Session through 2015-17. The funding level is the highest since the 2007-09 Legislatively Approved Budget, both in total dollars and in projected dollars per full-time student.
- Public University Support Fund. \$593.7 million, a 14.1 percent increase from the 2013-15 LAB. The 2013 tuition buy-down is included in this amount. Institutional support, both in dollars and in dollars per full-time student is the highest since the 2009-11 biennium.
- Outcome Based Funding. Developing new formulas for distribution of support to the community colleges and public universities. The formulas will shift from an enrollment basis to degree and certificate production, with consideration given to students from under-represented populations and high-wage, high demand occupations. Increasing funding for institutional support and linking distribution formulas to outcomes constitutes the Post-Secondary Productivity investment that is part of OEIB's Pathway to High School and Completion strategy.
- Oregon Opportunity Grant program. \$143.2 million total funds, a 25.8 percent increase from the 2013-15 Legislatively Approved Budget. The increase in funding will support a redesign of the program to align eligibility with federal Pell Grants, prioritize making awards to students with the highest needs, eliminate first-come first-served awarding, and guarantee second-year awards to first year students who meet specified academic benchmarks. The increased investment in, and redesign of, the Opportunity Grant program is part of OEIB's Pathway to High School and Post-Secondary Completion strategy focused on Post-Secondary Affordability.
- Oregon Education Investment Board. Legislation to remove the March 2016 sunset will be introduced. OEIB's budget includes retention of 20 percent of Engineering and Technology Industry Council (ETIC) funds transferred from the late Oregon University System for support of science, technology, engineering and mathematics (STEM) programs under the direction of the STEM Investment Council. OEIB's budget also includes \$8.0 million General Fund

to support and expand STEM Hubs throughout the state. Expanding investment in STEM programs is part of OEIB's Pathway Connecting Education to Career strategy.

- Workforce programs. HECC's budget includes a \$31.9 million investment intended to help workers and job seekers increase their skills and abilities, provide employers with workers needed for highly qualified workforce, and improve the effectiveness and efficiency of public workforce programs. The investment supports local workforce investment boards, expands proven programs like National Career Readiness Certificates, and Back to Work Oregon, and provides training and employment opportunities for incumbent workers and younger Oregonians who are finding it particularly difficult to get and hold jobs. The investment is funded with a shift of Employment Department Special Employment Department Administration Fund (SEDAF) revenues to the General Fund.
- Community Agenda. The Governor's Budget includes resources to support existing regional public-private collaboratives in health, education, workforce, and economic development in advancing towards 40/40/20 and other statewide goals. A proposed Center for Community Innovation and a Community Leverage Fund will assist local Community Care Organizations, Early Learning Hubs, Regional Achievement Collaboratives, local Workforce Investment Boards, and Regional Solutions Advisory committees leverage local, state and private resources to create local priorities and address key state outcomes.
 - The Center for Community Innovation, with staff located in HECC and the Oregon Department of Education will ensure that community-based collaboratives and state agencies have access to best practices, technical assistance and support for continuous improvement. Center staff will assist with leveraging state and local resources, work to remove state barriers to local innovation, provide technical assistance and support, and connect the collaboratives with state data and analytic capabilities.
 - The Community Leverage Fund, funded at \$25 million General Fund, will assist with accelerating on-the-ground action and leveraging public, private, and civic resources. Each of the state's eleven economic development regions will be allocated a minimum of \$2 million. Grants will be available to cities, counties, school districts, post-secondary institutions or nongovernmental entities within each region, to work with at least two established community-based collaboratives. The grants will fund plans that are built on data and promising practices that will improve on two more key state outcomes, such as healthy birth weight, family stability, kindergarten readiness, third grade reading proficiency, high school graduation, degrees and certificates tied to local economic priorities, employment and wage gains, business retention, or job creation.
- 14 new capital construction projects at all seven public universities. The Governor's Budget includes \$322.5 million in general obligation bond proceeds. Thirteen of these projects, totaling \$275.5 million are funded with Article XI-G and Article XI-Q bonds which are repaid with General Fund. Projects include renovation of Neuberger Hall at Portland State University, construction of a Learning and Innovation Hub at the University of Oregon (UO), the first phase of an expansion of the Oregon State University (OSU) Marine Studies campus, construction of

an OSU Forest Science Complex, construction of a UO College and Careers Building, and an increase in capital renewal funding for all seven campuses.

- Development of the Statewide Longitudinal Data System. Linking student and financial data from early learning programs, K-12 schools, post-secondary education, and workforce participation, is expected to enter the implementation phase during the 2015-17 biennium. OEIB and the Department of Education will finalize project planning documents during the 2015 Legislative Session. The Governor's Budget includes \$10.0 million in debt capacity and \$2.6 million in operations and debt service as placeholders pending the presentation of the final planning documents.

Department of Community Colleges and Workforce Development

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	418,486,093	497,468,644	0
Lottery Funds	7,144,078	9,521,027	0
Other Funds	16,855,176	116,212,901	0
Federal Funds	88,359,232	107,441,253	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	4,111,284	18,968,832	0
Total Funds	\$534,955,863	\$749,612,657	\$0
Positions	61	58	0
FTE	60.45	57.70	0.00

OVERVIEW

The Department of Community Colleges and Workforce Development (CCWD) is responsible for coordinating the efforts of the state's 17 community colleges and initiating programs to maintain educational opportunities and workforce development capacity within the state. The Department distributes federal workforce development funds to local programs. The Oregon Youth Conservation Corps (OYCC) is part of the agency. CCWD's budget also includes debt service on Article XI-G bonds and Lottery bonds sold to finance community college capital construction and deferred maintenance projects. Expenditure limitation for college capital projects is also included in the CCWD budget.

House Bill 4018 (2014) established CCWD within the Higher Education Coordinating Commission (HECC) effective July 1, 2015.

GOVERNOR'S BUDGET

As a result of House Bill 4018, funding and positions are transferred to HECC. Discussion of CCWD programs, revenues, and funding levels are included as part of the HECC budget.

Oregon Department of Education

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	5,472,460,243	6,776,595,798	7,309,257,475
Lottery Funds	600,065,030	369,745,185	313,073,933
Other Funds	53,435,870	138,720,442	147,794,103
Federal Funds	949,263,615	1,005,410,381	1,023,325,056
Other Funds (Nonlimited)	105,632,390	94,331,467	112,394,452
Federal Funds (Nonlimited)	350,935,688	349,992,872	388,007,727
Total Funds	\$7,531,792,836	\$8,734,796,145	\$9,293,852,746
Positions	477	519	543
FTE	448.14	485.39	519.33

OVERVIEW

The mission of the Oregon Department of Education is to foster excellence for every learner through innovation, collaboration, leadership and service to education partners. 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 is the Superintendent of Public Instruction, which is a policy role; the Deputy Superintendent for Public Instruction engages in policy and oversees daily work in the Department. The agency supports the Oregon Education Investment Board, the State Board of Education, the Early Learning Council, the Youth Development Council and the Superintendent in carrying out their responsibilities, and works to ensure that Oregonians are equipped with the knowledge and skills for rewarding careers including:

- Adopting rules for general governance of schools and distributing funding for all public schools.
- Implementing statewide standards for schools.
- Establishing rules for schools and ensuring they are followed.
- Administering Oregon’s statewide assessment testing system.
- Acting as a liaison and monitoring implementation of federal programs, including No Child Left Behind.
- Working in partnership with all education stakeholders. This includes local school districts, education service districts, Early Learning providers, community colleges, parents, teachers, administrators, community based organizations, businesses and community members.

The agency also contracts for services for certain education programs such as services to infants and young children with disabilities, preschool programs, compensatory education programs and professional/technical education programs. Through the Regional Programs, the Department provides special education services to children with disabilities such as autism, hearing impairments and vision impairments.

The agency provides direct educational services at the School for the Deaf, and it contracts for most educational services at the Hillcrest and MacLaren schools, work-study camps and other Oregon Youth Authority correctional facilities. Major programs in the Department include the following.

- Operations - Provides executive management, basic business services, research and data analysis, technical assistance to educators on assessments and accountability, State School Fund distributions, and transportation funding to districts.
- School for the Deaf - Provides direct educational services for students with a hearing impairment.
- Youth Corrections Education Program - Provides public education to youth in corrections programs.
- Grant In Aid - Provides a variety of educational grants to school districts.
- School Funding - Provides basic operational funding to school districts.
- Common School Fund - Provides funding to schools in accordance with the Congressional act making Oregon a state of the union.
- Early Learning Division - Provides an integrated set of programs and supports for early learning including childcare licensing, regulation, and quality; childcare resource and referral; Relief Nurseries; Healthy Families Oregon; Oregon's new system of Early Learning Hubs; Oregon Pre-K Headstart.
- Youth Development Division - Provides funding for community efforts to help opportunity youth, who are age 16-24 and are at risk or already have disconnected from school or the job market. The goal is to reduce gang violence, and to reduce juvenile crime.
- Debt Service - Provides debt service for prior bond sales and proposed bond sales.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Education is \$9,293.9 million total funds. This is a 6.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes \$7,309.3 million General Fund; this is a 7.9 percent increase from the 2013-15 LAB. The State School Fund is \$6,914.3 million total funds, including \$220.0 million to expand to all day kindergarten. The budget includes 543 positions, which is a 4.6 percent increase in the number of positions from the 2013-15 LAB. The budget continues programs and invests in:

- Kindergarten
- Integration between early learning, kindergarten and first through third grades
- Educator training
- Career and technical education
- Early Learning Hubs
- Childcare and preschool

To meet our Education goals, this budget continues to incent the development of a seamless system of education aimed at ensuring that all students achieve in school. These investments are prioritized in strategies proven to raise student outcomes. The Governor's Budget continues to invest in and support the streamlining of fragmented early childhood services and the integration of pre-school, kindergarten

and first through third grades. It also targets existing funds within the State School Fund for improving outcomes for English language learners and career and technical education. The budget also uses existing State School Funds to support transitions between middle school and high school; this will improve student graduation rates. Additional funding for career and technical education and math alignment will improve the transition from high school to college or career. These proposals support the three pathways: kindergarten readiness and third grade reading, high school and post-secondary completion, and from education to career. Outcome measures for the three pathways include the percent of students ready for kindergarten, the percent reading proficiently by third grade, and the five year high school completion rate.

REVENUE SUMMARY

The Department is funded primarily by General Fund. Over 77 percent of the Department's revenue comes from the state General Fund. The Department 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 (IDEA), 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.

AGENCY PROGRAMS

Operations

Operations includes those functions and activities that benefit a broad range of programs. They are often referred to as "indirect costs" or "administration" because their precise benefits to a specific project are difficult or too complex to track. Regardless, these programs provide valuable and necessary services to a wide variety of internal and external stakeholders as well as programs that support the goal of having Oregonians prepared for lifelong learning, rewarding work, and engaged citizenship. 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 \$181.5 million total funds, including \$68.3 million General Fund. The total funds budget is a 17.7 percent increase from the 2013-15 Legislatively Approved Budget. The Governor's Budget invests \$85 million of General Fund in efforts to better integrate early learning, kindergarten and grades one to three, with the intended result of reading at grade level by third grade. The \$85 million investment includes \$1.8 million for grant administration. Grants will be awarded based on five criterion: alignment with early learning in professional development and curriculum, administration of kindergarten assessment, providing all-day kindergarten, coordinated attendance efforts, pre-k to kindergarten transition, and providing a robust and aligned literacy focus from pre-kindergarten through third grade. Additional investments include funding the development of a statewide longitudinal database reaching from early childhood through post-secondary education. The system will encourage accountability for outcomes and provide better information for policy-

makers, educators, students and their families to ensure progress along the entire educational path. It is financed through bond sales. Other investments include Spanish assessments for native speakers and learners and a position to help coordinate Native American education. The budget adds positions for community innovation center work and Early Learning regional coordination.

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 \$15.8 million total funds, which is 1.5 percent more than the 2013-15 Legislatively Approved Budget (LAB). The total includes \$11.5 million General Fund, which is 1.2 percent greater than the 2013-15 LAB. Other sources of revenue include the State School Fund (based on a double-weighting of the number of students), leasing of space at the campus, reimbursements from districts for certain services to students, minor grants, and miscellaneous receipts. The Federal Individuals with Disabilities Education Act and reimbursement from the U.S. Department of Agriculture for nutrition programs provide Federal Funds. The budget includes 83 positions. This program supports the Education Outcome Area within the 10-Year Plan for Oregon.

Youth Correction Education Program

The Youth Correction Education 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. Approximately 580 youth are served on an average day. The Juvenile Detention Education Program provides education to youth held in county juvenile department detention centers. Approximately 209 students are served, with about 4,300 students served annually.

The Governor's Budget for these programs is \$18.7 million total funds and comes primarily from the State School Fund, which is spent as Other Funds. A relatively smaller amount of Federal Funds from the Elementary and Secondary Education Act and the Individuals with Disabilities Act is available for these programs. The 2015-17 Governor's Budget is 2.7 percent greater than the 2013-15 Legislatively Approved Budget. The budget proposal includes two positions. This program supports the education outcome.

Grant In Aid

The Department of Education receives and administers dozens of grants through its K-12 Grant-in Aid Program. Most of these grants come from the U.S. Departments of Education and Agriculture and are distributed primarily to local education programs. The Department, however, will also distribute about \$354.8 million in state General Fund to local education programs – not including the State School Fund. The Governor's Budget of \$1,623.5 million is 13.4 percent more than the 2013-15 Legislatively Approved Budget. Major components of this program include special education, compensatory

education, and career and technical education grants. It also includes child nutrition, educator development, and miscellaneous grants.

- Special Education - ODE and school districts have an obligation to ensure that students with disabilities receive a free, appropriate public education in the least restrictive environment. Special education is a broad spectrum of programs and services offered by districts and the state for the education of students with disabilities. Without programs and services, students with disabilities will not be able to meet the 40/40/20 goal and will continue to have achievement gaps when compared with their non-disabled peers. Programs and services include:
 - Meeting the individual educational needs of resident students with disabilities at the district level and regionally.
 - Meeting the needs of students in day and residential treatment facilities and hospitals.
 - Providing educational services to students who are blind or visually impaired.

School districts receive funds for special education primarily from the State School Fund (SSF) and federal Individuals with Disability Education Act (IDEA) funds. Regional programs receive funds from the Department of Education and IDEA funds from school districts. Early Intervention serves infants and toddlers while Early Childhood Special Education serves children age three to kindergarten who have disabilities or developmental delays. Early Intervention and Early Childhood Special Education services include coordinated health and educational services such as physical and cognitive therapies. Most children receive services in their home or child care setting. The program is administered by the Department of Education through contracts with nine Education Service Districts. The number of children needing ECSE services has risen over time. The Governor's Budget is primarily General Fund. However, there are also federal Individuals with Disabilities Education Act funds and Medicaid reimbursement funds. The Governor's Budget includes \$15 million in additional funding for Early Intervention/ Early Childhood Special Education.

Long-term care and treatment programs, hospital education programs and state-level operations receive a mix of state General Fund, State School Fund, federal IDEA funds and other federal grants. The Blind and Visually Impaired Student fund is entirely state General Fund.

- Compensatory Education - The 10-Year Plan for Oregon seeks to prioritize and invest in strategies proven to raise student and social outcomes. This effort includes low-income earners, English Language Learners, special education students and students of color. Compensatory programs target high-needs students in these and other subgroups. The desired outcome is these students have a fair, equal, and significant opportunity to obtain a high-quality education and reach proficiency on state academic assessments. Compensatory Education programs are funded almost entirely through the federal Elementary and Secondary Education Act. These are primarily formula grants to school districts.
- Career and Technical Education - Career and Technical Education (CTE) provides 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, or the military. CTE supports the 10-Year Plan for Oregon outcome of more high school graduates completing college

or career training. Federal Funds from the Carl D. Perkins Act provide most of the funding. The Governor's Budget adds \$14.7 million General Fund to this program.

- Child Nutrition - Children who are hungry are at higher risk for developmental and academic problems, frequent illness and nutritional inadequacies. A well-nourished child is ready to learn, with energy to play, exercise, and learn; is better able to form social relationships; and has a solid foundation to succeed in school and in life. The Oregon Department of Education's Child Nutrition Programs address hunger through the administration of federal and state funds which:
 - Reimburse organizations for serving nutritious meals and snacks to eligible participants in schools and community-based programs.
 - Provide training and oversight to ensure compliance with state and federal requirements.
 - Increase fresh fruit and vegetable consumption in low-income areas.
 - Support child care wellness activities related to nutrition and physical activity.
 - Support purchase of fresh, locally-grown products in schools.
 - Encourage expansion of afterschool programs through administration of mini-grants.

All of these investments support the 10-Year Plan for Oregon outcome of kindergartners entering school ready to learn and the achievement gap significantly improved for disadvantaged students.

Nearly all funding for meal reimbursements is federal. State funds support programs such as Farm to School, Summer Food Service and School Breakfast.

- Educator Development - Investing in the development and support of effective teachers and leaders is one of the most significant strategies towards improving student achievement in which the state can engage. Consistent and significant investment in this area will yield highly qualified teachers guided by effective leaders in every school, which will translate into effective learning and improved outcomes for all students. The Governor's Budget supports the State Funded Teacher Mentoring program. In addition, it includes School District Collaboration grants aimed at developing effective approaches for career pathways, evaluation processes, professional development and compensation models for teachers and administrators. These two programs are supported by the General Fund. In addition, Federal Funds are available to support teacher and principal quality programs.
- Miscellaneous Programs and Strategies - These programs include strategies that make education more relevant to students such as accelerated learning, the Advanced Placement Test Fee Program, FIRST Robotics and physical education grants as well as programs that ensure the safety of students such as pupil transportation, fingerprinting and background checks. Some of these activities support the 10-Year Plan for Oregon outcome of more high school graduates complete college or career training. The majority of funding comes from federal sources. The General Fund is used for FIRST Robotic grants, physical education grants, and pupil transportation. Fingerprinting and criminal background checks are paid for by fees charged to applicants.

The Governor's Budget invests \$85 million of General Fund in efforts to better integrate early learning, kindergarten and grades one to three, with the intended result of reading at grade level by third grade. The \$85 million investment includes \$83.2 million in grant funds and \$1.8 million in

administrative capacity for the effort. Grant awards will depend on applicant's ability to meet specified criteria, including greater alignment with early learning in professional development and curriculum, administration of the kindergarten assessment, providing all-day kindergarten, coordinated attendance efforts, pre-kindergarten to kindergarten transition, and providing a robust and aligned literacy focus from pre-kindergarten through third grade. Funding for the grants includes \$56.2 million of corporate kicker funds.

The Governor's Budget also increases investments in career and technical education, including regional revitalization grants, youth summer engagement, and a survey of facilities. It also adds funding for the Network for Quality Teaching and Learning, including culturally responsive teaching, educator collaboration and targeted assistance for low performing schools. It adds funding for high school equivalency and math realignment, equity in collective impact, Oregon Tribes Attendance project, and free lunch expansion.

School Funding

The State School Fund (SSF), within the Department of Education, supports the education of more than 530,000 Oregon children in kindergarten through the twelfth grade by distributing monthly payments annually to 197 school districts and 19 education service districts (ESDs). State General Fund and Lottery Funds 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 20 percent more to schools' budgets.

The Governor's Budget includes a State School Fund amount (\$6,914.3 million) that, together with policy changes to control health care costs, will give schools about \$82 million more buying power than is required to continue the current level of services through the 2015-17 biennium. Similarly, changes to the Public Employees Retirement System in the 2013 Legislative Session saved about \$85 million, which allowed for more instruction than would otherwise have been possible. The investment of PERS savings also allows for ongoing investment in instruction. An investment of \$220 million is included as part of a larger initiative to improve educational outcomes, especially literacy, by third grade. This investment focuses on the kindergarten phase of early education.

The budget also targets existing funds within the State School Fund for improving outcomes for English language learners, providing career and technical education instruction and programs to support the transition between middle school and high school.

Total funds in the Governor's Budget for this program is \$6,914.3 million, which is 3.9 percent more than the 2013-15 Legislatively Approved Budget (LAB). This includes a General Fund and Lottery Funds budget of \$6,910.4 million, which is also 3.9 percent more than the 2013-15 LAB General Fund and Lottery Funds total. The Governor's Budget also proposes limiting school district health care costs, which will save approximately \$82.3 million for school districts. When combined with the State School Fund, this gives schools the purchase power of a \$7.0 billion school fund.

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, only about 700,000 acres 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 \$109.7 million; this is 19.7 percent greater than the 2013-15 Legislatively Approved Budget. There are no positions in this program. This program supports the education outcome.

Early Learning Division

The Early Learning Council, within the Department of Education, was created in 2011 as part of the PK-20 Education system with a focus on efforts to integrate and streamline existing state programs to ensure children are ready to succeed when they enter kindergarten. The Early Learning Division was established in the Department of Education 2013-15 Legislatively Approved Budget (LAB) to provide a unified system of early childhood services for children from birth to age six. The division was created from several programs from the Employment Department and the former Commission on Children and Families. The Governor’s Budget is \$407.2 million total funds, which is 31.6 percent greater than the 2013-15 LAB. General Fund is \$263.7 million, which is 63.7 percent greater than the 2013-15 LAB. All staff are budgeted in the Operations program. Components of this program include Early Childhood Family, Childcare, Early Childhood Education, and Early Learning Hubs.

- Early Childhood Family - Includes Healthy Start-Healthy Families, Relief Nurseries, and flexible funds formerly deployed by the Oregon Commission on Children and Families. These programs serve high-risk families and their children with intensive home-visiting services, evidence-based best practices prevention and intervention services, and education services. Relief Nursery funding nearly doubled in 2013-2015; that funding is maintained in this budget. This budget includes a new investment in Healthy-Start-Healthy Families of \$10 million to expand evidence-based home visiting. The majority of the funding for these programs is General Fund, however some programs are able to use Medicaid for matching funds, Federal Title IV-B(2), private grants and local match. Many programs are able to leverage local funding streams and community donations.
- Child Care - Promotes safe, quality and accessible child care for Oregon parents and their children through licensure, regulation, resource, referral, and support. The Governor’s Budget provides funding to continue to promote and enforce child care quality standards for health and safety of children in child care facilities and makes an additional investment in quality

improvement for licensed providers to provide better childcare and better informed options for parents.

- The programs administered by the Child Care division are primarily funded through the Federal Child Care Development Fund, much of which is transferred to the Department of Human Services to provide day care subsidies for low-income families, and other licensing and fees funds. As part of Oregon's Early Learning agenda, the DHS budget includes a \$49 million increase in Employment Related Daycare subsidies and better integration with quality improvement.
- Early Childhood Education - Includes Oregon Pre-Kindergarten and Early Head Start. The Oregon Pre-Kindergarten (OPK) program provides preschool education, child health and nutrition, and family support services throughout the state to lowest income and highest need preschool children ages three to five years.
- OPK is modeled after and designed to work side by side with the federal Head Start program. Oregon Pre-Kindergarten is funded entirely with General Fund. Funding from increases in the 2013-2015 budget are maintained. Federal Head Start funds do not flow through the state budget, and there is no state role in Head Start. Head Start funds are sent directly to local providers by the federal Department of Health and Human Services, and are overseen entirely by the federal government.
- Early Head Start - Provides comprehensive services to children under age three and expectant mothers living at or below the federal poverty level. The services are a critical link for children to gain necessary skills to be successful in school; to assist families in understanding the needs of their children; and to encourage families to be involved in their child's education. Oregon's Early Head Start program is extremely small in comparison to OPK.
- Early Learning Hubs - Oregon has developed a new system of cross-sector, outcome focused collaboratives called Early Learning Hubs. House Bill 2013 in the 2013 Legislative Session established a process and timeframe for creation of a system of no more than 16 Hub demonstration projects. Following two rigorous application processes, Oregon is on track to have 14 Hubs certified by January 2015, and a total of 16 - achieving statewide coverage – in the summer of 2015. Hubs have been established as a system that will reduce overhead, increase cross-sector efficiency collaboration, and enhance local prioritization, and engrain a culture of accountability for results. This budget provides a major investment of \$24 million in Oregon's emerging system of Hubs, allowing this new collaborative model to truly develop and implement local approaches and make funding decisions that will work best for local communities and improve outcomes in kindergarten readiness and stable and attached families. This investment is intended to be highly flexible in implementation, though consistently rigorous in outcome expectations.
- Mixed Delivery Pre-School Opportunities - Oregon is seeing interest in communities across the state in innovative models of preschool, connecting local schools and a variety of local early learning programs. Moreover, federal direction is clearly moving toward a mixed delivery approach, as reflected in recent grant-making. This budget proposes a \$30 million investment through Oregon's system of Early Learning Hubs to advance mixed-delivery models for pre-school expansion. This investment will provide an opportunity for a full range of providers to engage in this critical endeavor, with rigorous expectations for the key components of applicant programs. A mixed-delivery approach to preschool is the fastest way Oregon can serve the most

children, while allowing for parent choice, serving families where they are, and respecting the diverse community needs.

- Kindergarten Readiness Partnership and Innovation Fund - This fund was established in 2013 to provide local communities with competitive, though 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 replicable models for improving alignment between its early learning and K-12 education systems. This grant program is enhanced by \$5 million in this budget.
- Race to the Top Early Learning Challenge Grant - The Governor's Budget carries over funding from the U.S. Department of Education and the U.S. Department of Health and Human Services; it will phase out in 2016.

Youth Development Division

The Youth Development Council, within the Department of Education, was established in 2012 to assist the Oregon Education Investment Board in overseeing a unified system that provides services to school age children through youth 20 years of age in a manner that supports academic success, reduces criminal involvement and is integrated, measurable and accountable. The Youth Development Division with the Oregon Department of Education supports the Youth Development Council and administers programs that were previously in the Commission on Children and Families, including the Juvenile Crime Prevention and Youth Investment – Title XX programs. The Council prioritizes funding for prevention and intervention services related to the reduction of gang violence and gang involvement. The Governor's Budget is \$19.3 million total funds, which is a 12.6 percent increase from the 2013-15 Legislatively Adopted Budget. It includes \$9.8 million General Fund, which is a 34 percent increase. This proposal funds current programs. In addition to General Fund, these programs utilize local funding and community donations.

Debt Service

The Debt Service program provides debt service on lottery-backed bonds. The 1997 Legislature approved House Bill 3411, which established a lottery bond program to help meet the needs of Oregon school districts. Proceeds were intended for "state education projects," which are defined in statute as projects for the acquisition, construction, improvement, remodeling, maintenance or repair of public school facilities. The legislation was subject to voter approval, which occurred with the November 4, 1997 Special Election. Bonds totaling \$150 million were sold. In House Bill 2567, the 1999 Legislature authorized the issuance of an additional \$127 million in lottery-backed bonds for state education projects.

The estimated debt service remaining on all outstanding debt as of July 1, 2015 will be approximately \$1.4 million Lottery Funds which is included in the Governor's Budget. This is 96.6 percent lower than the 2013-15 Legislatively Approved Budget. Debt service for the Statewide Longitudinal Database System is included, which adds \$2.3 million General Fund to this program unit

Higher Education Coordinating Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	2,903,360	1,682,714,757
Lottery Funds	0	0	56,530,138
Other Funds	0	1,757,474	57,777,395
Federal Funds	0	347,571	111,751,394
Other Funds (Nonlimited)	0	200,000	206,000
Federal Funds (Nonlimited)	0	0	18,968,832
Total Funds	\$0	\$5,208,405	\$1,927,948,516
Positions	0	27	135
FTE	0.00	20.65	123.85

OVERVIEW

The Higher Education Coordinating Commission (HECC) is a 15-member commission appointed by the Governor and confirmed by the Senate. Its primary focus is strategic planning for the state's public post-secondary education system. The Commission also advises the Oregon Education Investment Board (OEIB) on state investments for post-secondary education. Other responsibilities include: developing goals and accountability measures for the post-secondary system; developing a strategic plan; developing a finance model for higher education based on the strategic plan; and approving and authorizing degrees for the public universities.

The Degree Authorization program, transferred to HECC in 2012 from what was then the Oregon Student Access Commission (OSAC) evaluates and approves degree granting institutions and their programs that were not part of the Oregon University System, do not have regional accreditation, or offer programs from outside of the state. The Private Career School program, transferred from the Oregon Department of Education in 2013, licenses career schools, approves their programs, and investigates complaints regarding their operations.

In 2014, the Commission assumed the responsibilities of the State Board of Education as it relates to the community college system as well as assuming the responsibilities of the renamed Office of Student Access and Completion (still OSAC). The Governor's Budget includes funding and positions for each of these programs, as well as the responsibility for distribution of state support to the disaggregating Oregon University System (OUS) and the Oregon Health and Science University (OHSU).

HECC has responsibility for two components of the state's 40/40/20 goal: by 2025, 40 percent of Oregonians have a bachelor's degree or higher and 40 percent have an associate's degree or certification. HECC measures its performance through a variety of indicators that are tied to achievement compacts with the community colleges and public universities. Measures include successful transition from K-12 education to post-secondary, progress towards and completion of degrees and certificates, affordability, student debt, and institutional default rates. HECC's programs are included in either the Education Outcome Area or the Jobs and Innovation Outcome Area within the 10-Year Plan for Oregon, as indicated in program descriptions below.

GOVERNOR'S BUDGET

The Governor's Budget for the Higher Education Coordinating Commission (HECC) is \$1,927.9 million total funds, a two percent reduction from the 2013-15 Legislatively Approved Budget (LAB) for the combined budgets of the programs and funding streams being consolidated within HECC. The reduction is due to elimination of one-time capital construction funding. General Funds and Lottery Funds total \$1.7 billion, an 18.2 percent increase from the consolidated 2013-15 budgets. Key elements of the 2015-17 Governor's Budget are:

- As part of the Oregon Education Investment Board's Pathways to High School and Secondary Completion strategy, the budget includes significant investments in programs to make post-secondary education more affordable. The first of these is an expansion and redesign of the Oregon Opportunity Grant, the state's need based financial aid program. Total funds for Opportunity Grants is \$143.3 million, a 25.8 percent increase from the 2013-15 LAB. HECC is proposing legislation to replace the Shared Responsibility Model with one that aligns eligibility with federal Pell Grants, increases award amounts, and prioritizes grants to students with the greatest financial need. Administratively, HECC plans to replace the current first-come first-served policy with a rolling application process that will allow awards to be made year-round. Students who meet specified academic benchmarks in their first year of attendance will be guaranteed an award in their second year.
- The second part of the Governor's post-secondary affordability initiative is continuation of the tuition buy-down approved in the 2013 Special Legislative Session. The \$71.1 million General Fund included in the Community College Support Fund and the Public University Support Fund will eliminate the need for the institutions to "catch-up" with tuition increases that were not imposed in 2013-15.
- HECC's other major initiative in the High School and Post-Secondary Completion Pathway strategy is an increased focus on post-secondary completion. The initiative includes increased funding for community colleges and universities, redesign of the formulas that distribute those funds among the institutions, and an expansion of student support and outreach efforts.
 - The Community College Support Fund is increased to \$500 million General Fund, including the tuition-buy down allocation, 7.1 percent larger than the 2013-15 LAB. Measured both in dollars and dollars per full-time student, this is the largest state investment in college operations since the 2007-09 Legislatively Approved Budget.
 - The Public University Support Fund is increased to \$593.7 million General Fund, including the tuition-buy down, 14.1 percent above the 2013-15 LAB. Including the separate \$35 million General Fund appropriation for Public University State Programs (that was combined with the Support Fund until the 2011-13 biennium), funding for institutions is greater than it has been, based on dollars and dollars per full-time equivalent, since the 2009-11 biennium.
 - In addition to increasing funds for university and community college support, HECC is developing new formulas for the distribution of state support to the institutions. The current models, which are based on enrollment, are not aligned to access and completion outcomes that are necessary to achieve the state's 40/40/20 goal. The new models will

shift the basis of funding from enrollments to completion, with extra weight for under-represented students and high-cost, high-demand degrees.

- Expanding access to post-secondary education and increasing degree and certificate completion also requires providing support to students before and after they enter college. The Governor's Budget continues current levels of support for the ASPIRE program and uses federal College Access Challenge Grant funds to expand ASPIRE and other student outreach activities during the second year of the biennium.
- The Governor's Budget includes \$322.5 million in general obligation bonds for 14 capital projects at the seven public universities. This includes \$275.4 million in bonds that will be repaid with General Fund. Projects include increased funding for capital renewal, renovation of Neuberger Hall at Portland State University, the initial phase of an expansion of the Oregon State University Marine Studies Campus in Newport, construction of a Learning and Innovation Hub for the University of Oregon School of Architecture and Applied Arts, and others. Debt service for these projects will not be incurred until the 2017-19 biennium. No community college capital projects are recommended.
- The General Fund and Lottery Funds cost of debt service on previously approved projects for the public universities, community colleges, and the Oregon Health and Science University (OHSU) is \$216.8 million in 2015-17, a 53.5 percent increase from 2013-15. In order to achieve the 40/40/20 goal, institutions will need increased capacity, both physical and virtual, to serve students. The growth in debt costs, which totaled \$38 million General Fund and Lottery Funds in the 2005-07 biennium, places increasing constraint on the state's ability to fund institutional operations and student financial aid.
- The Governor's Budget includes a \$31.9 million General Fund workforce investment package, intended to: help individuals acquire the skills needed to find and retain high-wage, high demand jobs; ensure that employers have access to the skilled workforce necessary to remain competitive and contribute to local prosperity; and align the state workforce system, provide integrated services, and make effective and efficient use of public resources. The workforce initiative includes:
 - \$10.9 million in previously approved funds, repurposed to support local workforce boards and enhance Back to Work Oregon, National Career Readiness Certificates, and on-the-job training programs.
 - \$6 million to fund an Oregon Employer Workforce Training program that will fund community projects to address employee training, retention, and advancement.
 - \$15 million for a Youth Employment program that provides work opportunities to Oregonians between 16 and 24 years of age, who are experiencing particularly high levels of unemployment. The funds will be used by Local Workforce Investment Boards and the Oregon Youth Conservation Corps for paid summer and school year work experience programs.
 - Funding for these programs is generated by a transfer of Employment Department Supplemental Employment Department Administration Fund (SEDAF) revenues to the General Fund.
- A Community Leverage Fund is established with \$25 million General Fund to support local innovation, collective impact, and responses to regional needs that will leverage resources

and create solutions that address multiple-outcome areas. An additional \$1.6 million General Fund is used to create a six position Community Innovation Center to serve as the backbone organization accountable for promoting innovation and cross-sector collaboration in local communities and statewide.

- The consolidation of HECC, Community Colleges and Workforce Development, and Oregon Student Access and Completion (OSAC) and the transfer of responsibility for distributing state support to the public universities and OHSU, requires blending budget and accounting structures, information technology systems and databases, human resource policies and practices, corporate cultures, and personal skills and abilities. The Governor’s Budget adds positions for information technology, human resources, and fiscal services, offset by reductions in contracts for services from the Department of Administrative Services. The budget also includes funds to establish a research and data team, realign funding for community college staff to meet current responsibilities, and upgrade OSAC’s Student Financial Aid Management System.

REVENUE SUMMARY

Approximately 87 percent of the HECC 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 program, workforce and community initiatives, and debt service.

Lottery Funds, which make up about three percent of HECC’s budget, pay for debt service and Opportunity Grants. The recommended budget transfers the one percent of net Lottery Funds proceeds that are statutorily dedicated to the Sports Lottery Account to the Opportunity Grant program, to support access and affordability.

The Governor’s Budget includes the transfer of \$37.9 million in Employment Department Supplemental Employment Department Administration Fund (SEDAF) revenues to the General Fund to support part of HECC’s budget. Programs supported by the SEDAF transfer include \$10.9 million in previously approved workforce programs, new Youth Employment Program and Incumbent Worker Training programs, and a portion of the funding for the new Community Leverage Fund. The expenditures in HECC’s budget are recorded as General Fund, offset by the transfer of SEDAF revenues to the General Fund.

HECC receives a variety of federal grant funds that transfer with Community Colleges and Workforce Development (CCWD). The Workforce Investment Act provides the largest source of funds through: Title IB that supports youth, adult, and dislocated worker training programs through the state’s One Stop Centers; Title II that funds adult basic education programs; and National Emergency Grants that offer 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, and the Veterans’ Education program operated by the Private Career Schools program under contract with the U.S. Veterans’ Administration.

The Degree Authorization (DA), Private Careers Schools (PCS), and General Education Development (GED) programs are authorized to charge fees to authorize post-secondary institutions, license private career schools, and administer GED testing. GED fees were increased administratively in May 2013 and ratified by the Legislature in the 2013 Session. Costs of administering the DA and PCS programs exceed

available revenues and HECC has established new fees and increased existing ones administratively during the 2013-15 biennium. The agency is proposing legislation to expand its authority to charge for licensing, authorization, and reviews. The budget includes about \$1.5 million in new revenues from these fee increases.

The Office of Student Access and Completion (OSAC) administers nearly 500 different public and private scholarships, providing \$14.5 million in financial aid support. Administrative fees are charged to donors and granting agencies to cover the cost of operating the programs. Increasing costs and declining revenues have created a shortfall in administrative revenues that is partially restored with General Fund in the Governor's Budget.

Most of the Other Funds revenues supporting the Oregon Youth Conservation Corps come from the Amusement Device Tax on video lottery terminals. OYCC also receives grants from the Oregon Marine Board and other agencies.

Capital projects for the universities and community colleges are generally funded with proceeds from the sale of general obligation and lottery-backed bonds. While not recorded in HECC's budget, 14 public university projects are included in the bond bill, funded with \$322.5 million in the sale of general obligation bonds. No projects are recommended for community colleges.

Debt service on bonds sold in 2001 and 2002 to support OHSU's Opportunity Program are paid with Master Tobacco Settlement funds. The bonds will be paid off in 2023.

AGENCY PROGRAMS

HECC Operations

The HECC Operations program includes the commission, agency management, and staff units dedicated to university budget and finance, academic missions and programs, and legislative and public affairs. The program is entirely supported with General Fund. It is included in the Education Outcome Area within the 10-Year Plan for Oregon.

Included in the Governor's Budget is the establishment of a data and research unit and three additional administrative positions to manage the expanded agency following the merger with Community Colleges and Workforce Development and Oregon Student Access and Completion. The new administrative positions are partially funded by reductions in contracts with the Department of Administrative Services for fiscal and human resource services.

Degree Authorization and Private Career Schools

The Degree Authorization (DA) program approves requests by Oregon private institutions, non-Oregon colleges, and other educational organizations to offer degrees entitled to academic credit in the state. The Private Career School (PCS) program licenses career schools, approves their programs, and investigates complaints regarding these schools. The Tuition Protection Fund assesses schools under PCS jurisdiction to offer partial reimbursement to students who attended private career schools and had funds or services due to them after the school went out of business. The Private Career School Program also has a contract with the U.S. Department of Veterans' Affairs for specific programs for veterans. Both programs rely on fees charged to the institutions they license. This program unit is included in the Education Outcome Area.

The Governor's Budget is \$2.5 million total funds and 11 positions. Total funds are slightly increased from the 2013-15 Legislatively Approved Budget. Positions are reduced by 8.3 percent. The Governor's Budget includes new and increased fees to support both Degree Authorization and Private Career Schools programs; legislation to make necessary statutory changes and ratify 2013-15 administrative fee actions will accompany the budget. The increased revenue will be used to replace a limited duration position that was funded in the 2013-15 budget with General Fund and for upward reclassification of three existing positions.

CCWD Office Operations

This unit provides coordination, accountability, and technical assistance to Oregon's community colleges and local workforce investment programs on issues such as access to postsecondary instruction, education reform, college transfer, professional technical education, lifelong learning, and service to business, workforce training, accountability, funding, and diversity. The administration of the Workforce Investment Act programs is contained in this unit. The federal resources distributed to local providers is included in a separate program unit. This program is included in the Education Outcome Area.

Federal Funds are received from the U.S. Department of Labor for Workforce Investment Act Title IB programs and the Title II Adult Basic Education programs. Other Funds include federal Carl Perkins Technical and Applied Technology Act Funds transferred from the Department of Education.

The Governor's Budget is \$20.9 million General Fund, \$37.7 million total funds, and 55 positions. General Fund is increased by 48.6 percent from the 2013-15 Legislatively approved budget while total funds are increased by 19.8 percent. Positions are unchanged from the Legislatively Approved Budget. The budget includes \$6.0 million General Fund and two positions to assist Local Workforce Investment Boards with projects addressing incumbent employee training, retention, and advancement in targeted industry sectors throughout the state. In addition, existing workforce programs totaling \$10.9 million are restructured, as follows:

- Funds for the Work Ready Communities program, which includes National Career Readiness Certificates (NCRC), are increased from \$750,000 to \$1.0 million.
- Support for local workforce investment boards to lead local sector strategies and other efforts to increase community and industry competitiveness is funded at \$2.5 million.
- Technical assistance for local workforce areas is funded at \$1.5 million.

- An allocation of \$400,000 is provided for identification and dissemination of best practices among local workforce investment boards.
- Funding for Back to Work Oregon on-the-job training and NCRC programs included in the 2011-13 and 2013-15 budgets is reduced from \$6.2 million to \$5.0 million.
- A separate allocation of \$1.5 million for the NCRC program is eliminated, as is \$1.5 million for the Supporting Sector Strategies program.

The Incumbent Worker initiative and the restructured base workforce programs are funded with a transfer of Employment Department Supplemental Employment Department Administration Fund (SEDAF) to the General Fund.

State Support to Community Colleges

This unit contains the state funding to support general community college operations throughout the state. Other Funds and Federal Funds supporting the colleges are included in a separate program unit. General Fund constitutes the overwhelming majority of revenues in this program unit. A small amount of timber tax revenue is received by the agency and transferred to the colleges. The program unit is included in the Education Outcome Area.

The Governor’s Budget for the Community College Support Fund (CCSF) is \$500 million General Fund and \$45,810 Other Funds. The total funds budget is 7.1 percent more than the 2013-15 Legislatively Approved Budget. The budget includes \$30 million General Fund to continue the tuition-buy down approved in the 2013 Special Legislative Session; these funds do not limit new tuition increases for cost growth since 2013-15, but do eliminate a need for “catch-up” increases. One-time funds for skill centers, community care worker training, and a pilot program to increase support for underserved populations are eliminated. HECC is developing a new allocation model for distribution of the CCSF, to be implemented in the 2015-17 biennium, which will emphasize completion rather than enrollment, to measure progress towards the state’s 40/40/20 goal.

CCWD Federal/Other Programs

This unit contains Other Funds and Federal Funds distributed to community colleges, local workforce service areas, and other local providers. The program is included in the Economy and Jobs Outcome Area.

Federal Funds are received from the U.S. Department of Labor for Workforce Investment Act Title IB and Title II Adult Basic Education programs. Federal National Emergency Grants are received periodically for large layoffs or other employment disruptions budgeted as Nonlimited. Other Funds include federal Carl Perkins Technical and Applied Technology Act Funds transferred from the Department of Education. The budget is \$115.3 total funds, increased by 2.5 percent from the 2013-15 Legislatively Approved Budget.

Oregon Youth Conservation Corps

The Oregon Youth Conservation Corps (OYCC) was established in 1987 for the purpose of providing education, training, and employment opportunities for disadvantaged and at-risk youth ages 16 to 25. OYCC’s goals are to improve work skills, instill work ethic, and increase employability. Jobs are created through partnerships with public natural resource agencies. The program is included in the Education

Outcome Area. Amusement device taxes, federal Workforce Investment Act Funds, public and private grants, and agreements with state and federal natural resource agencies support OYCC programs.

The Governor's Budget includes \$15 million General Fund, \$18.7 million total funds and seven positions. The total funds budget is increased by 414 percent over the 2011-13 Legislatively Approved Budget (LAB). Positions are increased by 133.3 percent over LAB. No General Fund was included in the 2013-15 budget for OYCC. The increased budget is the result of a new Youth Employment initiative that will restore and expand funds for conservation corps programs in all 36 counties, fund additional youth employment opportunities offered through Local Workforce Investment Boards focusing on development of college and career ready skills, and establish a Registered Youth Apprenticeship Program leading to both journey level certificates and associate's degrees. The Youth Employment initiative is funded with a transfer of Employment Department Supplemental Employment Department Administration Fund to the General Fund.

CCWD Debt Service

Debt service on Article XI-G general obligation bonds and lottery-backed bonds sold for community college projects are 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. This budget is included in the Education Outcome Area.

The Governor's Budget is \$27 million General Fund and \$10.7 million Lottery Funds. The total funds budget is 42.3 percent greater than the 2013-15 Legislatively Approved Budget. General Fund debt service was reduced by \$9.6 million for approved Article XI-G bond projects for which the bonds have not yet been sold, due to the likelihood that a number of colleges will not be able to acquire the constitutionally required 50 percent match prior to the end of the 2015-17 biennium.

Public University Support Fund

This program includes state funding provided to the seven public universities that had been part of the Oregon University System for instruction, research, public services, and operation of the institutions. It includes funds that have been distributed to the universities based on enrollment and those targeted programs that were directed towards institutional and student support. Funding for statewide economic development and other needs have been shifted to the Public University State Programs (PUSF) unit. State support is entirely funded with General Fund. The unit is included in the Education Outcome Area.

The Governor's Budget is \$593.7 million General Fund, increased by 14.1 percent from the 2013-15 Legislatively Approved Budget. The budget includes \$41.1 million General Fund to continue the tuition-buy down approved in the 2013 Special Legislative Session; these funds do not limit new tuition increases for cost growth since 2013-15, but do eliminate a need for "catch-up" increases. One-time appropriations for bridge funding for Eastern Oregon University and Southern Oregon University and for negotiated compensation increases at all seven universities are eliminated. A reduction in Chancellor's Office funding directed by House Bill 5008 (2013) is also included in the budget. HECC will develop a new allocation model for distribution of the PUSF, for implementation in the 2015-17 biennium, which will emphasize completion rather than enrollment, to measure progress towards the state's 40/40/20 goal.

Agricultural Experiment Station

The Agricultural Experiment Station conducts research and demonstrations in the agricultural, biological, social, and environmental sciences. Research is conducted at a central station at Corvallis and at 11 branch stations in major crop and climate areas of the state. State support is entirely funded with General Fund. The unit is included in the Economy and Jobs Outcome Area. The Governor's Budget is \$57 million General Fund, increased by 3.3 percent from the 2013-15 Legislatively Approved Budget.

Extension Service

The Extension Service is the educational outreach arm of Oregon State University. Extension faculty on campus and in county offices throughout the state work with researchers and volunteers to develop and deliver non-credit educational programs based on locally identified needs. State support is entirely funded with General Fund. The unit is included in the Education Outcome Area. The Governor's Budget is \$41.2 million General Fund, increased by 3.3 percent from the 2013-15 Legislatively Approved Budget.

Forest Research Laboratory

The OSU Forest Research Laboratory conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources. This research is conducted in laboratories and forests administered by the University, cooperative agencies and industries throughout the state. Research results are made available to potential users through educational programs and publications directed to forest landowners and managers, manufacturers and users of forest products, leaders of government and industry, the scientific community, the conservation community, and the general public. State support is entirely funded with General Fund. The unit is included in the Economy and Jobs Area. The Governor's Budget is \$6.3 million General Fund, increased by 3.3 percent from the 2013-15 Legislatively Approved Budget.

Public University State Programs

This program unit includes public university programs dealing with economic development, natural resources, or other statewide priorities. They include: the University of Oregon (UO) and Portland State University (PSU) Dispute Resolution programs; PSU Oregon Solutions program; UO, OSU, and PSU Signature Research Centers; the Oregon Metals Initiative; UO Labor Education Research Center (LERC); PSU Population Research Center; OSU Natural Resources Institute; Clinical Legal Education; OSU Climate Change Research Institute; OSU Oceangoing Research Vessel Program; and the OUS fermentation science program. The Engineering and Technology Industry Council (ETIC) and Industry Partnerships programs were transferred from the Oregon University System to the Oregon Education Investment Board (OEIB) by House Bill 4020 (2014); a portion of the funding is shifted to HECC in the Governor's Budget. State support is entirely funded with General Fund. The unit is included in the Education Outcome Area.

The Governor's Budget is \$35 million General Fund, increased by 37.4 percent from the 2013-15 Legislatively Approved Budget (LAB). The budget includes 80 percent of ETIC and Industry Partnerships funding that was transferred to OEIB as a result of House Bill 4020; the funds are subsequently shifted to HECC for distribution to the universities while the remainder stays at OEIB to

support science, technology, engineering, and mathematics (STEM) programs. The large increase from the 2013-15 LAB is an artifact of the 2014 ETIC transfer. These programs are increased by three percent from the prior biennium, including the 80 percent of ETIC funds transferred from OEIB. Specific allocation are as follows:

Engineering and Technology Industry Council	\$24,451,274
Dispute Resolution (UO & PSU)	2,516,149
Oregon Solutions (PSU)	2,257,451
Signature Research Centers (OSU, PSU, UO)	1,040,577
Oregon Metals Initiative	749,065
Labor Education Research Center (LERC-UO)	678,544
Population Research Center (PSU)	435,313
Institute for Natural Resources (OSU)	399,103
Clinical Legal Education (UO & L&C)	348,696
Oregon Climate Change Research Institute (OSU)	312,837
Oceangoing Research Vessel (OSU)	619,800
Fermentation Science (OSU)	1,239,600
Total	<u>\$35,048,409</u>

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 bonds debt service is paid with Lottery Funds. Payment of debt service on 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. As a result of Senate Bill 240 (2011), expenditure of campus funds for debt service or other purposes is not included in the state budget. This program unit is included in the Education Outcome Area.

The Governor’s Budget is \$129.4 million General Fund and \$32 million Lottery Funds. The total funds budget of \$161.4 million is increased by 40.6 percent from the 2013-15 Legislatively Approved Budget. Debt service on new projects recommended for the 2015-17 biennium will not be incurred until 2017-19.

Sports Action Lottery

The Sports Lottery program is funded with a statutorily dedicated one percent of net lottery proceeds. Eighty-eight percent of the funds, not to exceed \$8.0 million annually, is dedicated to intercollegiate athletics and the remaining 12 percent, not to exceed \$1.1 million annually, is dedicated to graduate student scholarships, awarded equally on need and academic merit. Should revenues exceed the annual caps, remaining funds are to be transferred to the Oregon Opportunity Grant program.

The recommended budget eliminates Lottery Funds support for the Sports Lottery program and transfers the Lottery Funds to the Oregon Opportunity Grant program for needs-based scholarships for Oregon resident undergraduates.

Oregon Health and Science University

This program unit includes the General Fund appropriation supporting university and hospital operations. 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. All state support provided for OHSU operations comes from the General Fund. The program is included in the Education Outcome Area.

The Governor's Budget is \$72.6 General Fund, unchanged from the 2013-15 Legislatively Approved Budget. This includes \$62.4 million for education and rural programs, \$7.7 million for the CDRC, and \$2.5 million for the Oregon Poison Center. Funding approved in the 2013 Legislative Session for the Scholars for a Healthy Oregon programs is continued but not biennialized.

OHSU Bond Related Costs

This program unit includes General Fund to pay debt service on bonds issued for the OHSU Knight Cancer Institute. It also includes Other Funds for debt service and debt management charges associated with bonds sold in 2001 and 2002 for the Oregon Opportunity Program; these costs are paid with Master Tobacco Settlement Funds. The funds are included in the Education Outcome Area.

The Governor's Budget is \$17.7 million General Fund and \$30.9 million Other Funds. Other Funds are reduced by 86.7 percent from the 2013-15 Legislatively Approved Budget (LAB) due to the elimination of one-time expenditure authority for debt refinancing. General Fund debt service on the Knight Cancer Institute bonds was not included in the LAB. No Lottery Funds debt service is included, as the budget proposes to replace lottery-backed bonds approved in the 2014 Legislative Session with Article XI-G bonds. The bonds are anticipated to be sold in Spring 2016.

OSAC Office Operations

This program unit includes all staff transferred from the Office of Student Access and Completion with the exception of those working on the ASPIRE program; ASPIRE is included in a separate program unit below. OSAC Office Operations is responsible for all scholarship and grant administrative functions including budget formulation, fiscal control, personnel administration, and information. In addition to General Fund, this program unit is funded with administrative assessments on scholarships and grants, charges for services, and interest earnings. The program is included in the Education Outcome Area.

The Governor's Budget is \$3.5 million General Fund, \$6.2 million total funds, and 24 positions. General Fund is increased by 65.8 percent from the 2013-15 Legislatively Approved Budget (LAB) while total funds are increased by 33.1 percent from LAB. Positions are reduced by 20.0 percent from the LAB. The budget includes funding to restore two scholarship administration positions that would otherwise be eliminated due to revenue shortfalls, \$1.0 million General Fund for replacement of the Financial Aid Management Information System (FAMIS), \$250,000 for system modifications to accommodate the proposed redesign of the Opportunity Grant program, and elimination of one-time funding for development of a business case for FAMIS replacement. It also includes federal College Access Challenge Grant funds to expand student outreach efforts on a one-time basis for the second year of the biennium.

OSAC Other Programs

The Other Programs unit includes the following programs: Chafee Education and Training Voucher Program, JOBS Plus, Oregon Youth Conservation Corps Scholarships, Barber and Hairdresser Scholarships, and the Oregon Student Child Care Grant program. In addition, OSAC manages nearly 500 private scholarship programs through a common application process. General Fund supports the child care program. Donations and grant funds support all remaining programs. The program unit is included in the Education Outcome Area.

The Governor's Budget includes \$0.9 million General Fund and \$15.5 million total funds. General Fund is increased by 3.1 percent from the 2013-15 Legislatively Approved Budget, while total funds is reduced by 14.8 percent. The budget phases out Other Funds expenditure limitation for three discontinued programs: the Nursing Faculty Loan Repayment Program, Teacher Corps, and Gear-Up programs.

Oregon Opportunity Grants

This program unit includes the state's need-based scholarship program for Oregon undergraduate students. Opportunity Grants are funded with General Fund, dedicated Lottery Funds, and unclaimed education awards under the Jobs Plus program. The program is included in the Education Outcome Area.

The Governor's Budget includes \$128.1 million General Fund, \$13.9 million Lottery Funds, and \$143.3 million total funds. The total funds budget is a 25.8 percent increase over the 2013-15 Legislatively Approved Budget. HECC is proposing to make major changes in the design of the program, prioritizing the first two years of post-secondary attendance, aligning eligibility criteria with Pell Grant criteria, modifying application deadlines to fit with institutional calendars, and prioritizing students with the highest financial needs, particularly students from traditionally under-represented populations.

ASPIRE

ASPIRE (Access to Student Assistance Programs In Reach of Everyone) helps middle and high school students access education and training beyond high school. Students receive information about college and career options, admission, and financial aid from trained volunteer mentors who work with them one-on-one throughout the year. Beginning with just four pilot schools in 1998, ASPIRE is currently serves 145 sites throughout the state. ASPIRE was established with funds from the federal AmeriCorps program and grants received from the Oregon Community Foundation and the Ford Family Foundation. The program is now funded primarily with General Fund with some grant support when it becomes available. It is included in the Education Outcome Area.

The Governor's Budget includes \$1.7 million General Fund, \$2.5 million total funds, and 11 positions. General Fund is increased by 4.6 percent above the 2013-15 Legislatively Approved Budget while total funds are increased by 41.8 percent. Positions are increased by 37.5 percent. This budget level will allow ASPIRE to continue to support the existing 145 sites across the state for the entire biennium and to use federal College Challenge Access Grant funds to expand ASPIRE on a one-time basis for the second year of the biennium.

Construction

Expenditure authority for community college capital projects funded by the state is included in this program unit. These projects have traditionally been funded with proceeds from the sale of Article XI-G general obligation bonds, which require a 50 percent match. Lottery-backed bonds were sold for deferred maintenance projects as part of the 2009 Go Oregon economic stimulus package.

As a result of Senate Bill 242 (2011) which changed the status of the Oregon University System to a public university system, expenditure limitations for Other Funds revenues, including the proceeds of bond sales, are not included in the state budget. University projects are authorized in the bond bill without capital construction expenditure limitations.

The Governor's Budget includes \$322.5 million for 14 projects distributed among all seven public universities. This includes 13 projects, totaling \$275.5 million, funded with Article XI-G and Article XI-Q bonds, debt service on which is paid with General Fund. One project is funded with Article XI-F (1) bonds, which are repaid with university funds. The projects, listed below, will be included in the bond bill, but not in the HECC budget. No projects are funded for community colleges.

Project	Article XI-G	Article XI-Q	Article XI-F (1)	Grand Total
All campuses - Capital Renewal, Code, and Safety		71,900,000		71,900,000
EOU - Hunt Hall Demolition & Site Restoration		2,985,000		2,985,000
OIT - Boivin Hall Modernization		7,420,000		7,420,000
OIT - Center for Excellence in Engineering & Technology Pre-Development		3,500,000		3,500,000
OSU - Forest Science Complex	30,000,000			30,000,000
OSU - Marine Studies Campus Phase 1	25,000,000			25,000,000
PSU - Broadway Housing Purchase			53,000,000	53,000,000
PSU - Neuberger Hall Deferred Maintenance & Renovation	10,000,000	50,000,000		60,000,000
SOU - Britt Hall Renovation		4,790,000		4,790,000
UO - Chapman Hall Renovation	2,500,000	5,500,000		8,000,000
UO - College and Careers Building	17,000,000			17,000,000
UO - Klamath Hall Renovation	6,250,000	6,000,000		6,250,000
UO - Learning & Innovation Hub - School of Architecture & Allied Arts	26,625,000			26,625,000
WOU - Natural Sciences Building Renovation		6,000,000		6,000,000
Grand Total	117,375,000	158,095,000	53,000,000	322,470,000

Oregon Education Investment Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	21,008,299	20,448,682
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	\$21,008,299	\$20,448,682
Positions	0	15	16
FTE	0.00	15.00	16.00

OVERVIEW

The Oregon Education Investment Board (OEIB) is a 13-member board appointed and chaired by the Governor. It is charged with overseeing a unified public education system beginning with early childhood learning and continuing to post-secondary education (P-20). Specific OEIB duties include recommending strategic education investments to ensure the education budget is targeted to outcomes, entering into achievement compacts, and providing an integrated student-based data system to monitor spending and outcomes.

The agency includes the Office of the Chief Education Officer which represents the majority of the budget and all of the positions. The OEIB appoints the Chief Education Officer who serves as the primary focus point for P-20 education for the state. While the Chief Education Officer position does not have general direct control or hire/fire authority for other education officials in the state, the position does have authority for “direction and control...for matters related to the design and organization of the state’s education system” over these officials. The authority for both the OEIB and the Chief Education Officer sunsets on March 15, 2016.

OEIB is included in the Education Outcome Area within the 10-Year Plan for Oregon. Its primary outcome is the state’s 40/40/20 goal: that by 2025, 40 percent of Oregonians have a bachelor’s degree or higher, 40 percent have an associate’s degree or certificate, and the remaining 20 percent have a high school diploma or equivalent. OEIB measures its success based on achievement compacts with school districts, community colleges, and universities. Measures include third grade literacy, progress towards and success in completing high school, participation in post-secondary education, increases in the numbers of certificates and degrees, and increases in teacher and administrative diversity. The measures are disaggregated to track progress in reaching students from underrepresented populations.

GOVERNOR'S BUDGET

The Governor’s Budget includes \$20.4 million General Fund and 16 positions. This is a 2.7 percent reduction from the 2013-15 Legislatively Approved Budget. The budget assumes removal or extension of the OEIB sunset. It transfers 80 percent of Engineering and Technical Industry Council and Industry

Partnerships funding, shifted to OEIB from the Oregon University System as a result of House Bill 4020 (2014), to the Higher Education Coordinating Commission. The remaining 20 percent is retained in OEIB's budget for support of science, technology, engineering, and mathematics (STEM) programs throughout the P-20 education continuum. Funds will be allocated by the STEM Investment Council. The budget also includes \$7.9 million General Fund to expand support for the existing six regional STEM Hubs and add another six. P-20 education initiatives funded in the 2013-15 Legislatively Approved Budget, including a statewide reading campaign, regional achievement compact convenings, and state education connections conferences, are maintained in the Governor's Budget. Funding for the TELL Oregon Survey program are transferred from the Department of Education.

REVENUE SUMMARY

OEIB is funded entirely with General Fund.

Oregon University System

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	668,264,553	736,372,155	0
Lottery Funds	22,938,784	33,571,489	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	\$691,203,337	\$769,943,644	\$0
Positions	0	0	0
FTE	0.00	0.00	0.00

OVERVIEW

In 1929, the Oregon State Board of Higher Education was established to create an organized structure for governance of the state's public universities. As a result of Senate Bill 270 (2013), the University of Oregon, Oregon State University, and Portland State University began operation under their own governing boards on July 1, 2014. On July 1, 2015, the remaining four institutions will also operate under institutional boards. At that time, the Board of Higher Education and the Oregon University System will functionally cease to exist.

Responsibility for approving institutional missions and programs, distributing state support to the universities, and other functions was shifted from the Chancellor's Office to the Higher Education Coordinating Commission on July 1, 2014.

GOVERNOR'S BUDGET

State support for the seven public universities that comprised the Oregon University System has been shifted to the Higher Education Coordinating Commission. Discussion of programs, revenues, and funding levels are included as part of the Commission's budget.

Office of Student Access and Completion

	2011-13 Actuals	2013-1 Leg Approved Budget	2015-1 Governor's Budget
General Fund	98,238,105	115,806,520	0
Lottery Funds	240	2,546,223	0
Other Funds	19,329,741	20,173,727	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$117,568,086	\$138,526,470	\$0
Positions	31	28	0
FTE	26.92	25.67	0.00

OVERVIEW

The mission of the Office of Student Access and Completion (OSAC) is to help Oregon students attain a postsecondary education and to enhance the value, integrity, and diversity of Oregon's college programs. The office administers nearly 500 publicly and privately funded grant and scholarship programs, including the state Opportunity Grant program. The agency name was changed from the Oregon Student Access Commission on July 1, 2014 when it was placed under the authority of the Higher Education Coordinating Commission.

GOVERNOR'S BUDGET

OSAC funding and positions have been shifted to the Higher Education Coordination Commission (HECC). Discussion of OSAC programs, revenues, and funding levels are included as part of the HECC budget.

Teacher Standards and Practices Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	4,932,111	5,004,014	6,264,770
Federal Funds	12,893	35,000	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$4,945,004	\$5,039,014	\$6,264,770
Positions	25	20	26
FTE	24.23	20.00	25.46

OVERVIEW

The Teacher Standards and Practices Commission mission is to ensure that every student in Oregon receives instruction by caring, competent and ethical educators. The Commission:

- Establishes rules and standards for licensure and charter school registration and issues licenses or registrations to public school teachers, administrators, school counselors, school psychologists and school nurses.
- Maintains professional standards of competent and ethical performance and proper assignment of licensed educators.
- Adopts standards for approval of college and university teacher education programs that lead to licensure, and approves such programs that seek to license educators in the state of Oregon.

GOVERNOR'S BUDGET

The Governor's Budget for the Teacher Standards and Practices Commission is \$6.3 million Other Funds. The budget includes 26 positions. This is a six-position increase from the 2013-15 Legislatively Approved Budget; however, four of the positions are limited duration and will terminate at the end of the 2015-17 biennium. The limited duration positions will help reduce backlogs in licensing renewals and investigations. The two permanent positions will provide support for rulemaking and for educator training accreditation work. The Governor's Budget assumes the passage of a fee bill increasing the current maximum limit for educator licenses and changes the schedule of license renewal.

REVENUE SUMMARY

The Commission is funded solely by Other Funds received from application fees, initial licenses, renewal licenses, and delinquent fees. The Great Recession and ensuing reductions to public education resulted in fewer educator license applications and renewals, which reduced revenue. The 2010 legislative action to reallocate ending balances to the General Fund resulted in the Commission's ending balance decreasing by \$346,000. The license renewal schedule remained at three or five years and fee rates were not increased. Together, these factors have affected the Commission's ability to continue

operating at the same staffing levels resulting in the elimination of positions in the 2011-13 and 2013-15 biennia budgets. Backlogs for license renewals and investigations developed, so legislation to address the revenue situation is proposed.

HUMAN SERVICES

Program Area and Agency Information

SECTION C



HUMAN SERVICES AGENCIES

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Human Services Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	3,878,371,612	4,291,744,115	4,901,321,696
Lottery Funds	10,098,261	10,592,532	10,353,121
Other Funds	2,717,181,180	4,398,490,396	6,102,562,008
Federal Funds	8,383,220,876	12,594,527,797	15,055,630,930
Other Funds (Nonlimited)	2,910,050,130	1,904,711,565	143,500,000
Federal Funds (Nonlimited)	2,590,907,519	2,621,225,398	2,620,998,354
Total Funds	\$20,489,829,578	\$25,821,291,803	\$28,834,366,109
Positions	11,725	12,238	12,335
FTE	11,496.45	11,692.38	12,144.26

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 intellectual and developmental disabilities.

The Governor’s Budget supports a wide array of interconnected programs providing service 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. Human Services Program Area programs link to outcomes in the Healthy People, Economy and Jobs, Safety, Education and Improving Government 10-Year Plan for Oregon.

- **Healthy People** - The Healthy People action plan consists of fully implementing Coordinated Care Models, preventing chronic diseases, strengthening long-term care services and improving access to healthy housing and nutrition. The Governor’s Budget continues the Oregon Health Authority’s (OHA) efforts of implementing health system transformation across all health care programs concentrating on access to primary and preventative care at sustainable costs. Within

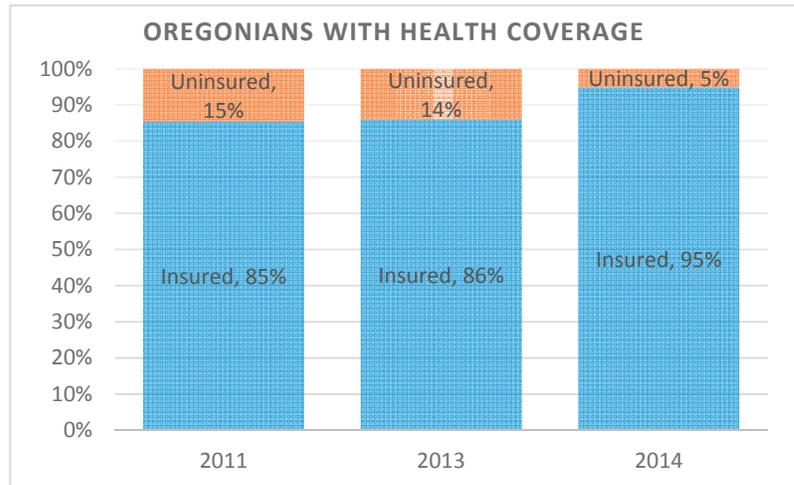
the Department of Human Services (DHS), the budget supports community services essential for seniors and people with disabilities to live as independently as possible in their communities.

- Education - The Employment Related Daycare program within DHS provides access to quality child care, supporting the Education 10-Year plan outcomes, specifically that kindergarteners enter school “ready to learn.”
- Public Safety - The safety policy vision includes investments in youth and families as specifically related to the newly created Differential Response approach in Child Welfare within DHS focusing efforts to keep children safely in their homes. A key of this is coordinating supports and services that strengthen social services, such as mental health and addiction, housing, employment and other systems that promote stability and self-sufficiency.
- Economy & Jobs - Temporary Assistance to Needy Families (TANF) within DHS supports families living in extreme poverty, providing needed assistance, connections to support and community services, and employment and training services. The goal is to help adults in TANF programs gain skills needed to become self-sufficient through employment.
- Improving Government - Oregon must refocus the state’s resources on strategic and streamlined delivery of public services. When OHA was created in the 2011-13 biennium, DHS and OHA created a shared services business support structure to have a more consistent and coordinated administrative service to all programs within both agencies and their customers.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s Budget for the Human Services Program Area agencies is \$28,834.4 million total funds. This is a 12 percent increase from the 2013-15 Legislatively Approved Budget. This includes a significant increase in investment of Federal Funds from the expansion of Medicaid with the implementation of the Affordable Care Act in January 2014. Not only did the implementation of ACA increase federal fund support of Medicaid coverage, the number of Oregonians

without health coverage dropped by 63 percent and now 95 percent of Oregonians have health coverage. This has a significant impact on Oregon’s health system and economy. With increased health coverage, Oregonians and families have increased access to preventative care and more economic security, the health system has reduced uncompensated care costs – one of the major drivers of health care costs, and other social services programs can focus on providing intended assistance rather than supplementing needed health care costs.



The Governor's Budget builds on significant transformation efforts including focusing on preventative services and community supports for Oregonians. Key elements of the Governor's Budget include:

- Continues Health System Transformation efforts already underway. Through the newly created coordinated care model implemented for the Oregon Health Plan, Oregonians are experiencing improved, more integrated care. With a focus on primary care and prevention, health plans are able to better manage chronic conditions and keep people healthy and out of the emergency department. And with the integration of coordinated care in health plans offered through the Public Employees Benefit Board, health programs will reduce waste and inefficiency saving billions compared to projected costs while improving health.
- Sustainable cost growth in publicly funded health programs. Health programs are funded at fixed, sustainable annual cost growth. The Oregon Health Plan, PEBB and OEBB are funded at a limited per member cost growth.
- Community Mental Health investments. The Governor's Budget continues the current commitment to prioritize behavioral health services in communities, adding capacity and increasing funding for key investments in community mental health programs – focusing efforts for Oregonians to receive the right services, in the right place, at the right time.
- Investments in services for seniors. The Governor's investments in seniors and people with disabilities focus on prevention and community based care as an ongoing priority.
- Serving individuals with disabilities in the community. All persons with developmental disabilities are served in the community through both DHS and the Oregon Commission for the Blind. The Governor's investments focus on maintaining and expanding the community capacity as well as improving employment outcomes for people with intellectual/developmental disabilities, as called for in Executive Order 13-04.
- Temporary Assistance for Needy Families Redesign. Reinvests General Fund and Federal Fund savings from TANF caseload reductions into redesigning the program. Reinvestments are targeted to build the capacity of families to increase earnings and transition from TANF through an accountable, flexible, and person-centered approach. The TANF Redesign is a combination of budget reinvestment, and policy changes that provide a sharpened focus for employment activities, streamlining of process, and new flexibility for local investments.
- Additional investments in children and families. This budget includes an additional investment in Employment Related Day Care in support of the Governor's Early Learning initiative, providing greater access to quality childcare for Oregon's working families. The Governor's investments in Child Welfare provide additional infrastructure to support the field staff investments made in the 2013-15 biennium. The enhanced infrastructure advances the state's interest in keeping children safe and meeting foster care reduction targets; completing the statewide roll-out of Differential Response by 2017; and continuing implementation of Senate Bill 964 (2011) for Strengthening, Preserving, and Reunifying Families (including full support for implementation of the new IV-E Waiver).
- Better client information to address health and service equity. The budget also investments in the REaL+D program, which will establish uniform standards and practices for the collection

of data on race, ethnicity language, and disability status by the Oregon Health Authority and the Department of Human Services.

- Additional protections for seniors and residents of care facilities. The Long Term Care Ombudsman's budget includes additional resources to address the needs of residents of care facilities who have mental illness or developmental disabilities. In addition, the agency is now funded to provide public guardian and conservator services.

Commission for the Blind

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,148,036	1,598,027	2,705,186
Lottery Funds	0	0	0
Other Funds	2,612,522	2,025,381	992,528
Federal Funds	11,175,815	12,321,894	12,347,941
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$14,936,373	\$15,945,302	\$16,045,655
Positions	48	51	55
FTE	44.21	46.98	50.71

OVERVIEW

The Oregon Commission for the Blind's mission is to assist Oregonians who are blind in making informed choices and decisions to achieve full inclusion and integration in society through employment, independent living, and social self-sufficiency. 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, optometry, ophthalmology, or education of the blind. The Commission provides vocational rehabilitation services, individualized training in the skills related to blindness, independent living services, and food service/vending business training. These programs support the 10-Year Plan for Oregon by contributing to the development of a dynamic, resilient workforce and providing support services that allow individuals who are blind to remain living at home in their own communities. The Commission operates under four main programs units:

- Administrative Services – Provides strategic planning and direction, liaison activities with stakeholders, data processing, and 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, while independent living activities help individuals develop skills that allow them to maintain their independence in their homes and communities. The section also operates a Summer Work Experience Program for students to gain work experience and provide an opportunity for students to have an independent living experience.
- Business Enterprises – Trains, licenses and supports individuals who are legally blind in operating food service and vending in public buildings.
- Orientation Center for the Blind – Provides skills training for newly blind adults so they might remain as independent as possible.

GOVERNOR'S BUDGET

The Governor's Budget for the Commission for the Blind is \$16.0 million total funds. This is a 0.6 percent increase from the 2013-15 Legislatively Approved Budget (LAB). It includes an increase of \$1.1 million General Fund, which represents a 69.3 percent increase from the 2013-15 LAB. The budget includes 55 positions, an increase of four positions from the 2013-15 LAB. The Governor's Budget supports current programs by increasing General Fund support to avoid severe cutbacks, which would have included a 15 percent reduction in the number of clients served. It also invests in the Independent Living Older Blind program to serve 270 additional clients and invests in the Business Enterprises program to improve training for blind entrepreneurs and contract management.

REVENUE SUMMARY

The Commission for the Blind (OCB) 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 cooperative agreements with school districts and other providers, business enterprise vendor assessments, donations, and interest gained from those donations. During the past two biennia the OCB was directed by the Legislature to draw down its donations fund to permit reductions in General Fund support during the Great Recession. To avoid a significant loss of available Federal Funds that would result in severe service cutbacks, the Governor's Budget includes a General Fund investment to replace Other Funds donations and bequests used for program operations.

AGENCY PROGRAMS

Administrative Services

The Administrative Services program unit provides leadership, fiscal services and data processing, supporting the direct service operations in the agency's other three 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, and liaison activities with various stakeholders including the vision-impaired community, policymakers, federal officials, partner businesses, and social support agencies. Fiscal operations include 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. Data processing functions include program-related database functions. The Governor's Budget for this program is \$1.8 million total funds and eight positions.

Rehabilitative Services

The primary function of the Rehabilitation Services program is to support Oregonians with vision loss so they can achieve their full potential. There are two parts to this program: vocational rehabilitation and independent living. The vocational rehabilitation activities support the development of a dynamic, resilient workforce by helping Oregonians who are blind gain and retain employment, while the independent living activities help individuals develop skills that allow them to maintain their independence in their homes and communities. For the 2015-17 biennium, the vocational rehabilitation program is projected to serve 1,455 clients and the independent living program is projected to serve

1,946 clients. The Rehabilitation Services program unit also operates a Summer Work Experience Program for students to gain work experience and provide an opportunity for students to have an independent living experience. The Governor's Budget supports current operations of the Rehabilitative Services program and provides an additional investment in the Independent Living Older Blind program to serve 135 additional clients age 55 and over per year. The Governor's Budget for this program is \$10.2 million total funds and includes 30 positions.

Business Enterprises

The Business Enterprises 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 blind managers to provide services desired by facilities, thus creating employment opportunities for individuals who are blind. Licensed blind managers run the day-to-day operations, retaining the majority of the profits they generate; each licensed blind manager pays 11 percent of their net earnings as a set-aside to support the program. The set-aside is used for continued training of the licensed blind managers and maintenance, repair, and purchasing of equipment. Currently the Business Enterprise program has 16 individuals operating food service and vending machine locations throughout the state. The Governor's Budget invests in the program to expand opportunities for blind entrepreneurs, increase compliance with regulatory requirements, and improve the efficiency of existing operations. The budget for this program is \$1.1 million total funds and includes four positions.

Orientation Center for the Blind

The Orientation and Career Center for the Blind provides skills training for newly blind adults so they might remain as independent as possible. The center's training facilities are primarily located in Portland with satellite labs located in Salem, Eugene, and Medford. Individuals are referred to these facilities by Vocational Rehabilitation Counselors. Training for each client is orchestrated around their individualized assessment and the plan they have developed with their vocational counselor. Assessment and training at the center is blindness specific and subjects include but are not limited to: adaptive technology, adjustment to blindness, Braille reading and writing, Apple and Android devices, low vision aids and techniques, orientation and mobility, techniques of daily living, cooking, wood shop, job skills, and career preparation. The Governor's Budget supports current operations and includes \$3.0 million total funds and thirteen positions.

Department of Human Services

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	2,181,831,985	2,324,079,188	2,680,281,716
Lottery Funds	0	0	0
Other Funds	442,634,121	501,842,250	499,773,473
Federal Funds	3,309,228,368	3,949,498,290	4,323,267,232
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	2,482,546,921	2,514,345,331	2,514,345,331
Total Funds	\$8,416,241,395	\$9,289,765,059	\$10,017,667,752
Positions	7,427	7,631	7,830
FTE	7,319.54	7,477.62	7,710.84

OVERVIEW

The mission of the Department of Human Services (DHS) is to help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity. DHS is responsible for the care of some of Oregon's most vulnerable citizens – children, families, people with intellectual and developmental disabilities, and seniors. DHS is also 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.

DHS's budget can be divided into five distinct programs areas:

- Self-Sufficiency
- Child Welfare
- Vocational Rehabilitation
- Aging and People with Disabilities
- Intellectual/Developmental Disabilities

These program areas are supported by Central Services, Shared Services, and Program Design Services.

GOVERNOR'S BUDGET

The Governor's Budget for this entire enterprise is \$10,017.7 million total funds, including \$2,680.3 million General Fund and 7,830 positions. This is a 7.8 percent total funds increase (15.3 percent General Fund increase) from the 2013-15 Legislatively Approved Budget. This budget maintains and enhances the Governor's commitments to achieving key outcomes for Oregonians while responsibly managing inflationary growth. The specific investments are described in each program section below.

REVENUE SUMMARY

The federal government is a major partner in funding human services programs. Over 75 percent of DHS's budget (including all Supplementary Nutrition Assistance Payments) is federally funded. As a

result, the ability to provide program services is greatly influenced by Federal Funds availability and by the rules guiding the use of those funds. For example, a recent U.S. Department of Labor rule change regarding application of the Fair Labor Standards Act will increase the cost of the state's home and community based care system and result in some program changes. This budget anticipates managing those costs and changes delivery in a way that lowers state financial exposure while preserving program quality and treating workers fairly. In addition, the rate of federal revenue matching for many programs changes annually and is completely outside of the control of state policy. This greatly impacts the amount of General Fund that must be appropriated to maintain a program. For 2015-17, the Federal Medical Assistance Percentage adjustment is working to the state's budgetary advantage. The federal matching rate will increase from 63.4 percent in 2013-15 to 63.6 percent next biennium. This change is projected to reduce General Fund expenditures by \$18.9 million in DHS's budget.

AGENCY PROGRAMS

Child Welfare Programs

Child safety services are provided to children reported to be neglected or abused or under threat of harm and families who are impacted by abuse dynamics; typically substance abuse and domestic violence. DHS 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.

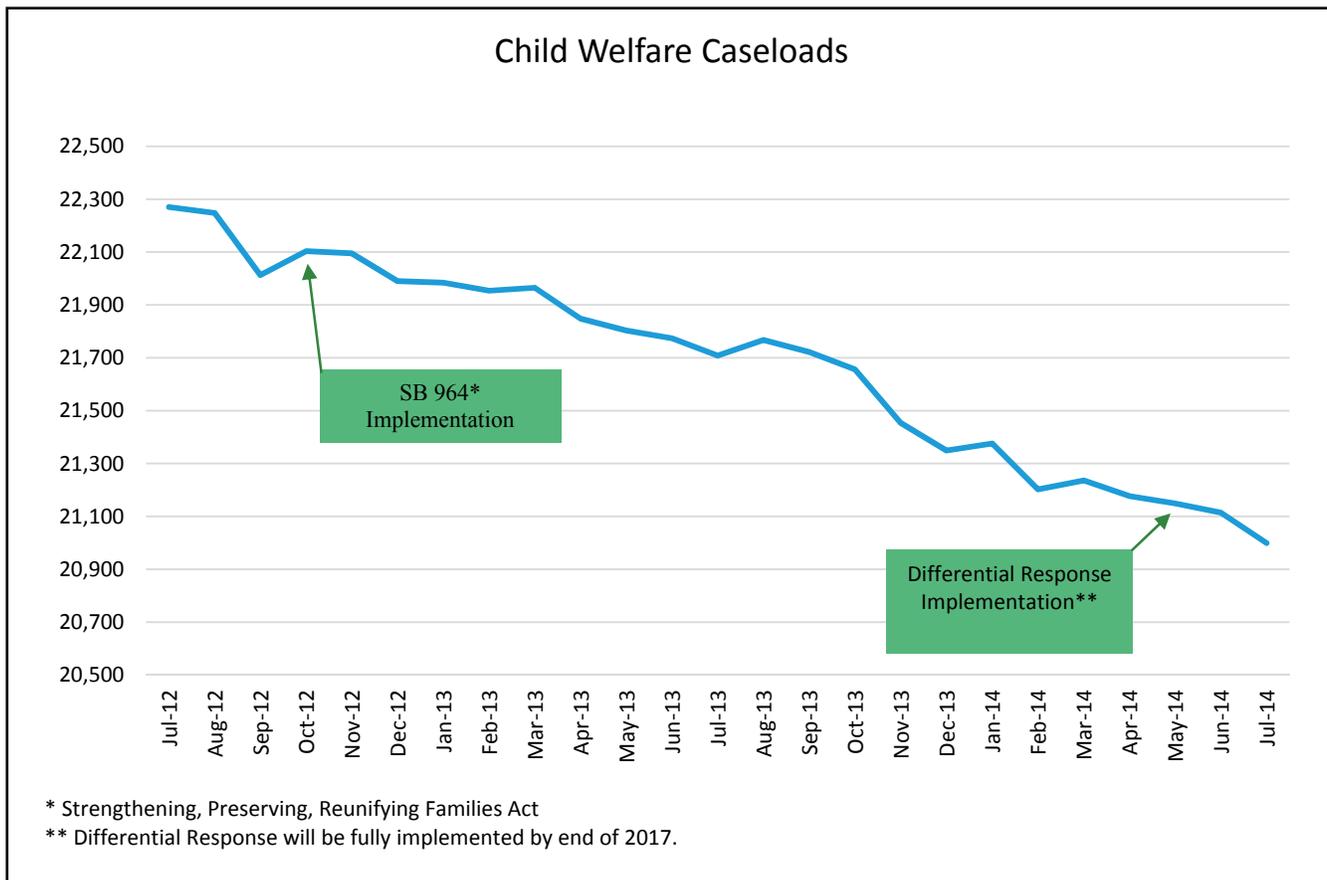
Child Well Being (Substitute Care or out-of-home care) represents a broad range of care, supervision, and treatment services for children in temporary or permanent custody of the state. Family foster care homes and "special rates" foster care are the primary service elements. Residential Care is provided by private agencies in residential or therapeutic foster care settings for children who cannot live in a family setting. Providers are reimbursed 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.

The Adoptions program provides adoption and guardianship services 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 approximately 1,333 child welfare caseworkers across Oregon responding to over 75,000 reports of abuse and neglect, and serving approximately 13,000 abused children annually that experience 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.

Child Welfare Programs link to the Public Safety Outcome Area within the 10-Year Plan for Oregon. They provide prevention, protection and regulatory programs for Oregon's most vulnerable citizens, our children, to keep them safe and improve their quality of life. The 2015-17 Governor's Budget is \$470.1 million General Fund, \$938.4 million total funds. It includes additional Central Office staff to support the field staff investments made in the 2013-15 biennium.

This enhanced infrastructure advances the state’s interest in keeping children safe; meeting foster care reduction targets; completing statewide roll-out of Differential Response by 2017; continuing implementation of Senate Bill 967 (2011) Strengthening, Preserving, and Reunifying Families; fully



supporting implementation of the new IV-E Waiver; supporting cross-system alignment with the education and health/behavioral health systems; adding positions for payment processing and research; and adding positions to support Child Welfare work by the Legislative Legal Unit. Other investments include developing a Pay for Prevention funding model that provides the upfront capital to prevent foster care entrance, thereby reducing foster care expenditures and other costly state interventions, and allowing for different investment decisions over the long term. Investments in child welfare ultimately reduce costs across multiple government systems and will improve outcomes for children in safety, education and health.

Self-Sufficiency

Self-Sufficiency programs provide assistance for low-income families to help them meet critical needs while helping them become self-supporting. The major programs in this area are:

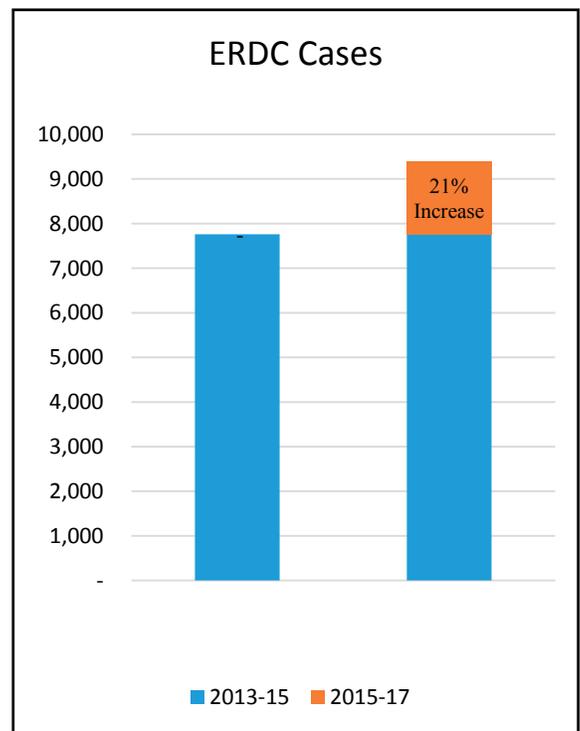
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance to Needy Families (TANF)
- Employment Related Day Care (ERDC)

- Refugee Program
- Youth Services

DHS 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 clients through more than 100 field and branch offices throughout the state. Self-Sufficiency programs advance Healthy People and Economy and Jobs outcomes in the 10-Year Plan for Oregon. SNAP and TANF provide an economic boost and access to nutritious foods for struggling households. Also, the SNAP Employment and Training program assists clients in gaining skills that will improve their job skills, which adds to the diversity and strength of Oregon’s workforce.

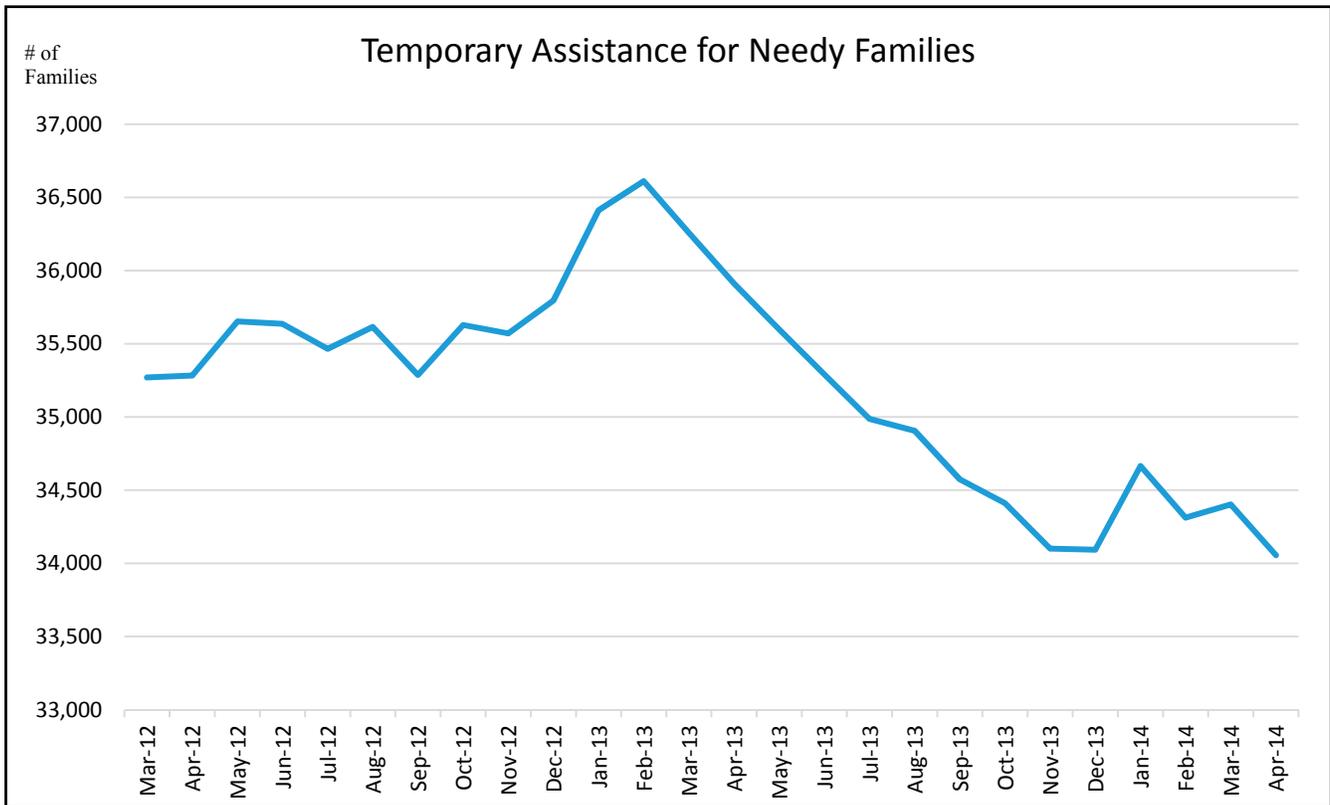
General Fund supports 12.4 percent of this budget, Other Funds, 3.2 percent, and Federal Funds, 84.4 percent. The major source of Other Funds is federal Childcare and Development Fund dollars transferred from the Department of Education for the Employment Related Day Care program. The budget also includes child support recoveries and client trust account funds from client resources, such as federal Supplemental Security Income disability payments. Overpayment recovery revenues are also used to offset General Fund. Nonlimited SNAP benefits are the single largest source and use of Federal Funds in Self-Sufficiency programs. SNAP benefits are projected at \$2.5 billion for the 2015-17 biennium. 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. Oregon receives \$166.8 million a year from the base federal TANF block grant, which pays for cash assistance, JOBS services, child care, and other self-sufficiency programs.

This budget includes an additional investment in Employment Related Day Care in support of the Governor’s Early Learning initiative, providing greater access to quality childcare for Oregon’s working families. The budget also includes enhanced funding for food programs, which have been transferred from the Oregon Department of Housing and Community Services. In addition, the budget makes investment in the 2-1-1 centralized contact, screening, information and referral system for social services and poverty supports in Oregon.



The Governor’s Budget is \$433.0 million General Fund, \$3,485.6 million total funds, and 2,035 positions. The strengthening economy has resulted in reduced caseloads for TANF. These reduced caseloads have also created General Fund and Federal Funds savings. The Governor’s Budget reinvests these savings into redesigning the state’s TANF program. Targeted reinvestments are proposed to build the capacity of families to increase earnings and transition from TANF through an accountable, flexible, and person-centered approach. The TANF Redesign is a combination of budget reinvestment, policy changes that provide a sharpened focus for

employment activities, streamlining of process and new flexibility for local investments. The TANF Redesign Proposal aligns with statewide initiatives, builds on the findings and recommendations of the Secretary of State’s April, 2014 TANF audit, and strengthens collaborations and family-centered case management to bring better results for the most challenged in Oregon.



Vocational Rehabilitation Services

Vocational Rehabilitation Services programs link to the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon. Vocational Rehabilitation Services works with businesses, schools, and community programs to help youths and adults with disabilities other than blindness prepare for and find employment. Vocational Rehabilitation employees provide direct services through a network of local offices across Oregon. This program is designed under four primary areas: basic services, youth programs, supported employment, and independent living.

Vocational Rehabilitation services are basic services provided to individuals whose disabilities present societal challenges to employment. Youth Transition Program services bridge the gap between school and work by providing coordinated vocational rehabilitation services while the student is in school and ensuring a smooth transition to adult services and employment after completion of school. Supported Employment Services target individuals with the most significant disabilities who, with intensive training, job coaching and the provision of ongoing supports, can obtain and retain competitive employment in the community. The Independent Living Program Services are available through seven Centers for Independent Living. Centers must provide at least four core services – information and referral, independent living skills training, peer counseling, and both systems and individual advocacy.

Centers for Independent Living also provide a range of services based on local needs, many of which compliment services provided through other state - and federally-funded programs.

General Fund supports 21.3 percent of this budget; Other Funds, 2.4 percent; and Federal Funds, 76.3 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. DHS receives about 87.5 percent of Oregon's allocation of Section 110 Federal Funds; the Commission for the Blind receives the remaining 12.5 percent. The grant requires a General Fund or Other Funds match, at a 21.3 percent state/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 2015-17 Governor's Budget is \$20.7 million General Fund, \$97.2 million total funds, and 253 positions. In 2014, the President signed into law the Workforce Innovation and Opportunity Act to reauthorize the Workforce Investment Act of 1998. The Workforce Innovation and Opportunity Act also includes reauthorization of the Rehabilitation Act. This law is expected to have significant impacts on Vocational Rehabilitation programs, which will need to continue to be examined during the 2015 Legislative Session.

Aging and People with Disabilities

The Aging and People with Disabilities (APD) program assists seniors and people with disabilities of all ages to achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity. APD administers Oregon's Medicaid long-term care program under a federal Home and Community-Based Care waiver under Section 1915(k) of the Social Security Act. Oregon Project Independence provides in-home services outside of the Medicaid program. Federal Older American 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.

The Governor's Budget investments in seniors and people with disabilities focus on prevention and community based care as an ongoing priority. The budget continues the significant investments in 2013-15 in this area facilitated by the Community First Choice Option and other targeted investments, including Oregon Project Independence, Aging and Disability Resource Connection mental health funding, and the Gatekeeper program, to prevent the growing number of Oregon seniors from needing Medicaid long term care. It also emphasizes the state's efforts to enhance the abuse prevention and protection system. Demand for eligibility services, as Medical coverage, continues to increase, both in terms of number of Oregonians needing help and in complexity of the work. Accordingly, this budget also supports a staffing level of 87.2 percent of the workload model, holding Area Agencies on Aging to 95 percent equity. Finally, ongoing federal changes in the regulation of Home and Community Based Care will continue to require attention in terms of implementation and the impact on consumers and providers.

The Oregon Project Independence is an example of a program that reduces the risk of out-of-home placements and promotes self-determination. It could identify Healthy People 10-Year Outcome to "decrease the number of older Oregonians that access Medicaid-funded long-term care." Personal and home care services are delivered via in-home care agencies or registered home care workers. The budget

for these services is mainly General Fund with a small amount of Federal match funding. Services are expanded through the utilization of program income generated from client cost sharing based on a sliding fee schedule. The Governor’s Budget continues the current level of funding at just over \$20 million total funds.

Oregon Project Independence

	FY 09	FY 10	FY 11	FY 12	FY 13
Clients Served	2,245	2,166	1,583	1,466	2,048
Hours of Care	239,895	212,381	191,574	157,275	210,874
Hours of Case Mgmt	72,567	70,787	100,277	66,496	46,100

The Aging and People with Disabilities programs directly link to the 10-Year Plan for Oregon within the Healthy People Outcome Area. The outcome area’s vision is that “Oregonians enjoy good health and the best possible quality of life.” The 2015-17 Governor’s Budget is \$812.8 million General Fund, \$2,754.6 million total funds, and 1,192 positions. This is 13.0 percent above the 2013-15 Legislatively Approved total funds budget. It includes Phase 2 in the development of an integrated statewide Adult Abuse and Report Writing System; Phase 1 planning began in the 2013-15 biennium. A portion of the Nursing Facilities rate increase has been appropriated into the Emergency Fund to begin alignment with per member rates of growth for health care transformation.

Intellectual/Developmental Disabilities

The Oregon Intellectual/Developmental Disabilities program strives to support choices of individuals with disabilities and their families within communities by promoting and providing services that are person-centered, flexible, community-inclusive and supportive of the discovery and development of each individual’s unique gifts, talents and abilities. The program serves over 21,000 children and adults with intellectual and developmental disabilities throughout their life span. Oregon no longer has an institutional facility for persons with developmental disabilities, so all clients are served in the community. Most of these services are administered under Medicaid waivers.

Oregon is also in the midst of transforming its system of employment training and placement for people within the Oregon Intellectual/Developmental Disabilities program. Executive Order 13-04 sets aggressive goals for providing integrated employment opportunities, consumer choice and employment success for people with intellectual/developmental disabilities while moving away from the use of “sheltered” work settings. This budget maintains the Integrated Employment investments from the 2013-15 biennium and invests additional resources to further advance this critical priority for Oregon, achieving outcomes within both the Healthy People and Economy and Jobs goals of the 10-year plan for Oregon.

General Fund makes up 33.2 percent of the Oregon Intellectual/Developmental Disabilities program budget. Most of the General Fund is used to match federal Title XIX Medicaid and other Federal Funds. Other Funds revenue is 1.4 percent of the overall budget. The Other Funds come primarily from clients’ contributions towards their care and estate recoveries. Federal matching funds for the Medicaid program are determined by the Federal Medical Assistance Percentage, which is the federal share of eligible program expenditures. The program match rate changes each federal fiscal year and depends on Oregon’s per capita income relative to other states.

The Intellectual/Developmental Disabilities programs directly link to the Healthy People Outcome Area within the 10-Year Plan for Oregon. The outcome area's vision is that "Oregonians enjoy good health and the best possible quality of life." The 2015-17 Governor's budget is \$695.0 million General Fund, 2,092.1 million total funds, and 774 positions. This is 20.6 percent above the 2013-15 Legislatively Approved total funds budget. New investment for these programs include:

- Grant funds for entities interested in developing the capacity to serve non-crisis individuals in the Stabilization and Crisis Unit population.
- Additional staffing to improve employment outcomes for people with I/DD as called for in Executive Order 13-04.
- An increase in provider rates to support the Intellectual/Developmental Disabilities program's Direct Support Professionals.
- Additional funding to recognize the added costs resulting from the U.S. Department of Labor's rule change related to the Fair Labor Standards Act.

Central Services

Central Services includes functions directly related to policy and program in the agency, such as the agency director's office, communications, portions of budget and human resources, and the Governor's Advocacy Office. The 2015-17 Governor's Budget is 47.1 percent General Fund, 5.0 percent Other Funds, and 47.9 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 Central Services program is linked to the Improving Government Outcome Area in the 10-Year Plan for Oregon. It provides the leadership and business supports necessary to achieve the mission of the agency. The 2015-17 Governor's Budget is \$16.1 million General Fund, \$34.1 million total funds, and 90 positions. This is 0.5 percent below the 2013-15 Legislatively Approved total funds budget. It includes investment in the REaL+D program, which will establish uniform standards and practices for the collection of data on race, ethnicity language, and disability status by the Oregon Health Authority and the Department of Human Services.

Shared Services

A number of support functions, including information technology, financial services, budget, human resources, facilities, and procurement are designated as shared services. Some of these functions are housed in the Oregon Health Authority (OHA) and some in DHS, 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 service and the agency receiving the service. Shared Services funding is all Other Funds, based on revenues received from other parts of DHS and from OHA for purchased services.

DHS' Shared Services budget includes the Shared Services Administration; Budget Center; Office of Forecasting, Research and Analysis; Office of Financial Services; Office of Human Resources; Office of Facilities; Office of Imaging and Records Management; Office of Contracts and Procurement; Office of Investigations and Training; Internal Audit and Consulting Unit; Office of Payment Accuracy and

Recovery; Performance Excellence Office; Rules Coordinator; and the Office of Adult Abuse Prevention and Investigations.

The Shared Services program is linked to the Improving Government Outcome Area in the 10-Year Plan for Oregon. It provides critical business supports necessary to achieve the mission of the agency. The 2015-17 Governor's Budget is \$116.7 million Other Funds, and 674 positions. This is 3.8 percent above the 2013-15 Legislatively Approved Budget. It includes investment in additional Temporary Assistance to Needy Families investigators to properly dispose of backlogged workload.

Statewide Assessments and Enterprise-wide Costs (SAEC)

The budget for Statewide Assessments and Enterprise-wide Costs contains statewide assessments including various Department of Administrative Services' assessments/charges, 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 2015-17 Governor's Budget is 49.0 percent General Fund, 7.3 percent Other Funds, and 43.7 percent Federal Funds; the funding mix depends on specific assessments or charges and cost allocation. Federal funding is subject to a federally approved cost allocation plan.

The 2015-17 Governor's Budget is \$204.1 million General Fund, \$416.8 million total funds. This is 9.5 percent above the 2013-15 Legislatively Approved Budget. It includes investment in additional Temporary Assistance to Needy Families investigators to properly dispose of backlogged workload.

Program Design Services

During 2013-15, Program Design staff in each program were consolidated into a single agency-wide program design unit. Functions of this unit include quantifying desired agency outcomes; measuring the outcomes; designing programs to achieve the outcomes; implementing the design through business and IT processes; and systematically reviewing whether the processes are being implemented as designed and how well the outcomes are being achieved.

The Program Design unit is linked to the Improving Government Outcome Area. It supports agency programs by centralizing services that require specialized skills. The 2015-17 Governor's Budget is \$28.5 million General Fund, \$82.2 million total funds, and 262 positions. The budget establishes Oregon Enterprise Data Analytics to facilitate the analysis of data across all agencies serving the same customers/clients. In addition, it increases the Quality Control review capacity in the statewide Child Welfare Quality Assurance system. Finally, this program's budget also invests in planning for implementation of an eligibility system for all of the department's non-MAGI Medicaid programs.

Oregon Health Authority

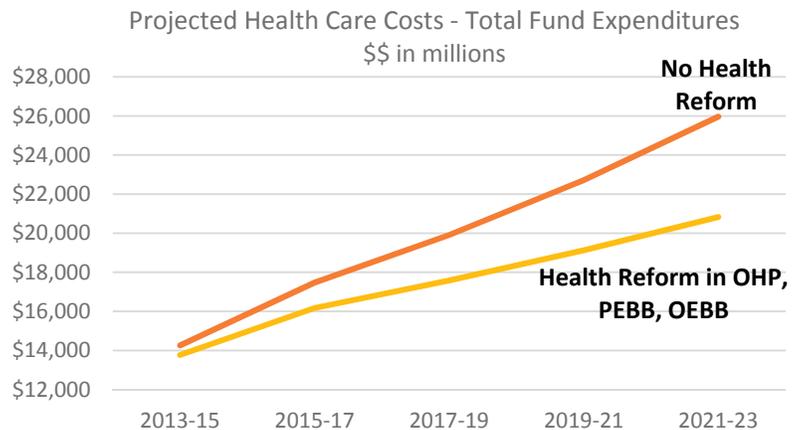
	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,692,058,113	1,959,909,729	2,209,589,887
Lottery Funds	10,098,261	10,592,532	10,353,121
Other Funds	2,271,074,220	3,893,808,710	5,601,257,540
Federal Funds	5,062,816,693	8,632,707,613	10,720,015,757
Other Funds (Nonlimited)	2,910,050,130	1,904,711,565	143,500,000
Federal Funds (Nonlimited)	108,360,598	106,880,067	106,653,023
Total Funds	\$12,054,458,015	\$16,508,610,216	\$18,791,369,328
Positions	4,226	4,521	4,414
FTE	4,109.69	4,139.97	4,347.21

OVERVIEW

The Governor's Budget for the Oregon Health Authority shows in stark relief how Oregon's approach towards better health and better care brings lower costs. The Oregon Health Authority purchases care services for approximately 1,360,000 people through the Oregon Health Plan, Public Employees Benefits Board and the Oregon Educators Benefit Board. It provides direct mental health care through the Oregon State Hospital and funds local behavioral health services in every county in the state. Through its Public Health Division it provides disease prevention and wellness services to every Oregonian. This budget saves money and makes people's lives better by investing in what works, supports improved health, leverages the state's power as a health care purchaser, reduces waste and inefficiency and sets clear standards for quality.

Highlights of the 2015-17 Governor's Budget include:

- Applying the coordinated care model to all health purchasing. This caps health care spending for the Oregon Health Plan, PEBB and OEBB members to below the national trends while setting standards for improved health services and reduced waste and inefficiency. This funds spending at a fixed, predictable rate, putting Oregon on a path to save billions against future projections while improving health over the next decade.



Every dollar saved on unnecessary health expenses is a dollar that can be invested in health care services for the Oregon Health Plan, education, or state workers and their families.

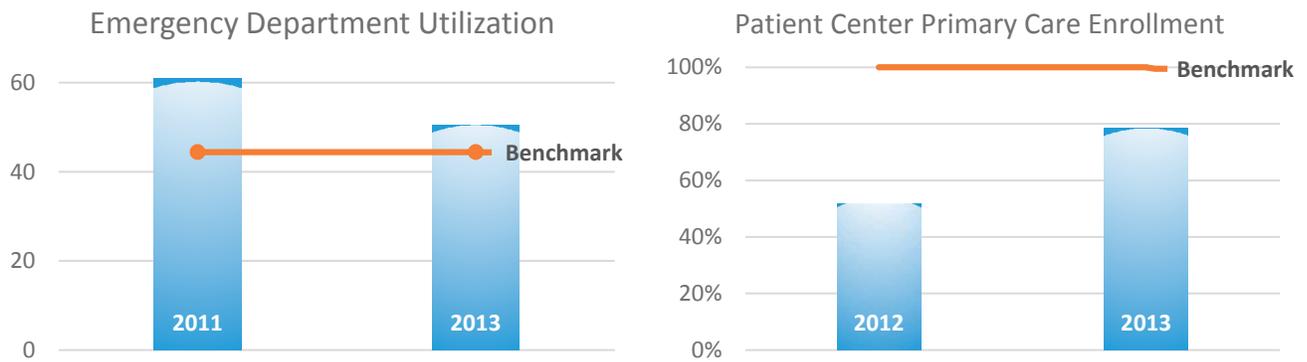
- Continuing support for access to health care coverage for low-income Oregonians. Today 95 percent of Oregonians have health insurance – this is a 63 percent reduction to the number of Oregonians without health coverage from 2013.
- Increasing investment by \$53.2 million in community mental health and addiction services.
- Investing in the future of public health and improving our ability to prepare and plan for public health emergencies.
- Prioritizing health care workforce development with the intention of increased Other Funds investments leveraging Federal Funds in partnership with Oregon Health Sciences University. This will expand programs targeted to address Oregon’s healthcare workforce needs, especially those aimed at enhancing access to primary care and emphasizing rural and underserved communities.
- Investing in the Healthiest State challenge to work in partnership with Oregon businesses to create and sustain healthy environments to support healthy lifestyles.

GOVERNOR’S BUDGET

The Oregon Health Authority (OHA) includes the state’s publicly funded health care programs: Oregon Health Plan (OHP), the Public Employees’ Benefit Board (PEBB), the Oregon Educator’s Benefit Board (OEBB), and Addiction and Mental Health programs. In addition to the health care programs, Public Health, the Office of Health Licensing, and the Oregon State Hospital are also included in OHA’s mission to help people and communities achieve the optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care. A nine-member Oregon Health Policy Board serves as the policy-making and oversight body for OHA. The Board is committed to provide access to quality, affordable health care for all Oregonians and to improving population health.

The 2015-17 Governor’s Budget for OHA is \$18,791.3 million total funds. This is a 13.8 percent increase from the 2013-15 Legislatively Approved Budget. Key elements of the Governor’s Budget include:

- Ensuring access to health care coverage - The Governor’s Budget continues investment in health care coverage for low-income Oregonians and their families. With the state’s successful implementation of the Affordable Care Act and Medicaid expansion, more than 395,000 Oregonians have received coverage since January 2014. The overall state insurance rate is 95 percent.
- Transforming care for better health at lower costs – The Governor’s Budget continues investment in the Medicaid coordinated care model, capped at 3.4 percent per member per year growth. Coordinated Care Organizations (CCO) have shown results to stay within their budget while improving the health and quality of care for members.
- Ensuring access to a transformed health care system.
 - OHP members have access to a transformed health care system where reimbursement for Medicaid services includes performance payments measured on how well CCOs perform on key health care measures. OHP has seen improvements as CCOs have



decreased emergency department visits, decreased hospitalization for chronic conditions and increased primary care. Examples of two specific measures are displayed above.

- Larger hospitals are eligible to receive payments out of the hospital transformation performance pool based on performance on designated metrics, including re-admission rates and medication safety. Additionally, the Governor’s Budget earmarks \$10 million within OHP to establish an incentive pool for small, rural hospitals transitioning from cost based reimbursement to alternative payment models that reward performance.
- Funding the PEBB at 3.4 percent per member per year growth and paying for outcomes. In the 2013-15 biennial budget, PEBB’s annual growth rate per member was limited from projected rates, saving employees in premium costs, and saving state agencies and other participating employers in compensation costs. Current medical trend rates are 7.3 percent per year. PEBB has been achieving these capped cost growth targets and the Governor’s Budget continues this limited growth, continuing savings for PEBB members.
- Funding the OEGB at health system transformation growth levels, stepping down to 3.4 percent per member per year growth from projected rates of 6.9 percent. The Governor’s Budget limits OEGB cost growth starting in the 2015-16 plan year, holding per member cost increases to 4.4 percent and 3.4 percent going forward, aligning with health system transformation efforts. This allows for an estimated \$82.3 million to be reinvested in the education system in the 2015-17 biennium.
- Investing in the Patient Safety Commission for the Early Disclosure and Resolution Program to transform patient and provider interactions. An additional investment of \$0.5 million is included in the Governor’s Budget to increase support for the essential work of the Patient Safety Commission. The Commission operates Oregon’s confidential and voluntary Patient Safety Reporting Program, which gathers information on adverse events that occur in Oregon health care facilities. Allowing health care providers an opportunity to share lessons learned, leads to more understanding of why and how adverse events occur, improving patient safety.
- Increasing investment by \$53.2 million in community mental health and addiction services – The Governor’s Budget continues the commitment to improving access to community behavioral health through integrating behavioral health services in OHP as well as increased support of community mental health programs. This includes sustaining and building on key investments made in the 2013-15 biennium and adding needed capacity to provide services in local communities. These investments are intended to allow communities to work together and

leverage opportunities to ensure Oregonians get the right care, at the right time, and in the right place.

- Investing in the future of public health while improving our ability to respond through preparedness and planning efforts – Within the Oregon Public Health system, prevention and control of acute and communicable diseases is essential. The Governor’s Budget maintains support of local public health departments and makes an additional \$1.0 million investment in planning and operational readiness for communicable disease preparedness and response, and mitigation of other disasters. The budget also includes a \$0.5 million investment to support the recent recommendation from the Task Force on the Future of Public Health Services.

REVENUE SUMMARY

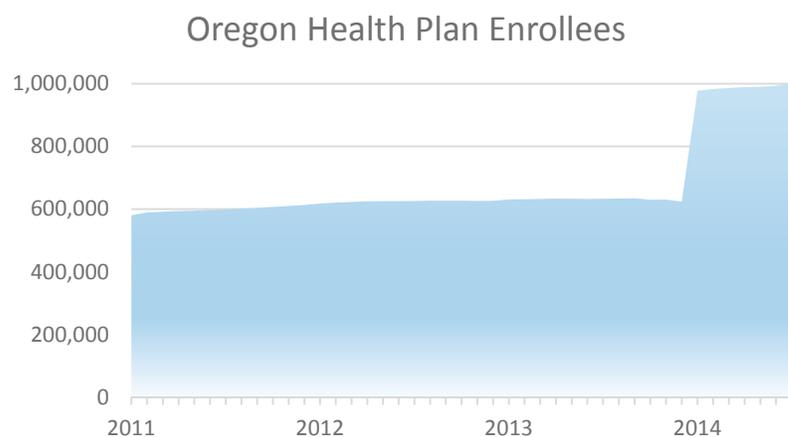
OHA programs are largely funded with Federal Funds, primarily Medicaid funds matched with state funds. State funds in the 2015-17 Governor’s Budget, most which are used for matching, include the General Fund, hospital provider tax, tobacco tax, drug rebate revenues, and tobacco master settlement agreement funding. Federal Medicaid reimbursement is based on the Federal Medical Assistance Percentage which varies for each state based on per capita income. The Federal Medical Assistance Percentage is adjusted annually for economic changes in the state. Other federal sources of revenue include the Children’s Health Insurance Program, Mental Health Services Block Grant, the Substance Abuse Prevention Treatment grant, as well as a number of smaller specific federal grants primarily in the Public Health Division and Health Policy Programs.

With the implementation of the Affordable Care Act and Medicaid expansion, over 57 percent of the OHA budget is funded through our federal partners. Approximately 12 percent of the OHA budget is supported by General Fund and 31 percent by Other Funds and Lottery Funds.

AGENCY PROGRAMS

Medical Assistance Programs

The Medical Assistance Programs (MAP) within OHA administer a number of programs to provide comprehensive health coverage to low-income and disabled Oregonians, primarily through the Oregon Health Plan (OHP). With health system transformation, the innovations happening in the OHP delivery system are at the center of the Healthy People 10-Year Plan for Oregon. The implementation of the Coordinated Care Organizations (CCO) aligns directly with the goals for expanding health coverage and improving Medicaid population health while reducing cost of care. With Medicaid expansion through the successful implementation of the Affordable Care Act, the Governor’s Budget continues investment in the coordinated care model of the OHP. Nearly 90 percent of people on the OHP are covered through CCOs, emphasizing prevention and



helping people manage chronic conditions, reducing unnecessary and expensive medical services, and supporting healthy living.

In 2012, Oregon committed to containing cost growth in the OHP in return for additional flexibility in the use of Medicaid dollars, allowing increased federal fund availability to support the OHP and health system transformation. Also supporting the OHP, the Governor's Budget continues the hospital provider tax through the 2015-17 biennium, with the assumption that the hospital transformation performance pool continues; however, half of the funding funds the OHP transformation efforts. Within the OHP budget, the Governor earmarks \$10 million to establish an incentive pool for small, rural hospitals transitioning from cost based reimbursement to alternative payment models that reward performance. Additionally, the budget makes a small investment to support establishing a psychiatric emergency department based on the Alameda Model and enforces mental health preferred drug list, identifying the most effective and safe drugs for OHP members.

The 2015-17 Governor's Budget for MAP is \$13,177.7 million total funds. State funds consist of \$1,217.1 million General Fund, \$289.1 million Other Funds tobacco tax revenues, and \$1,667.8 million in remaining Other Funds.

MAP is primarily funded with federal Medicaid funding, where Federal Funds account for 76 percent of the revenue. State funds supporting the MAP account for the remaining revenue coming from General Fund, Tobacco Tax, continuation the current hospital provider tax, the final two years of the Designated State Health Programs funding through the federal waiver and, Tobacco Master Settlement Agreement funding. General Fund and Tobacco Tax revenues account for 11.4 percent of the revenues and Other Funds account for 12.7 percent.

Public Employees Benefit Board

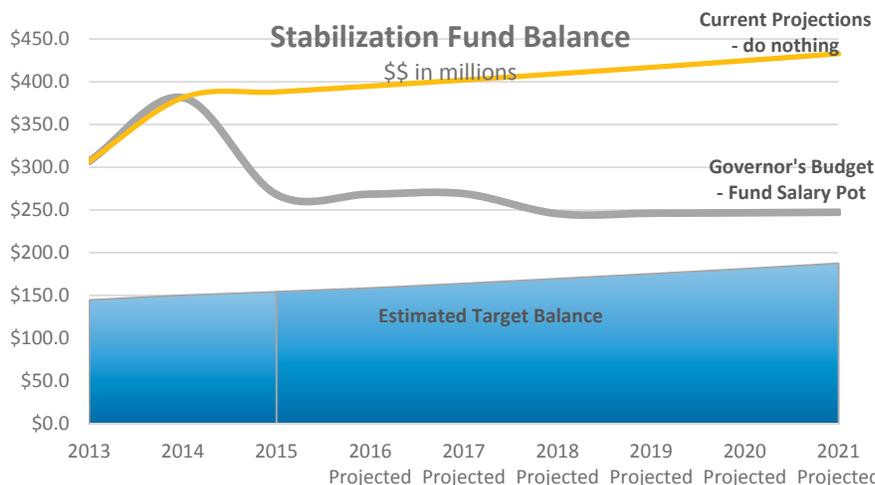
The Public Employees Benefit Board (PEBB) designs, contracts for and administers health plans, group insurance policies and flexible spending accounts for state employees and their dependents, representing over 130,000 Oregonians. PEBB is funded with Other Funds through premiums collected for all insured individuals. Premiums are collected from agencies, universities, and self-pay members to directly cover the costs of the plans. Agencies, as the employer, pay the majority of the premiums from the available revenue source for employees, which is comprised of General Fund, Other Funds, and Federal Funds.

Instead of responding to increasing cost trends with one of the conventional approaches to controlling health care spending—reducing provider payments, changing covered benefits or shifting costs to members— PEBB is moving down a new pathway with its new health care partners: transform the delivery system for better efficiency, value and health outcomes. The health care system needs to deliver care with state employees and their families at the center.

By eliminating waste and controlling costs, PEBB wants to ensure members have the care they need today and in the future. In addition, PEBB wants to ensure that members' care is coordinated across the continuum and that quality and financial incentives are more aligned throughout the delivery system.

Since moving to self-insurance, PEBB has experienced lower costs each year compared to premiums collected. As costs were effectively managed with health care transformation efforts, there has been a steady increase in the ending balance in the PEBB Stabilization Fund, well above the target level

outlined by the Board’s actuary. Excess funding of \$120 million from the PEBB Stabilization Fund is transferred to the General Fund to support the overall cost of compensation for state employees, offsetting the projected cost of compensation changes in the Special Purpose Appropriation to the Emergency Fund. Even with this transfer the account maintains a sustainable fund balance to support the projected target ending balance.



The Governor’s Budget continues to limit cost growth for PEBB, ultimately saving agencies and universities in employee compensation costs. PEBB’s budget is limited to the same health care transformation per employee cost growth as in the 2013-15 biennial budget, savings estimated to be over \$275 million in health care costs for agencies and PEBB members in the 2015-17 biennium.

The 2015-17 Governor’s Budget for PEBB is \$1,645.7 million. This is an increase of 6.8 percent from the 2013-15 Legislatively Approved Budget, primarily from the capped annual per employee inflation. PEBB links to the 10-Year Plan by designing plans that focus on coordinated care and preventing chronic disease while containing costs.

Oregon Educators Benefit Board

The Oregon Educators Benefit Board (OEBB) administers medical, dental, vision and other benefits for Oregon’s school districts, community colleges, education service districts and, recently eligible, cities, counties and special districts. OEBB designs and maintains a full range of benefit plans for eligible and participating entities to offer their employees and early retirees. OEBB’s goal is to provide high-quality benefits at the lowest possible cost, and to work collaboratively with members, entities and insurance carriers to further advance the triple aim of health care, in alignment with the Healthy People Outcome Area within the 10-Year Plan for Oregon. OEBB is funded through premium payments from school districts, community colleges, other government entities, and members. The Governor’s Budget limits cost growth for OEBB premiums by stepping down to the same annual per member health system transformation capped growth, saving approximately \$82.3 million in health care costs for the education system, primarily in compensation costs for schools.

The Governor’s Budget for OEBB is limited to \$1,645.7 million Other Funds based on the capped growth rate starting in the 2015-16 plan year. This is an increase of less than 0.5 percent from the 2013-15 Legislatively Approved Budget. This essentially flat funding is primarily because OEBB’s budget removed expenditures related to the Oregon Health Insurance Program for Home Care Workers as the group no longer uses OEBB.

Addictions and Mental Health

The Addictions and Mental Health (AMH) budget provides funding to behavioral health care for Oregonians at risk of developing or who have been diagnosed with any behavioral health disorder, including problem gambling and severe and persistent mental illness. Services are delivered in the least restrictive and most integrated setting possible through counties, community mental health partners, addiction providers and the Oregon State Hospital. While there has been a significant increase in the number of Oregonians with health coverage with the implementation of the Affordable Care Act and Medicaid expansion, mental health services continue to be a critical component in Oregon's health care system.

Community Mental Health (CMH) services are local treatment and intervention services delivered through counties and community mental health partners to provide services in outpatient, residential, acute hospitals and criminal justice settings. CMH has experienced several major changes in the past year, including significant program investments in the 2013-15 Legislatively Approved Budget and impact of the implementation of the Affordable Care Act. Many AMH clients now have health care coverage, largely through the Oregon Health Plan and coordinated through Coordinated Care Organizations. CMH and the Medical Assistance Program are working closely together to coordinate the system of care and integrate physical and behavioral health services, aligning with the strategies and outcomes of the Healthy People Outcome Area within the 10-Year Plan for Oregon.

The Governor's Budget continues the commitment to prioritize community mental health programs by investing an additional \$53.2 million in community mental health and addiction services. The budget:

- Makes additional investments in the expanded programs in 2013-15; this includes supported housing, crisis services, parent-child interactive therapy, and assertive community treatments among other programs.
- Increases funding to support rental assistance programs.
- Continues support of the newly established Older Adult Mental Health Coordinators located in communities across the state to strengthen the Aging and Physically Disabled and AMH systems that serve older adults and people with disabilities.
- Invests in community mental health programs to provide evaluation and treatment services to people who have been charged with a crime and unable to participate in legal proceedings.
- Supports additional capacity in communities to provide services across the continuum, from residential treatment facilities to adult mental health initiative capacity.
- Invests in access through provider rate increases.
- Additionally, with the passage of Measure 91, \$2.3 million Other Funds is increased in support of addiction prevention and treatment efforts.

The state hospital system and state-delivered secured residential treatment facilities are an important part in the continuum of care for people with severe and persistent mental illness. They provide the most intensive health services essential to restoring patients to a level of functioning that allows for successful community living. They work in partnership with the community mental health programs to deliver the right care at the right time. The Governor's Budget supports state hospital operations in both Salem and Junction City, continuing the closure of the one neuro-geriatrics ward in Salem and continuing to phase in operations of the Junction City campus.

The 2015-17 Governor's Budget for AMH is \$1,134.3 million total funds, an increase of 16.4 percent from the 2013-15 Legislatively Approved Budget. The budget is primarily supported by \$760.0 million General Fund. Other state funds supporting AMH include tobacco tax revenues as passed in the 2013 Special Legislative Session, beer and wine tax, and Lottery Funds for problem gambling treatment. Additionally, Federal Funds are utilized including Medicaid matching funds, the Substance Abuse Prevention grant, Access to Recovery grant, and the Strategic Prevention Framework-State Incentive grant.

Public Health Program

The Public Health (PH) division administers a variety of programs addressing behavioral and social determinants of health. PH works to ensure the physical and social environments promote health and make it easier for people to make healthy choices, contributing to the Healthy People Outcome of the 10-Year Plan. PH programs complement and amplify investments in health care transformation and by focusing on prevention, have the potential to reduce the need for costly health care services. Oregon's public health system includes federal, state, counties and local agencies, private organizations and other partners. PH operates some programs directly and funds and coordinates other programs through the 34 local health departments across the state.

Public Health has three Centers, overseen by the Office of the State Public Health Director:

- Center for Health Protection – Protects the health of individuals and communities through establishing, applying and ensuring compliance with regulatory and health based standards. This includes protection from environmental health hazards, developing patient safety efforts, and quality improvement activities for all health care providers.
- Center for Prevention and Health Promotion – Helps communities and residents achieve and sustain lifelong health, wellness and safety. This includes prevention of chronic disease, child developmental delays, injuries and unsafe relationships, and physical and behavioral problems.
- Center for Public Health Practice – Prevents and controls diseases, monitors population health information and ensures emergency public health services in natural and human-caused disasters.
- Office of the State Public Health Director – Provides scientific, fiscal, communications, and policy leadership to Public Health programs.

The 2015-17 Governor's Budget for Public Health is \$528.7 million total funds, an increase of 1.1 percent from the 2013-15 Legislatively Approved Budget. The budget adds \$0.5 million to build on the recommendations in the Future of Public Health task force while maintaining support of local public health departments. The budget makes an additional investment in planning and operational readiness for communicable disease preparedness and response. PH is primarily funded with \$355.1 million Federal Funds, including Medicaid revenues, and over 120 grants are categorically dedicated to specific PH programs. PH also collects Other Funds through fee based programs. General Fund supports approximately eight percent of the PH budget.

Health Policy Programs

Health Policy Programs includes offices providing policy support, technical assistance, and access to health information statistics and tools to organizations and providers. Together these offices provide services and support focused on achieving the triple aim of better health, better care, and lower costs, aligning with the Healthy People Outcome Area within the 10-Year Plan for Oregon.

The 2015-17 Governor's Budget for Health Policy Programs is \$138.6 million total funds, which is a decrease of 7.5 percent from the 2013-15 Legislatively Approved Budget. This budget structure was created during the 2013-15 biennium, making the biennial budget comparison difficult, however, a large portion of the decrease is related to the phase-out of the \$30 million Health System Transformation Fund. Health Policy Programs are supported by General Fund matched with Medicaid Administrative Federal Funds. The office also receives grant funding from federal and private partners. The federal Strategic Innovation Model grant, which has supported significant health transformation efforts, expires in September 2016. The Governor's Budget adds General Fund support to continue this work through the entire 2015-17 biennium.

Health Licensing Office

The Health Licensing Office (HLO) is a central licensing and regulatory office overseeing multiple health and related professions. This office was created when the Oregon Health Licensing Agency (OHLA) merged with OHA in July 2014. HLO is aligned to the Healthy People Outcome Area within the 10-Year Plan by protecting the health and safety of Oregon consumers, by ensuring only qualified applicants are authorized to practice. HLO reviews and approves applicant qualifications, conducts examinations, inspects thousands of licensed facilities and independent contractors, responds to and investigates consumer complaints, and disciplines licensees who are found in violation of state requirements. HLO regulates over 70,000 authorizations among 12 boards and councils, including over 4,800 facilities. The Governor's Budget for HLO is \$7.4 million Other Funds, funded with fee revenues from applications, examinations, authorizations, renewals, and fines and forfeitures. The budget is an increase of 86.4 percent from the OHA's 2013-15 Legislatively Approved Budget for HLO, because the 2013-15 Legislatively Approved Budget only included a partial biennium with the transfer to OHA from the Oregon Health Licensing Agency.

Private Health Partnerships

The Office of Private Health Partnerships administered six programs that closed in the 2013-15 biennium due to the implementation of the federal Affordable Care Act in January 2014. The one program which continues into the 2015-17 biennium is the Oregon Transitional Reinsurance Pool. This pays a portion of high claims costs to help stabilize the individual insurance market. This temporary program covers claims incurred through December 2016. The program is funded by an annual assessment on all insurers for calendar years 2014, 2015, and 2016. The 2015-17 Governor's Budget of \$104.2 million total funds supports this program based on projections to spend down assessments received through 2016 and close the program during the 2015-17 biennium.

Central Services

OHA Central Services provides the necessary leadership and business support to achieve the agency's mission aligning to the Improving Government Outcome Area within the 10-Year Plan for Oregon. This program includes the Office of the Director and Policy, which is responsible for the overall leadership, policy development and administrative oversight for the agency. The clear direction of the agency is to innovate, improve and transform the state health care system. Additionally, Central Services includes the Office of Communications, Human Resources, and Budget, Planning and Analysis. The Governor's Budget for Central Services is \$20.7 million total funds, funded primarily through General Fund matched with Federal Funds. This is a decrease of 39 percent from the 2013-15 Legislatively Approved Budget. This is deceiving as the decrease is due to the movement of Health Policy Programs from Central Services part way through the 2013-15 biennium.

Shared Services

Shared Services funding supports costs associated with business functions supporting both the Department of Human Services (DHS) and OHA under a joint governance agreement by providing consistent and coordinated administrative services to all programs within both departments. Funding for Shared Services, in both agencies, is based on cost allocation which determines the distribution of expenditures to OHA or DHS and the revenue distribution by General Fund, Other Funds, or Federal Funds.

OHA Shared Services contains the Office of Information Services and Information Security and Privacy Office. DHS Shared Services contains the Office of Forecasting, Office of Financial Services, Office of Human Resources, Facilities, Office of Imaging and Records Management, Office of Payment, Accuracy, and Recovery, Performance Excellence Office, and Internal Audits. Shared Services is linked to the Improving Government Outcome Area within the 10-Year Plan; it supports critical business functions necessary to achieve the mission of both departments. The 2015-17 Governor's Budget for Shared Services is \$136.7 million, funded entirely by Other Funds transferred from other programs through a federally approved cost allocation plan, and funded through the appropriate General Fund, Other Funds or Federal Funds. This is an increase of 0.3 percent from the 2013-15 Legislatively Approved Budget.

State Assessments and Enterprise-wide Costs

State Assessments and Enterprise-wide Costs funding supports payments to the Department of Administrative Services and third parties for goods and services that serve the whole agency, such as facility rents, state data center charges, risk assessment, state government services charges, unemployment assessments, mass transit taxes, computer replacement, and debt service. Other OHA programs transfer funding to State Assessment and Enterprise-wide Costs based on cost allocation statistics. This allocation method determines distribution of expenditures by program General Fund, Other Funds, and Federal Funds.

State Assessments and Enterprise-wide Costs is linked to the Improving Government 10-Year Outcome. It supports critical business functions necessary to achieve the mission of the agency. The 2015-17 Governor's Budget is \$250.2 million total funds, an increase of twelve percent from the 2013-15 Legislatively Approved Budget.

Capital Improvements

Capital Improvements funding supports capital expenditures essential to health and safety repairs for the two campuses of the Oregon State Hospital aligning with the Healthy People Outcome Area within the 10-Year Plan for Oregon. Since the two campuses are new and do not require significant improvements, the Governor's Budget transfers the funding to a dedicated account for the purpose of saving any unspent funds for future capital improvement projects. The Governor's Budget for Capital Improvements is \$1.4 million total funds. The \$0.7 million General Fund in this budget is a three percent increase from the 2013-17 Legislatively Approved Budget.

Long Term Care Ombudsman

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,583,563	3,784,880	6,128,415
Lottery Funds	0	0	0
Other Funds	644,092	703,321	536,299
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,227,655	\$4,488,201	\$6,664,714
Positions	12	24	25
FTE	11.25	16.81	24.50

OVERVIEW

Oregon's Long Term Care Ombudsman's (LTCO) mission is to enhance the quality of life, improve the level of care, protect the individual's rights and promote the dignity of each Oregon citizen residing in a long-term care facility. The LTCO staff coordinate 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 the complaints.
- Work with the facility to resolve the complaints.
- In the case of abuse, refer the complaint to local adult protective services offices.

In addition the LTCO provides guardian and conservator services for persons without relatives or friends willing or able to serve as guardians and conservators and lacking the financial resources to obtain a private guardian or conservator.

GOVERNOR'S BUDGET

The Governor's Budget for LTCO is \$6.7 million. This is 48.5 percent higher than the 2013-15 Legislatively Approved Budget. This large increase is primarily due to the phase in of two new programs: (1) addressing the needs of residents of care facilities who have mental illness or developmental disabilities, (2) providing public guardian and conservator services for persons claiming to be without relatives or friends willing or able to serve as guardians or conservators and lacking financial resources to obtain private guardian services. Apart from these two major expansions, the budget has remained fairly stable.

The number of paid staff in this agency has increased over time as new responsibilities have phased in. In 2013, the agency had 12 positions. The number of positions has been increasing during the 2013-15 biennium as the new programs are added. In the 2015-17 Governor's Budget, the programs are fully phased in at 25 positions.

REVENUE SUMMARY

The agency's main source of revenue is General Fund. The Other Funds portion of the LTCO budget reflects the pass-through of federal Older Americans Act funds from the Department of Human Services.

AGENCY PROGRAMS

Long Term Care Ombudsman

This program serves long-term care facility residents through complaint investigation, resolution and advocacy for improvement in resident care. Program staff work with a statewide network of over 200 volunteers who work in their own communities. The investment of \$4.0 million General Fund in this program will continue to advance the Governor's 10-Year Plan outcome goal to reduce the incidents of elderly abuse and neglect. The program has expanded, as of July 1, 2014, to also address the needs of residents of care facilities who have mental illness or developmental disabilities. The expansion should be fully phased in by the start of the 2015-17 biennium.

Public Guardian and Conservator

Senate Bill 1553 (2014) directed the Long Term Care Ombudsman, in consultation with the Residential Facilities Advisory Committee, to appoint an Oregon Public Guardian and Conservator to provide public guardian and conservator services for persons claiming to be without relatives or friends willing or able to serve as guardians or conservators and claiming to lack financial resources to obtain private guardian or conservator services. The agency is responsible for (1) developing model standards of conduct and practice for guardians and conservators; (2) developing and implementing a training program for deputy guardians and conservators; (3) establishing a process to determine eligibility of persons to receive public guardian and conservator services; (4) educating the public about public guardian and conservator services; (5) recruiting, training and supervising volunteers; (6) cooperating with county guardian and conservatorship offices; and (7) collaborating with existing programs to develop and expand guardian and conservatorship programs in Oregon.

The agency received five permanent positions and \$949,183 General Fund in House Bill 5201 (2014) to phase in and begin operating this program in 2014-15. The Governor's Budget continues the program for a full biennium at a cost of \$2.2 million General Fund. This investment will reduce the incidence of elder abuse which is one of the Governor's Public Safety 10-Year outcome goals.

Psychiatric Security Review Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,749,915	2,372,291	2,616,492
Lottery Funds	0	0	0
Other Funds	216,225	110,734	2,168
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,966,140	\$2,483,025	\$2,618,660
Positions	12	11	11
FTE	11.76	11.00	11.00

OVERVIEW

The Psychiatric Security Review Board supervises both adults and youths who successfully assert the “guilty except for insanity” defense in criminal proceedings. The Board supports safety outcomes by protecting the public when determining the appropriate placements for those individuals who fall under their jurisdiction. As of September 30, 2014, there were 446 adults, 17 juveniles and two civil commits under the Board’s jurisdiction. In 2015-17, the Board is expecting minimal growth in the adult and juvenile populations; however, they are expecting to see an increase in civil commitment in future biennia.

The Board includes a five-member adult panel and a five-member juvenile panel which are 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.
- When appropriate, revoke the conditional release for a person under its jurisdiction and order the person return to the state hospital pending a full hearing before the Board.
- Discharge a person from its jurisdiction.

Additionally, the Board conducts the following actions:

- Processes gun relief petitions and hearings for persons barred from possessing firearms due to a mental health determination.
- Monitors and supervises civilly committed persons as statutorily mandated.
- Reviews and evaluates registered sex offenders into a three-tier ranking system based on risk, for those who fall under their jurisdiction.

GOVERNOR'S BUDGET

The Governor's Budget for the Psychiatric Security Review Board is \$2.6 million total funds. This is a 5.5 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 11 positions and supports all current agency programs.

REVENUE SUMMARY

The Board is dependent upon General Fund to support its core programs and functions. A smaller Other Funds balance remains from an award given by the American Psychiatric Association. In the past biennia, the Board received Other Funds from a federal grant for the Oregon State Police for the Gun Relief Program. The original federal grant expired on September 30, 2014.

PUBLIC SAFETY

Program Area and Agency Information

SECTION D



PUBLIC SAFETY AGENCIES

<i>Department of Corrections</i>	<i>D-102</i>
<i>Criminal Justice Commission</i>	<i>D-108</i>
<i>District Attorneys and Their Deputies</i>	<i>D-110</i>
<i>Department of Justice</i>	<i>D-112</i>
<i>Oregon Military Department</i>	<i>D-120</i>
<i>Oregon Youth Authority</i>	<i>D-125</i>
<i>Board of Parole and Post-Prison Supervision</i>	<i>D-129</i>
<i>Department of State Police</i>	<i>D-131</i>
<i>Department of Public Safety Standards and Training</i>	<i>D-137</i>

Public Safety Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,952,904,040	2,101,377,642	2,321,959,178
Lottery Funds	6,549,992	7,166,858	7,587,900
Other Funds	480,192,779	568,302,663	641,826,907
Federal Funds	387,186,835	490,505,299	490,983,059
Other Funds (Nonlimited)	414,967,162	4,753,390	4,895,992
Federal Funds (Nonlimited)	15,913,848	16,544,625	16,859,747
Total Funds	\$3,257,714,656	\$3,188,650,477	\$3,484,112,783
Positions	8,900	8,775	8,803
FTE	8,573.33	8,614.55	8,665.84

OVERVIEW

Agencies within this program area are responsible for ensuring the public safety of Oregon’s people, property, and natural resources by maintaining a trained militia, providing law enforcement services, prosecuting crimes, and incarcerating juvenile and adult offenders. Other major program objectives include legal representation of state agencies and consumer protection.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The 2015-17 Governor’s Budget for the Public Safety agencies is \$3.5 billion total funds, a 9.3 percent increase from the 2013-15 Legislatively Approved Budget (LAB). General Fund, at \$2.3 billion, is an increase of \$220.6 million, or 10.5 percent over the 2013-15 LAB.

The Governor’s Budget reflects his commitment to prioritizing the most critical public safety services provided by state government. Major changes from the 2013-15 LAB include improvements to law enforcement, corrections, and military preparedness.

Law Enforcement

From State Police to the Department of Justice, state agencies enforce the law and provide safety for law-abiding citizens and businesses.

- Additional resources for law enforcement services to ensure the public's safety.
 - General Fund in the Department of Justice increases by \$15.3 million primarily due to additional debt service on the replacement of the Child Support Enforcement Automated System, an increase in the cost of mandated caseload, and general inflationary increases. Total funds for the agency increase by \$35.3 million, a 7.1 percent increase.
 - General Fund in the Department of State Police increases by \$34.3 million primarily for maintaining 17 Fish and Wildlife Division positions, adding 20 state troopers, adding 33 trooper vehicles, replacing the CRIMEvue data system, and relocating the Astoria and Springfield regional offices. Total funds for the agency increase by \$40.5 million, an 11.6 percent increase.
 - In the Department of Public Safety Standards and Training, Other Funds from the Criminal Fine Account increase by \$820,235 for adding mental health crisis intervention training, Center for Policing Excellence technical development, and professional standards enforcement. Total funds for the Department increase by \$1.8 million, a 3.9 percent increase.
 - General Fund for District Attorneys and their Deputies, increases by \$793,427, a 7.3 percent increase.
 - Total funds for the Board of Parole and Post-Prison Supervision increases by \$510,661, a 12.2 percent increase.

Corrections

The safety of citizens is enhanced by the reduction of crime through incarceration and rehabilitation of offenders.

- Investments in evidence-based programs to reduce recidivism and divert offenders from prison while also paying for needed repairs and upgrades to correctional facilities.
 - General Fund in the Criminal Justice Commission increases by \$49.7 million primarily for Justice Reinvestment grants to counties, as authorized by House Bill 3194 (2013), for services to reduce recidivism and divert offenders from prison. Total funds for the agency increase by \$44.1 million, a 140.0 percent increase. The budget includes a continuation of \$15.0 million General Fund plus an additional \$43.5 million General Fund for a total of \$58.5 million for the Justice Reinvestment Grant Program.
 - General Fund increases in the Department of Corrections by \$100.8 million, primarily due to general and exceptional (medical) inflation, the phase out of one-time savings, an increase in the cost of mandated caseload, funding for an electronic medical records system, planning for the replacement of the agency's Correctional Information System, additional debt service for deferred maintenance projects, and additional telephone

system costs. Total funds for the agency increase by \$121.8 million, an 8.1 percent increase.

- General Fund increases in the Oregon Youth Authority by \$15.2 million primarily due to general inflation, fund shifts due to changes in federal reimbursement rates, and the addition of debt service for major construction projects at MacLaren, Rogue Valley, and Oak Creek youth correctional facilities as well as security cameras and deferred maintenance projects. The improvements at MacLaren Youth Correction Facility will facilitate the closure of the Hillcrest Youth Correction Facility in Salem by the end of the 2015-17 biennium. Total funds for the agency increase by \$44.2 million, a 13.4 percent increase.

Military Preparedness

The Oregon Military Department is there when needed to assist with natural disasters, emergencies, and overseas deployments. It also provides training for at-risk youth.

- Continued state funding and staffing of the Oregon Military Department with slight savings in some areas.
 - General Fund in the Oregon Military Department increases by \$4.4 million (19.9 percent) from the 2013-15 Legislatively Approved Budget primarily for employee costs above federal reimbursement levels and debt service on the expansion of the facility housing the Oregon Youth Challenge Program in Bend and on the replacement of the department's Regional Training Institute. The Oregon Youth Challenge Program provides structured educational services to at-risk youth who have dropped out of school. Total funds for the Department increase by \$6.3 million, a 1.5 percent increase. Very small increases in the Department's Other Funds and Federal Funds cause the small overall percentage increase.

Department of Corrections

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,359,596,909	1,448,294,183	1,549,047,785
Lottery Funds	0	0	0
Other Funds	29,873,109	39,926,693	62,806,459
Federal Funds	7,892,138	7,369,007	5,710,107
Other Funds (Nonlimited)	346,773,770	0	0
Federal Funds (Nonlimited)	1,232,825	1,262,826	1,119,495
Total Funds	\$1,745,368,751	\$1,496,852,709	\$1,618,683,846
Positions	4,513	4,488	4,497
FTE	4,415.74	4,441.68	4,456.58

OVERVIEW

The Department of Corrections manages adult and juvenile felony offenders sentenced to prison by the courts. Its mission is “...to promote public safety by holding offenders accountable for their actions and reducing the risk of future criminal behavior.” The Department consists of the following divisions:

- Operations – Provides intake, security, housing, feeding, transporting, work program management, and population management of Oregon’s incarcerated adult felony offenders.
- Health Services – Provides a managed-care model of delivering legally mandated health-related services including medical, dental, mental health, and pharmacy. Functionally, it is part of the Operations Division.
- Offender Management and Rehabilitation – Provides intake processing, offender records management, sentence computation, custody level classification, and services that help offenders move successfully back into the community, including alcohol and drug treatment, education, and apprenticeship and work skills.
- Community Corrections – Directly delivers supervision, services, and sanctions to offenders in local control, on post-prison supervision or parole, and on probation in Linn and Douglas counties. It oversees intergovernmental agreements with the 34 other counties to deliver comparable services. It also manages inmate transfer between states.
- Central Administration – Provides leadership for the agency and participation in statewide public safety initiatives. It houses the Director’s Office and includes budgeting, research, audits, investigations, and communications.
- General Services – Supports much of the day-to-day business of the organization such as facilities maintenance and services, procurement, central distribution, information systems management, and fiscal services such as accounting and payroll.
- Human Resources – Houses employee and labor relations, recruitment, payroll and personnel records, human resource services, safety and risk management, training, and classification and compensation.

- Debt Service, Capital Improvements, and Capital Construction divisions – are budget structures containing funding for maintaining, repairing, improving, and replacing capital assets.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of Corrections provides \$1,618.7 million total funds. This is an 8.1 percent increase from the 2013-115 Legislatively Approved Budget (LAB). The General Fund budget equals \$1,549.0 million, a 7.0 percent increase from the 2013-15 LAB. The budget includes \$62.8 million Other Funds expenditure limitation and \$5.7 million Federal Funds expenditure limitation. The budget includes 4,497 positions. The Governor's Budget supports the 10-Year Plan for Public Safety by funding a balance of incarceration of offenders in state prisons and innovative strategies and tools to improve county management and supervision of felony offenders not currently in prison.

REVENUE SUMMARY

The agency's need for revenue is influenced primarily by the number of inmates in prison, the severity of their medical and other treatment needs, the need to comply with legal mandates guiding conditions of incarceration and federal programs such as the Prison Rape Elimination Act, the costs of purchased goods and services such as medical services and supplies, and collective bargaining agreements with corrections workers' unions. General Fund makes up 95.7 percent of the Department's revenue. Other Funds comprise 3.9 percent of the budget and come primarily from inmate work and sales programs, inmates' commissary purchases, and bond proceeds for capital projects. Federal Funds, which make up 0.4 percent of the budget, are primarily from the State Criminal Alien Assistance Program grant, which provides a minimal subsidy to the cost of managing alien offenders. The funds are used to offset medical costs.

AGENCY PROGRAMS

Operations

The Operations division is responsible for the overall security, housing, and population management of Oregon's approximately 14,500 incarcerated adult felony offenders. The division provides overall administration and operation of the agency's 14 correctional institutions, including central budget management, policy development, central coordination of institution food programs, and central coordination of staff resource planning and inmate work programs. The division also manages the transport of inmates to medical appointments, court appointments, other correctional institutions, and for other purposes. The Governor's Budget provides \$726.5 million total funds and 3,259 positions for the Operations division. Of this amount, \$716.4 million is General Fund, a 5.7 percent increase from the 2013-15 Legislatively Approved Budget. The division gauges its success partly on the number of escapes per year from secure-custody facilities, which has been zero since at least 2005. Another measure of success is the number per 1,000 employees of Class 1 assaults on staff per month, which was 1.5 per 1,000 in fiscal year 2014, down from a recent high of 1.7 in 2012. The division supports the state's 10-Year Plan for Public Safety by maintaining current prison capacity to incarcerate violent offenders.

Health Services

The Health Services division provides legally mandated medical, dental, mental health, and pharmacy services to the approximately 14,500 adults in custody in Oregon's prisons. To accomplish this task effectively and efficiently, the Department uses a managed care model that emphasizes patient education, a limited benefit package, on-site primary care with coordinated care and management of diseases, controlled access to specialists and specialist procedures, 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, as well as other licensed professionals. The Governor's Budget provides \$239.7 million total funds and 563 positions for the Health Services division. Of this amount, \$234.6 million is General Fund, a 12.5 percent increase from the 2013-15 Legislatively Approved Budget. The Governor's Budget includes \$3.0 million General Fund for the conversion of the Department's paper medical records to an electronic medical records system. A measure of success for this division is the percentage of total inmate care encounters that occur offsite. The target is one percent or less and the division has remained below this target maximum level since at least 2008, indicating that it is able to deliver almost all inmate care without incurring offsite encounters, which are typically more costly. By working to contain costs, the division supports the 10-Year Plan for Public Safety's goal of reducing corrections spending as a share of total General Fund spending.

Offender Management and Rehabilitation

The Offender Management and Rehabilitation program is responsible for carrying out the Department's mission to reduce the risk of future criminal conduct. The program uses dynamic case management strategies that involve the offender, guide and target corrections interventions, and enhance linkages to community-based networks of support. The program includes the operation of offender intake processing, offender records, sentence computation, offender custody level classification, coordination of transfers between institutions, alcohol and drug treatment, cognitive behavioral restructuring, parenting, education, apprenticeship and work skills, religious services, victim services, volunteer services, inmate and community advocacy, transition programs, and release planning. It targets resources to offenders 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 \$76.9 million total funds and 195 positions for the Offender Management and Rehabilitation division. Of this amount, \$67.4 million is General Fund, a 5.9 percent increase from the 2013-15 Legislatively Approved Budget. The division gauges its success partly on the percentage of inmates in compliance with the requirement to work or be in training, education, or treatment for 40 hours per week. The measure fell from 82 percent in 2000 to 66 percent in 2014. Another measure of success is the percentage of high-risk and medium-risk inmates to complete a program of treatment that is prioritized in their corrections plan. This measure fell from 85 percent in 2009 to 74 percent in 2014. However, another measure has shown improvement: the percentage of the inmate population that refrains from conduct issues and completes all required programming while incarcerated rose from about 86 percent in the late 2000's to 91 percent in 2014. The division supports the Public Safety Outcome Area by improving inmates' re-entry to society and reducing their likelihood to commit future crimes.

Community Corrections

In the 2015-17 biennium, the Community Correction division will be responsible for providing supervision, services, and sanctions to more than 31,600 offenders in Oregon's communities. These include felony offenders sentenced to probation, offenders released to parole or post-prison supervision, and offenders 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.

Probation/parole officers identify criminal risk factors and tailor case management plans to address them, thus mitigating the chances that an offender will engage in future criminal activity. Offenders are subject to unannounced home visits, searches, employment checks, office appointments, random urine testing for drug use, and polygraph testing. Use of community-based sanctions, such as electronic monitoring, community service, work crew, day reporting centers, intensive supervision, and jail time are used to hold offenders accountable when they are not following the rules of their supervision. Likewise, recognition of completing goals and/or positive pro-social behavior is reinforced through verbal praise, monetary rewards such as bus passes, gift cards, or clothing vouchers, and the possible reduction or termination of supervision. Community Corrections agencies provide correctional programs such as alcohol/drug treatment, sex offender treatment, employment counseling, and mental health services in order to promote long-term behavior change. Research has demonstrated that treatment combined with supervision has the greatest impact on reducing criminal activity, compared to any other criminal justice system sanction.

The Governor's Budget provides \$261.3 million total funds and 63 positions for the Community Corrections division. Of this amount, \$254.2 million is General Fund, a 6.2 percent increase from the 2013-15 Legislatively Approved Budget. The division gauges its success partly on the trend in the percentage of offenders on post-prison supervision who commit a new felony crime within three years of release from prison. The level has trended downward from about 30 percent in the mid-2000's to 26 percent in 2012 through 2014. It is at a low level compared to most other states. The division supports the 10-Year Plan for Public Safety by providing community-based services proven to prevent crime and promote successful re-entry.

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, Government Efficiencies and 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 offenders, 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 \$73.1 million total funds and 86 positions for the Central Administration division. Of this amount, \$70.8 million is General Fund, a 15.5 percent increase from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Improving Government by working to improve the agency's delivery of service.

General Services

This division manages and provides access to inmate information, procures and distributes goods and services for the Department, inventories critical assets, accounts for dollars spent, manages the Department's payroll, maintains and renovates existing facilities, and maintains and repairs communications network and equipment. The Governor's Budget provides \$65.5 million total funds and 268 positions for the General Services division. Of this amount, \$57.4 million is General Fund, a 12.6 percent increase from the 2013-15 Legislatively Approved Budget. The Governor's Budget includes \$2.0 million General Fund for planning the replacement of the Department's main data system, \$0.6 million bond revenue for replacement of its online inmate education system, and \$1.5 million General Fund for additional telephone system operations costs following the upgrade to Voice Over Internet Protocol. One measure of success for this division is the Department's energy usage per square foot at institutions. The Department has decreased its BTU usage per square foot from about 15,200 in 2010 to about 13,300 in 2014 through conservation and energy efficient improvements.

Human Resources

The Human Resources division is responsible for all aspects of employee services including employee/labor relations, recruitment, personnel records, the Oregon Family Leave Act and the federal Family and Medical Leave Act (OFLA/FMLA), safety and risk management, training, and classification and compensation. The Human Resources division is a centralized unit within the Department; however, some of the division's employees are stationed at institutions outside of Salem to provide direct services at the work-site. The Governor's Budget provides \$14.6 million total funds and 63 positions for the Human Resources division; almost all of which is General Fund. Total funds increase by 4.1 percent from the 2013-15 Legislatively Approved Budget.

Debt Service

The Debt Service budgetary division contains 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. They are also used to provide staff support for related activities including project management, community development coordination, and fiscal services support. The Governor's Budget provides \$132.0 million total funds for the Debt Service division. Of this amount, \$130.9 million is General Fund and the remainder is Nonlimited Federal Funds. Total funds increase by 0.2 percent from the 2013-15 Legislatively Approved Budget.

Capital Improvements

The Capital Improvements budgetary division includes funding for those projects that change, adapt, or replace the use or function of a facility or reconfiguration of a program workspace. Capital Improvements also include asset protection, which is defined as maintenance, repair, replacement, or adaptation of a facility. The completed project cost must be less than \$1.0 million. The Department is responsible for maintaining 325 owned buildings and over 5.4 million square feet of building space. The estimated current replacement value is estimated at \$1.31 billion. Base Capital Improvements division funding will allow the agency to perform only the most critical and immediate protection activities on its real property assets. The Governor's Budget provides \$2.7 million total funds for the Capital

Improvements division, all of which is General Fund. The division's budget increases by 3.0 percent from the 2013-15 Legislatively Approved Budget.

Capital Construction

The Capital Construction budgetary division 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 (excludes routine maintenance and repairs). Capital Construction also incorporates those major projects or activities whose aggregate cost will equal or exceed \$1.0 million. In prior biennia, the Department planned to build a new prison in Junction City. The passage of House Bill 3194 (2013) sufficiently changed the prison population forecast to allow the Department to postpone the building of that prison for the foreseeable future. The Governor's Budget provides \$26.5 million total funds for the Capital Construction division, all of which is Other Funds from bond revenues. These projects include \$14.2 million for high-priority deferred maintenance projects and \$12.2 million to upgrade the Department's telephone system to Voice Over Internet Protocol as the state implements a plan by the Department of Administrative Services to change the way DAS provides telephone services to agencies. The division's budget increases from \$5.0 million in the 2013-15 Legislatively Approved Budget.

Criminal Justice Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	4,760,995	23,851,046	73,510,819
Lottery Funds	0	0	0
Other Funds	71,880	479,680	494,109
Federal Funds	16,386,362	7,163,318	1,580,917
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$21,219,237	\$31,494,044	\$75,585,845
Positions	10	9	11
FTE	9.00	8.38	11.00

OVERVIEW

The Oregon Criminal Justice Commission 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's staff collect and analyze crime data and sentencing data and develop 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 mix of incarceration, treatment and program provision, and post-release supervision that will reduce recidivism at an affordable cost. The Commission strives to make the criminal justice system effective and efficient in preventing crime by analyzing the use of incarceration and services to reduce recidivism. Toward this goal, the Commission analyzes and evaluates sentencing policy and prospective sentencing practices. In addition to this central mission, the Commission has several other duties:

- **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. It assists local public safety coordinating councils. Each interim, the Commission adopts rules necessary to conform the guidelines to the activity of the legislature during the prior session.
- **Statistical Analysis** – The Statistical Analysis Center serves as a criminal justice system information resource and clearinghouse for local, state and federal agencies. The center's mission is to provide, promote and maintain reliable and valid criminal justice system data. The center serves as a repository of federal criminal justice analytical and statistical information, conducts research, provides technical assistance, publishes reports on the criminal justice system and policy issues and assists in providing Oregon information to federal agencies.
- **Specialty Court Grant Program** – The Commission administers grants for 34 specialty courts in 25 counties in Oregon. Specialty courts are effective in handling particular types of cases, such as drug cases. The Commission has developed standards for these courts and is implementing peer reviews of the adult specialty drug 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.
- Beginning with the 2013-15 biennium, the Commission manages the state’s Justice Reinvestment Grant Program, which provides funding to local criminal justice systems to control prison growth, reduce recidivism, increase public safety, and increase offender accountability.

GOVERNOR’S BUDGET

The Governor’s Budget for the Criminal Justice Commission provides \$75.6 million total funds. This is a 140.0 percent increase from the 2013-15 Legislatively Approved Budget. The General Fund budget equals \$73.5 million, a 208.2 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 11 positions. The Governor’s Budget continues current operations, which include \$15.0 million for Justice Reinvestment grants, and adds \$43.5 million General Fund for Justice Reinvestment grants. The combined \$58.5 million equals the projected correctional system savings during the 2015-17 biennium due to the implementation of provisions in House Bill 3194 (2013). The budget supports the 10-Year Plan for Public Safety by targeting resources to proven strategies to reduce recidivism and save prison costs. Implementing the Justice Reinvestment Grant Program, along with continued support of Specialty Court Grants, is expected to lower the prison population while maintaining public safety. The Commission gauges its success partly by trends in crime rates, prison population, and recidivism. Crime rates have been at low levels, and recidivism has trended down in recent years, and the prison population has declined since the end of 2013 as the provisions of House Bill 3194 began to take effect.

The major change in the budget from the 2013-15 biennium is the addition of \$43.5 million General Fund for the Justice Reinvestment Grant Program. These grants are associated with savings in the correctional system due to the implementation of House Bill 3194 (2013).

REVENUE SUMMARY

The agency receives General Fund to support a number of positions, as well as associated expenditures, special payments to counties for specialty courts, and Special Payments to counties for Justice Reinvestment activities. The agency also receives Other Funds from civil forfeitures to staff the Asset Forfeiture Oversight Committee and to support specialty court programs administered by the agency. It also receives Federal Funds from federal grants that support the agency’s statistical analysis work, the Oregon Center for Policing Excellence at the Department of Public Safety Standards and Training, and specialty court programs.

District Attorneys and Their Deputies

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	10,565,984	10,849,009	11,642,436
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	\$10,565,984	\$10,849,009	\$11,642,436
Positions	36	36	36
FTE	36.00	36.00	36.00

OVERVIEW

The District Attorneys' mission is to uphold the laws and 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 four-year terms. The District Attorneys and Their Deputies prosecute state criminal offenses committed by juveniles and adults. District Attorneys and Their Deputies are within the Safety Outcome Area of the 10-Year Plan for Oregon. In their effort to support public safety goals and strategies the District Attorneys' legal duties include the following:

- Enforcing child support obligations in non-welfare cases
- Prosecuting civil forfeitures
- Presenting evidence at mental health hearings
- Ruling on public records requests
- Representing interests in child dependency cases
- Assisting juvenile courts
- 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 negotiation prior to trial and by supporting the belief that non-violent offenders are better managed in the community. The DAs and Their Deputies are participants in statewide crime prevention programs through their participation in local public safety coordinating councils, child abuse prevention teams, and community outreach activities.

GOVERNOR'S BUDGET

The Governor's Budget is \$11.6 million General Fund. This is a 7.3 percent increase from the 2013-15 Legislatively Approved Budget. The budget funds 36 positions. The budget for DAs includes salaries for the 36 elected district attorneys who are state employees, and state government service charges primarily covering tort liability and other insurance related costs.

REVENUE SUMMARY

The District Attorneys are funded with General Fund. Their deputies receive funding through the counties in which they are employed.

Department of Justice

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	58,984,867	66,289,084	81,544,405
Lottery Funds	0	0	0
Other Funds	216,864,634	265,469,616	280,018,176
Federal Funds	101,301,300	144,356,473	149,299,941
Other Funds (Nonlimited)	5,179,686	4,753,390	4,895,992
Federal Funds (Nonlimited)	14,681,023	15,281,798	15,740,252
Total Funds	\$397,011,510	\$496,150,361	\$531,498,766
Positions	1,295	1,285	1,292
FTE	1,273.17	1,266.83	1,279.28

OVERVIEW

The mission of the Department of Justice is to serve state government and support safe and healthy communities throughout Oregon by providing essential justice services. The Department is comprised of eight divisions, and the Defense of Criminal Convictions program:

- Administration – Includes the Office of the Attorney General and Administrative Services for the Department.
- 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 investigation 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 the Department of Justice is \$531.5 million total funds, \$81.5 million General Fund, \$284.9 million Other Funds, and \$165.0 million Federal Funds. This represents a 7.1 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 1,292 positions.

The Governor's Budget assumes an attorney rate of \$183 per hour which is a 13.1 percent increase from the 2013-15 rate of \$159 per hour. The rate is expected to generate a total of \$162.2 million.

REVENUE SUMMARY

The Department relies on a variety of funding sources. General Fund accounts for 15.3 percent of the budget and is devoted to public safety programs and services primarily: the Oregon Child Support Program; the Defense of Criminal Convictions program; crime victims programs; legal work for which no state agency can be billed directly (e.g., ballot-measure related); and the law enforcement activities of the Criminal Justice division.

Other Funds resources support 53.6 percent of the budget and include charges to agencies for legal services, settlements, license and other fees, as well as charges and fines. Federal Funds make up 31.1 percent of the budget and include the federal share of the Child Support and Medicaid Fraud programs and crime victims grants.

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 division is within the Improving Government Outcome Area of the 10-Year Plan for Oregon and is working with other state agencies to provide the best possible services and resources to promote streamlining opportunities.

The Governor's Budget for this program is \$30.8 million total funds, which represents a 9.4 percent increase from 2013-15 Legislatively Approved Budget. The budget includes 115 positions. This budget supports core service programs.

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 challenges.

For the 2015-17 biennium, the division anticipates handling more than 3,347 appeals, including 2,651 appeals from criminal convictions and 723 appeals involving civil, administrative and other matters. The division anticipates a modest increase in the number of appeals going forward.

The division's activities contribute to the Public Safety Outcome Area of the 10-Year Plan for Oregon.

The Governor's Budget for this program is \$19.8 million total funds, which is an 8.9 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 61 positions.

Civil Enforcement

The Civil Enforcement division provides essential public services, including the following: recovery of moneys owed to the state; legal support for family law and the child advocacy program; prosecution of financial crimes; prevention of consumer fraud; regulation of charitable giving; and the enforcement of certain civil rights.

The division includes five sections:

- The Child Advocacy section represents the division of Child Support in judicial proceedings to establish paternity; enforces child support orders; and represents the Department of Human Services in juvenile dependency.
- The Civil Recovery section undertakes civil litigation to recover money or property on behalf of any agency with a tort, contract, statutory or other claim. Additionally, the program enforces child support orders, prosecutes environmental crimes, enforces civil rights laws, represents the state's interest in securities litigation, enforces the tobacco Non-Participating Manufacturers statutes, and defends Oregon's rights under the national tobacco Master Settlement Agreement.
- 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 Financial Fraud/Consumer Protection section works to ensure fair competition and to educate consumers against marketplace fraud and abuse. It prosecutes violations and antitrust laws and seeks restitution, attorney fees, and penalties for injured consumers and state agencies.
- The Charitable Activities section supervises and regulates the activities of charitable, professional fundraisers and other nonprofit organizations. The number of registered charitable organizations has increased from about 3,000 in the early 1990's to currently over 17,000.

The division's public service activities that enforce laws to protect Oregonians contribute to the Public Safety Outcome Area of the 10-Year Plan for Oregon. The Governor's Budget for this program is \$76.2 million total funds, which represents a 5.6 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 205 positions and support their core programs and civil enforcement activities.

Criminal Justice

The Criminal Justice division conducts specialized criminal investigations and prosecutions. It combines highly-trained and experienced special agents, prosecutors and analysts into a single unit to comprehensively fight crime across Oregon.

The division assists 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 division prosecutes a wide array of infractions, such as tobacco smuggling, internet crimes against children, social security fraud, environmental crimes, and

mortgage fraud. Furthermore, the division is charged with investigating and prosecuting organized crime and participates in, coordinates or manages the following joint efforts:

- the Oregon Internet Crimes Against Children Unit;
- the Cooperative Disabilities Investigation Unit;
- the federal, state, and local High Intensity Drug Trafficking Areas initiative;
- the Criminal Intelligence Unit, which provides analytical services to Oregon law enforcement and also maintains the Oregon State Intelligence Network, the primary intelligence sharing network for Oregon law enforcement;
- the Western States Information Network for Oregon, which shares intelligence information among five western states; and,
- the Oregon TITAN Fusion Center, which provides intelligence services to law enforcement to combat terrorism in Oregon.

From July 2011 through June 2014 the division performed over 3,900 service assists, prosecuted over 700 cases and conducted over 900 investigations. The division actively assists coordination with local communities and citizens and supports the Public Safety Outcome Area of the 10-Year Plan for Oregon, by providing investigative, trial and training support to Oregon's District Attorneys and law enforcement agencies.

The Governor's Budget for this program is \$31.0 million total funds, which represents a 6.4 percent increase from 2013-15 Legislatively Approved Budget. The budget includes 54 positions to support specialized investigations and criminal prosecutions.

Crime Victims' Services

The Crime Victims' Services division conducts the following activities:

- 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 Oregon Revised Statutes.

The Crime Victims' Compensation program was created to provide assistance to innocent victims who sustain injuries resulting from criminal activity.

- The Child Abuse Medical Assessment program pays for child abuse medical assessments in certain cases.
- The Sexual Assault Victims' Emergency Medical Response Fund provides assistance to victims of sexual assault to ensure they have access to an immediate medical exam and forensic evidence collection.

- The Address Confidentiality program provides a substitute address for forwarding mail for victims of domestic violence, sexual assault and stalking; this program has over 1,500 participants.

The Victim Response section manages three programs: the Victim Rights program; the Post-Conviction Advocacy program; and, the Domestic Violence Resource Prosecutor.

The Grant Management section manages the following grant programs:

- The Prosecutor-based Victim Assistance Program is a grant program to certified prosecutors' offices across the state, who maintain local crime victims' assistance programs.
- The Federal Victims of Crime Act provides funds to states and local organizations for victims' assistance.
- The Domestic and Sexual Violence Services program was created to advocate, provide safety, promote cooperation among agencies and stabilize the infrastructure for the victims of assault.
- The Child Abuse Multidisciplinary Intervention grant program provides state funds to 36 county teams for a multidisciplinary approach to assessment, investigation, and prosecution of child abuse cases.
- The Federal Violence Against Women Act STOP formula grant program provides funding for prosecution, advocacy, law enforcement, and court activities dedicated to stopping violence against women.
- The Federal Intimate Partner Violence and Pregnancy Grant;
- The Federal J.R. Justice Grant; and,
- The state Crime Victim Grant program makes grants to local public and private agencies that provide services to victims of violent crimes.

Traditionally, the number of applications received by Crime Victims' Services has increased every year. In the past six years there has been a decline. A major part of the decline in applications is being attributed to child assessment centers not being as dependent on the program's funds, since the Oregon Health Plan now covers more uninsured children. During the 2013-15 biennium (through October 2014), the program received an average of 443 applications per month and processed 580 payments for a total of \$4.4 million.

The division contributes to the Public Safety Outcome Area of the 10-Year Plan for Oregon by offering victims' assistance which invest's in Oregon's youth and families. The Governor's Budget for this program is \$59.4 million total funds, which represents a 0.4 percent decrease from the 2013-15 Legislatively Approved Budget. The budget includes 36 positions. The decrease in revenue is attributed to a reduction in Federal Funds and Other Funds received through the Punitive Damage Awards.

General Counsel

The General Counsel division provides a full range of essential legal services to state agencies and officers to achieve the following:

- ensuring state agencies operate their programs according to established laws and legal precedent, minimizing legal exposure; and,
- enhancing public trust through consistent interpretation of law across state agencies.

The program provides oral and written legal advice and drafts or reviews contracts and other documents. It represents agencies in administrative hearings and furnishes legal opinions. In some cases, it may handle litigation and appellate work involving client agencies. The division contributes to the Improving Government Outcome Area of the 10-Year Plan for Oregon, by providing consistent legal guidance to state agencies so that services can best be delivered to Oregonians.

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

The Governor's Budget for this program is \$47.6 million Other Funds, which represents a 3.5 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 138 positions and supports current core programs.

Trial

The Trial 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 and enable agencies to focus on service delivery.

The division is organized into four sections: Civil Litigation (jury trials), Criminal and Collateral Remedies, Special Litigation, and Defense of Agency Orders.

Trial division cases include the following:

- defending state agencies and state officials against tort claims;
- employment claims;
- cases alleging civil-rights violations and other claims for monetary damages;
- representing state agencies in contract disputes and in the acquisition of land for public roads;
- defending the state in all trial court cases filed by prisoners; and,
- defending state laws, ballot initiatives and policies at the trial court level.

From July 2013 to November 2014, the division opened 836 non-criminal and 574 criminal new cases. Including criminal cases, the state prevailed in 96 percent either through trial, motions or negotiated settlements. The cases this division pursues on behalf of the state and its citizens contribute to the Public Safety Outcome Area.

The Governor's Budget for this program is \$29.4 million Other Funds, which represents an 11.6 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 107 positions and supports current programs.

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 the Department of Justice to achieve quality legal work, consistency in the legal positions taken by the state, and efficiency. Three types of cases are funded: (1) direct criminal appeals where the offender's challenge is on alleged legal or factual errors of the trial; (2) post-conviction challenges where the offender challenges the effectiveness of counsel and other deprivations of constitutional rights in the original criminal trial; and (3) federal where the offender alleges violations of constitutional rights in the federal courts.

Personnel and resources connected to this work are part of the Trial and Appellate divisions, who bill this budget unit for work on individual cases. The division provides the funds needed to assist the Appellate and Trial divisions with mandated caseloads. The division contributes to the Public Safety Outcome Area of the 10-Year Plan for Oregon.

The Governor's Budget for this program is \$23.8 million General Fund, which represents a 31.2 percent increase from the 2013-15 Legislatively Approved Budget. This budget supports the projected mandated case load anticipated for the 2015-17 biennium.

Division of Child Support

The Division of Child Support administers the Oregon Child Support Program through its 12 statewide offices and 26 county district attorney offices. The program enhances the well-being 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 program serves families who currently are (or formerly were) 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.

The division's enforcement efforts listed above contribute to the Healthy People Outcome Area within the 10-Year Plan.

Services are provided under federal and state law. The program manages approximately 238,000 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 parents' employers. The program is projecting to establish 21,700 orders during the 2015-17 biennium.

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 \$6.3 million annually in federal incentive awards dollars for the past

four years. The program is projecting to receive and distribute \$766.5 million in child support payments during the 2015-17 biennium.

The Governor's Budget for this program is \$213.4 million total funds, including \$32.9 million General Fund, \$48.2 million Other Funds and \$132.2 million Federal Funds. This represents a 7.6 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 576 positions to fully support the program.

Oregon Military Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	27,975,478	21,863,993	26,221,529
Lottery Funds	0	0	0
Other Funds	112,147,990	113,902,017	114,842,052
Federal Funds	226,182,554	287,230,606	288,235,764
Other Funds (Nonlimited)	3,041,910	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$369,347,932	\$422,996,616	\$429,299,345
Positions	515	522	519
FTE	458.59	477.51	476.01

OVERVIEW

The Oregon Military Department is responsible for 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 that serves at-risk youth who are failing in high school. The Department is organized into the following programs:

- Agency Administration – Senior-level leadership and support for the command, control, and administration of the department.
- Operations – Management of 15 major programs delivering Army National Guard and Air National Guard services within Oregon.
- Office of Emergency Management – Planning, preparing, and providing for the prevention, mitigation, and management of emergencies or disasters that present a threat to Oregon.
- Community Support – Delivery of the Oregon Youth Challenge Program, the STARBASE Program, and the Emergency Operations Program.
- Capital Debt Service and Related Costs, Capital Improvements, and Capital Construction – Budgetary structures containing initial funding and debt repayment for capital improvement and capital construction projects.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Military Department provides \$429.3 million total funds. This is a 1.5 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The General Fund budget equals \$26.2 million, a 19.9 percent increase from the 2013-15 LAB. The Other Funds budget equals \$114.8 million, a 0.8 percent increase from the 2013-15 LAB. The Federal Funds budget equals \$288.2 million, a 0.3 percent increase from the 2013-15 LAB. The budget includes 519 positions. In addition

to the expenditures and positions accounted for by the state's budget system, the Department houses more than \$600 million in biennial federal revenues and more than 1,500 positions under the National Guard Bureau's budget. The Governor's Budget supports the 10-Year Plans for Public Safety and for Education by maintaining the Department's public safety and emergency services and adding funding for upgrading the 9-1-1 Emergency Telephone System, improving and expanding the Oregon Youth Challenge Program, and replacing the department's Regional Training Institute.

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 is the smallest source of revenue. It provides funding for debt service on major construction projects as well as a portion of the state match for Federal Funds requiring a state match. It also pays for some expenses that exceed federal reimbursement rates.

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 more than 2,000 state and federal full-time employees, commands more than 8,400 soldiers and airmen, and provides oversight of about \$4 billion in facilities and equipment. The Governor's Budget for this program is \$7.1 million total funds, of which \$5.0 million is General Fund. Other Funds, primarily transfers from other programs within the agency, provide the remaining \$2.1 million of the budget. The program operates with 25 positions. Total funds increase by 7.0 percent from the 2013-15 Legislatively Approved Budget. The Governor's Budget maintains the operations of this program, which supports the 10-Year Plan for Improving Government by using limited resources to provide the best possible service.

Operations

The Operations division includes programs that manage the acquisition, disposal, design, construction, operation and maintenance of all Army National Guard facilities in Oregon. It also includes programs that provide air defense of the northwestern United States from northern California to the Canadian border and train fighter pilots, flight surgeons, and weapons controllers. Other programs in this division support law enforcement drug interdiction efforts, repair unserviceable U.S. Army equipment to fill equipment shortages for National Guard units nationwide, 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 \$126.1 million total funds, of which \$8.4 million is General Fund. Federal Funds support \$113.0 million of the program budget. Other Funds, primarily from renting out armory facilities for special events, provide the remainder of the budget. The program operates with 406 positions. With the exception of a decline in Federal Funds support, the Governor's Budget maintains the operations of this program, including the addition of General Fund to pay some personnel costs that exceed National Guard Bureau reimbursement rates. The program supports the 10-Year Plan for Public Safety by providing resources to respond to natural disasters. This program gauges its success partly by the percent of Army National Guard armories that are in adequate or better condition, currently 79 percent, and the percent of Air National Guard facilities that are in "green" condition on the Base Comprehensive Asset Management Plan, currently 31 percent at the Portland Air Base and 26 percent at Kingsley Field.

Office of Emergency Management

The Office of Emergency Management (OEM) coordinates statewide emergency services 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, recovery services, and hazard mitigation. The Office manages the state's 9-1-1 Emergency Telephone System and the Search and Rescue program. It also supports the technologies used by the Oregon Emergency Response System. The OEM executes planning, training, and exercises to improve the state's domestic preparedness. It also offers guidance to local governments that receive grant funds through the program. It also chairs the Oregon Emergency Response System Council. Finally, it administers federal disaster assistance to allow communities to restore and repair critical infrastructure in response to federal disaster declarations.

The Governor's Budget for this program is \$253.1 million total funds, of which \$2.1 million is General Fund. Federal Funds support \$161.9 million of the program budget. Other Funds, primarily from Emergency Telephone 9-1-1 taxes, provide the remainder of the budget. The program operates with 42 positions. The Governor's Budget maintains the operations of this program and provides up to \$500,000 Other Funds expenditure limitation for the program to use Department of Administrative Services' Enterprise Technology Services to convert the 9-1-1 Emergency Telephone System's Public Safety Answering Points from the current "Frame Relay" network architecture to Internet Protocol architecture. Total funds increase by 0.5 percent from the 2013-15 Legislatively Approved Budget despite the move of the Seismic Rehabilitation Grant Program to the Oregon Business Development Department. The budget supports the 10-Year Plan for Public Safety by providing for disaster preparedness, response, and recovery efforts. This program gauges its success partly by the percentage of Oregon's population covered by a FEMA-approved local hazard mitigation plan. The measure ranged from 80 to 82 percent in recent years, a bit below the 90 percent target. The program also gauges its success partly by the percentage of Oregon counties that have an Emergency Operations Plan compliant with the National Incident Management System, which is currently 100 percent.

Community Support

The Community Support program includes both education programs for at-risk youth and response to state emergencies. The education programs are the Oregon Youth Challenge Program (OYCP) and the Science and Technology Academy Reinforcing Basic Aviation and Space Exploration (STARBASE)

program. OYCP is located in a National Guard facility near Bend and provides educational and other services to 16 to 18 year old youth who have dropped out of or are failing high school. STARBASE demonstrates real-world applications of math and science to at-risk students in third to eighth grades in Portland and Klamath Falls through hands-on aerospace-related classes and tours at the Portland Air Base and Kingsley Field. The Emergency Operations program coordinates the use of National Guard resources in response to state emergencies as directed by the Governor. Typical emergencies include floods, forest fires, and heavy winter snow removal. The Community Support program measures its success partly by students' average increase in test scores during OYCP classes and partly by the number of students graduating each year from OYCP. Since 2004, test scores have risen by more than the targeted increase. Since 2011, the number of students graduating has exceeded the target of 240 per year.

The Governor's Budget for this program is \$10.7 million total funds, of which \$197,377 is General Fund. Federal Funds support \$8.4 million of the program budget. Funds from the Oregon Department of Education and the National School Breakfast and Lunch Program provide the remainder of the budget. The program operates with 46 positions. Total funds decline by 10.2 percent from the 2013-15 Legislatively Approved Budget due primarily to the phase-out of one-time wildfire related expenditures. The Governor's Budget maintains the operations of this program and supports the 10-Year Plan for Public Safety by investing in at-risk youth and providing for National Guard response to state emergencies. In the Capital Construction Program, the budget provides funds for upgrades at OYCP that will accommodate more students.

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 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 \$10.8 million total funds, of which \$10.5 million is General Fund for debt service payments. Other Funds provide the remainder of the budget. The Governor's Budget maintains the funding for this program and provides an additional \$1.1 million General Fund for debt service and \$153,000 Other Funds for cost of issuance related to upgrades at the Oregon Youth Challenge Program and replacement of the agency's Regional Training Institute. Total funds increase by 25.0 percent from the 2013-15 Legislatively Approved Budget.

Capital Improvements

This program provides for capital improvements to existing facilities. Capital improvements projects are those with a total cost of less than \$1 million. Program expenditures are used to address the department's estimated \$79 million backlog of deferred maintenance on its 395 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. In 2012, the Installation Status Report (ISR) indicated 76 percent of the department's facilities were in adequate or better condition. The Oregon Army National Guard expects

to complete five projects during the 2015-17 biennium, all of them with Federal Funds. The program is funded with Federal Funds and, when available, General Fund. The Governor's Budget maintains this program with \$4.8 million Federal Funds expenditure limitation. Total funds decline by 4.9 percent from the 2013-15 Legislatively Approved Budget due to the phase-out of one-time expenditure limitation for a property purchase.

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 that are 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 cost.

The Governor's Budget for this program is \$16.8 million total funds, of which \$16.6 million is Other Funds. All but \$136,281 of the Other Funds expenditure limitation is for expenditures on the upgrade of the Oregon Youth Challenge Program (OYCP) and the replacement of the agency's Regional Training Institute (RTI). Sale of the current RTI provides \$5.0 million and bond proceeds provide the remainder of the revenue for the OYCP and RTI projects. The remaining \$136,281 Other Funds is from the agency's Capital Construction Account and pays for planning and pre-design work on four projects planned for the 2017-19 biennium. Federal Funds provide \$140,770 of the program budget and pay for most of the planning and pre-design work on one of the four future projects. Total funds increase from \$11.2 million in the 2013-15 Legislatively Approved Budget.

Oregon Youth Authority

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	255,625,166	275,662,044	290,870,806
Lottery Funds	0	0	0
Other Funds	8,306,362	19,553,725	47,140,954
Federal Funds	27,194,810	34,680,918	36,133,077
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	1	0
Total Funds	\$291,126,338	\$329,896,688	\$374,144,837
Positions	1,153	1,025	1,011
FTE	1,009.31	989.79	977.00

OVERVIEW

The mission of the Oregon Youth Authority (OYA) is to protect the public and reduce crime by holding youth offenders accountable and providing opportunities for reformation in safe environments. The offenders' criminal activities include murder, rape, arson, robbery, substance abuse, other violent and anti-social behaviors, and gang activity. Juvenile courts may commit youth offenders to OYA for either 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 that all youth who leave OYA go on to lead productive, crime-free lives. The agency is implementing the Youth Reformation System (YRS), which uses analysis and evidence-based practices to improve youths' outcomes. The agency is organized into the following divisions:

- Facility Services program – Operates 10 close-custody facilities located in nine communities and is responsible for the custody and care of about 620 youth offenders.
- Community Services program – Provides public safety, youth offender accountability, and reformation services for about 1,000 youth offenders in communities throughout Oregon.
- Program Support division – Provides agency leadership, business services, information technology support, and offender treatment services.
- Debt Service, Capital Improvements, and Capital Construction divisions – contains funding for maintaining, repairing, improving, and replacing capital assets.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Youth Authority provides \$374.1 million total funds. This is a 13.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The General Fund budget equals \$290.9 million, a 5.5 percent increase from the 2013-15 LAB. The Federal Funds budget equals \$36.1 million, a 4.2 percent increase from the 2013-15 LAB. The Other Funds budget equals \$47.1

million, a 141.1 percent increase from the 2013-15 LAB. The large Other Funds increase is for capital construction projects to improve three youth correctional facilities and address security and deferred maintenance needs. The budget also includes a General Fund increase for debt service related to the capital construction projects. The budget includes 1,011 positions.

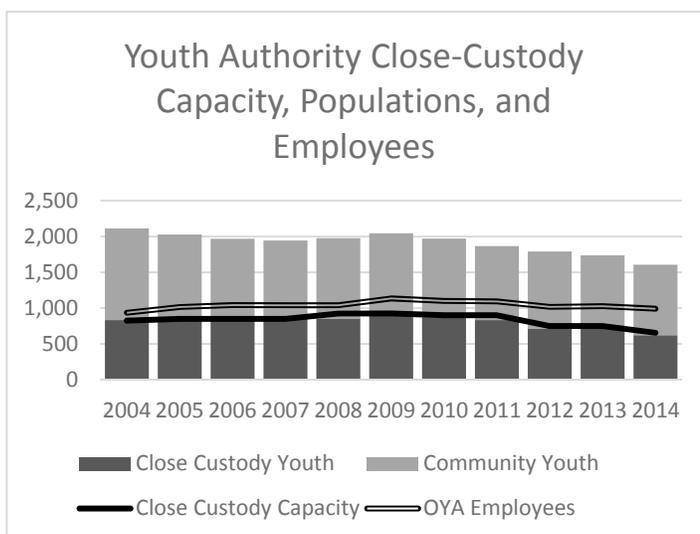
REVENUE SUMMARY

The Department’s budget is mostly General Fund with a much smaller amount of 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, reimbursements from counties for their use of OYA detention beds, and nutrition program funds transferred from the Department of Education.

AGENCY PROGRAMS

Facility Services

This program operates 10 close-custody facilities located in nine communities around the state. The program is responsible for the custody and care of about 620 youth age 12 – 25 who have committed crimes prior to their 18th birthday. Custody includes providing physically, emotionally, and psychologically safe living conditions for the youth and working conditions for staff, and ensuring the security of the facility. Care of the youths includes health care, classroom education, evidence-based treatment to address youths’ criminogenic risks and needs, vocational education opportunities, access to online college level courses, opportunities to pay



restitution to victims and to give back to the community through charitable activities and other projects, and services to promote connections to youths’ families and other forms of community support. The Governor’s Budget transfers four positions out to the Program Support division and provides \$161.6 million total funds for the Facility Services program, of which \$151.8 million is General Fund and \$9.7 million is Other Funds. Total funds increase by 0.2 percent from the 2013-15 Legislatively Approved Budget. The program operates with 756 positions. It supports the 10-Year Plan for Public Safety by helping to implement the Youth Reformation System. This program gauges its success partly by the rate of recidivism of Department of Corrections youth (those sentenced in adult court) released from close-custody supervision to post-prison supervision. In recent years, the rate of recidivism has fallen. Another measure is the percent of youth released from close-custody supervision who are receiving transition services to reduce criminogenic risks and needs identified in their OYA case plans. This measure has been improving in recent years.

Community Services

The Oregon Youth Authority's Community Services program provides public safety, youth offender accountability, and reformation services for about 1,000 OYA youth offenders placed in communities throughout Oregon. This is accomplished through 26 field offices, about 30 residential treatment programs, and 50 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 \$134.3 million total funds for the Community Services Program, of which General Fund is \$95.3 million. Federal Funds make up \$35.0 million and Other Funds comprise \$4.0 million. Total funds increase by 4.2 percent from the 2013-15 Legislatively Approved Budget. The program operates with 143 positions. This program gauges its success partly by the rate of recidivism of youth on probation or parole. In recent years, the rate of recidivism has improved. The program supports the 10-Year Plan for Public Safety by helping youth successfully transition to the community from the justice system, and by helping to implement the Youth Reformation System.

Program Support

The Program Support division provides both leadership and support to the agency. This includes agency leadership, strategic planning, program direction, and rule and policy development. It also includes accounting, payroll, purchasing, budgeting, contracts, human resources, physical plant, risk management, and training. The division provides oversight of agency programs from the perspective of diversity, inclusion, and intercultural relations. It also supports the agency with data management. In addition, the division delivers evidence-based treatment services for youth offenders, including cognitive-behavioral restructuring, substance abuse and dependency treatment, emotion and impulse control, treatment for depression, sex offender treatment, life skills training, and skill development. The Governor's Budget maintains the program's current operations, and transfers four positions in from the Facilities Services. Program, and \$37.3 million total funds, of which General Fund is \$36.1 million. Total funds increase by 17.1 percent from the 2013-15 Legislatively Approved Budget. The program operates with 112 positions. The division supports the 10-Year Plan for Public Safety by implementing the Youth Reformation System.

Debt Service

This is the budget for principal and interest payments on Certificates of Participation (COPs) and Article XI-Q bonds issued to build youth correctional facilities and fund selected deferred maintenance projects. General Fund pays for debt service. The Governor's budget provides \$6.9 million General Fund for repayment of scheduled principal and interest in the 2015-17 biennium. This is an increase from \$2.0 million in the 2013-15 Legislatively Approved Budget and includes \$3.5 million General Fund for debt service on new bonded indebtedness for capital construction projects to improve three youth correctional facilities and address security and deferred maintenance needs.

Capital Improvement

The Capital Improvement program includes projects valued at less than \$1.0 million that provide for land acquisition, construction of structures, assessments, and improvements or additions to existing structures. Capital Improvement also includes asset protection, which is defined as maintenance, repair, replacement, or adaptation of a facility. The agency has 10 close-custody correctional facilities with a total of 96 buildings. Most of the buildings provide secure residential spaces for youth offenders. The remaining buildings are used for youth offender education, vocational training, recreation, administration, and support services. The Governor's Budget maintains the current level of operations of the program by providing \$745,131 General Fund to pay for deferred maintenance, electronic and physical security projects, general building improvements, and emergency repair projects. This is a 3.0 percent increase from the 2013-15 Legislatively Approved Budget.

Capital Construction

Capital Construction projects are 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 \$33.3 million Other Funds expenditure limitation for improvements at MacLaren, Rogue Valley, and Oak Creek youth correctional facilities; security cameras and intercoms; and selected high-priority deferred maintenance projects. The improvements at MacLaren Youth Correctional Facility in Woodburn will facilitate the closure of the Hillcrest Youth Correctional Facility in Salem by the end of the 2015-17 biennium. The budget is increased from \$5.1 million in the 2013-15 Legislatively Approved Budget.

Board of Parole and Post-Prison Supervision

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	3,533,911	4,189,720	4,700,065
Lottery Funds	0	0	0
Other Funds	0	10,536	10,852
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$3,533,911	\$4,200,256	\$4,710,917
Positions	14	16	16
FTE	14.00	15.67	16.00

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 imposes prison terms and makes parole decisions on offenders whose criminal conduct occurred prior to November 1, 1989.
- The Board imposes prison terms and makes 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 the inmate is released from prison. When these inmates are released to the community, they are ordered to serve a term of parole. The Board, as of June 2014, has designated 160 out of 1,225 inmates as "Dangerous Offenders."
- For offenders whose crimes were committed on or after November 1, 1989, the sentencing court and the Department of Corrections establishes the length of prison terms. The Board does not determine the release date for these inmates. When the inmates are released to the community they are ordered to serve a term of post-prison supervision.
- Post-prison supervision is a sentence of correctional supervision in the community following a prison or jail sentence. A court determines how long the sentence will be, and the Board or local jurisdiction determines the conditions which must be met by the offender during the sentence.

The Board, through its decision-making processes and conditions of post-prison supervision, contributes to the 10-Year Plan for Oregon's safety policy vision of prioritizing proven prevention programs and improving coordination with local communities and citizens.

In an average month, the Board conducts the following:

- holds 20 hearings;
- issues 450 conditions of community supervision for all offenders being released from prison;
- issues 400 warrants for absconders;
- issues more than 650 sanctions for violators of community supervision;
- corresponds with approximately 5,400 active victims and conducts an average of 53 notifications; and,
- monitors, adjusts and discharges more than 300 discharge orders on offenders' status of supervision.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Parole and Post-Prison Supervision is \$4.7 million total funds, which represents a 12.2 percent increase from the 2013-15 Legislatively Approved Budget. The budget represents a 12.2 percent increase in General Fund and a 3.0 percent increase in Other Funds. The budget continues 16 positions.

REVENUE SUMMARY

The Board is dependent upon General Fund to support its core programs and functions. 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 prisoners being considered for parole.

Department of State Police

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	221,267,355	240,590,265	274,870,857
Lottery Funds	6,549,992	7,166,858	7,587,900
Other Funds	82,358,056	93,291,730	98,822,356
Federal Funds	8,214,066	9,446,084	9,762,593
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$318,389,469	\$350,494,937	\$391,043,706
Positions	1,233	1,259	1,282
FTE	1,227.98	1,245.63	1,277.00

OVERVIEW

The Department of State Police's mission is to enhance livability and safety by protecting the people, property, and natural resources of Oregon. The agency fulfills this mission by serving, protecting, and educating Oregon's citizens and visitors, and through leadership, action, coordination, and cooperation with its public safety partners. The Oregon State Police includes the following programs:

- Agency Support – Executive leadership, dispatch, training, professional standards, central records, and fleet management.
- Administrative Services – Budget and financial reporting, accounting, payroll, grant management, human resources, information technology, contracting and procurement, facilities management, and legislative coordination.
- Patrol Services – Highway patrol, Capitol Mall patrol, Oregon State University patrol, dignitary protection, Special Weapons and Tactics, and drug recognition experts.
- Fish and Wildlife – Enforcement of state fish and wildlife and commercial fishing laws.
- Criminal Investigation – Investigation of major crimes, drug trafficking, arson, explosives, and acts of terrorism.
- Forensic Services – DNA, fingerprint, ballistics, chemical, biological, and other scientific analysis of evidence from crime scenes.
- State Medical Examiner – 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.
- Criminal Justice Information Services – Immediate and secure access by law enforcement to criminal offender records, wanted and missing persons, protective and restraining orders, stolen property files, and other law enforcement information.
- Gaming Enforcement – Security for the Oregon Lottery; investigation of gaming industry vendors; oversight of tribal gaming; and regulation of mixed martial arts, entertainment wrestling, and professional boxing.

- State Fire Marshal – Inspection of schools, nursing homes, hospitals, and prisons; fire prevention and intervention programs; collection and analysis of data on fires and hazardous substance incidents; and equipping, training, and administering hazardous materials response teams.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of State Police provides \$391.0 million total funds. This is an 11.6 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The General Fund budget equals \$274.9 million, a 14.2 percent increase from the 2013-15 LAB. The Other Funds budget equals \$98.8 million, a 5.9 percent increase from the 2013-15 LAB. The Federal Funds budget equals \$9.8 million, a 3.4 percent increase from the 2013-15 LAB. The budget includes 1,282 positions. The Governor's Budget supports the 10-Year Plan for Public Safety by adding 20 state troopers, adding 33 trooper vehicles, funding the replacement of State Police facilities in Astoria and Springfield, planning for the replacement of the department's data system, and providing for additional work related to the legalization of recreational marijuana.

REVENUE SUMMARY

The agency's primary source of revenue is General Fund. The Department receives more than \$20 million in Other Funds revenue from the Fire Insurance Premium Tax, which supports the operations of the State Fire Marshal and related activities. The Department also receives more than \$20 million in Other Funds revenue from charging other organizations for its services. These organizations include the Oregon State Lottery, Oregon State University, organizations requesting information from the Law Enforcement Data System, and many others. Another large source of Other Funds revenue is a transfer from the Oregon Department of Fish and Wildlife (ODFW) to support enforcement of fish and wildlife laws. The costs of the Department's troopers have increased while the ODFW transfer has declined; the Governor's Budget includes General Fund to fill the gap. The Department also receives 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 agreements with and grants from federal agencies.

AGENCY PROGRAMS

Agency Support

The Agency Support program is new in the 2015-17 biennium and was previously part of the Administrative Services division. Agency Support 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 \$35.0 million total funds, of which \$31.6 million is General Fund. Federal Funds support \$129,751 of the program budget. Other Funds allocated from several of the agency's other programs provide most of the remaining \$3.2 million of the budget. The program operates with 121 positions. It supports the 10-Year Plan for Public Safety by adding one position to outfit 33 new trooper vehicles, thereby helping to increase Oregon State Police presence on the highways and in communities.

Administrative Services

The Administrative Services program includes budget and financial reporting, accounting, payroll, grant management, human resources, information technology, contracting and procurement, facilities management, and legislative coordination. The Governor's Budget for this program is \$19.0 million total funds, of which \$12.8 million is General Fund. Federal Funds support \$443,680 of the program budget. Other Funds allocated from several of the agency's other programs provide most of the remaining \$5.7 million of the budget. The program operates with 76 positions. After adjusting for the reorganization of a portion of the program to the new Agency Support program, the Governor's Budget maintains the operations of this program. The program supports the 10-Year Plan for Improving Government by working to improve the service delivery of the agency.

Patrol Services

The Patrol Services division provides uniform police services throughout the state with a primary responsibility for the protection of human life and property through crash reduction, crime reduction, responding to emergency calls for police services, and responding to other transportation safety issues on Oregon's rural 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 disobedience and natural or man-made disasters and with city and county emergency calls for service.

The Governor's Budget for this program is \$152.3 million total funds, of which \$139.3 million is General Fund. Federal Funds support \$377,556 of the program budget. Other Funds from contracts with other state agencies provide most of the remaining \$12.6 million of the budget. The program operates with 519 positions. The Governor's Budget maintains the operations of this program, adds 20 trooper positions and 33 trooper vehicles, and provides funds for moving the Astoria and Springfield offices to more suitable locations. It supports the 10-Year Plan for Public Safety by increasing State Police presence on highways and in communities. The division's budget increases by 14.5 percent from the 2013-15 Legislatively Approved Budget. The division gauges its success partly on the number of traffic fatalities on state and interstate highways where the Patrol Services division has primary responsibility. The measure dropped from 179 in 2008 to 128 in 2011, then rose to 150 in 2012.

Fish and Wildlife

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

The Governor's Budget for this program is \$39.3 million total funds, of which \$8.2 million is General Fund. Measure 76 Lottery Funds support \$7.6 million and Federal Funds support \$2.4 million of the program budget. Other Funds from the Oregon Department of Fish and Wildlife and from agreements with federal and other state agencies make up the remaining \$21.2 million of the budget. The program operates with 132 positions. The Governor's Budget maintains the operations of this program partly

through the addition of \$5.2 million General Fund to offset insufficient revenues from the Department of Fish and Wildlife. The division's budget increases by 8.3 percent from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Economy and Jobs by enforcing laws protecting natural resources upon which some people rely for jobs. This division gauges its success partly on trends in the detection of incidents of illegally harvested fish and wildlife. As of 2012, the number of incidents detected was 25 percent above the 10-year moving average.

Criminal Investigation

The Criminal Investigation division provides investigative services in support of criminal justice agencies statewide. Investigations include intrastate and multi-jurisdictional crimes related to drug trafficking, arson, explosives, acts of terrorism, and major crimes. The division also provides specialized investigative support with polygraph examiners and crime analysts. The division has jurisdiction of crimes at all state institutions and routinely conducts sensitive criminal investigations that involve public officials.

The Governor's Budget for this program is \$41.1 million total funds, of which \$33.0 million is General Fund. Federal Funds support \$1.5 million of the program budget. Other Funds from the State Fire Marshal's office, fees for records requests, and fees for sex offender registration provide most of the remaining \$6.6 million of the budget. The program operates with 122 positions. The Governor's Budget maintains the operations of this program and provides \$1.0 million Other Funds expenditure limitation for work related to the legalization of recreational marijuana. The division's budget increases by 7.1 percent from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Public Safety by providing timely crime analysis. This division gauges its success partly on the percentage of major crime team call-outs resolved within 12 months. In 2012 it was 91 percent. It has reached 94 percent in several previous years.

Forensic Services

The Forensic Services division supports the criminal justice system by providing forensic analysis of evidence related to crimes. Scientific analysis and expert testimony assists judges and juries with determining guilt or innocence. The division provides analysis and investigative assistance in several disciplines, including biology, chemistry, toxicology, crime scene investigation, DNA, latent prints, firearms, and toolmarks. The division operates five forensic laboratories, which are located in Bend, Central Point, Pendleton, Portland, and Springfield. The division also operates an Implied Consent Unit which provides a breath alcohol testing program and instruments for law enforcement to use when a person is arrested for impaired driving. Most of the demand for the division's services comes from local law enforcement rather than from the Department.

The Governor's Budget for this program is \$40.3 million total funds, of which \$37.7 million is General Fund. Federal Funds support \$2.0 million of the program budget. Other Funds from fees paid by people arrested for impaired driving who refuse a breath test provide much of the remaining \$528,349 of the budget. The program operates with 125 positions. The Governor's Budget maintains the operations of this program and provides funds for moving the Springfield lab to a more suitable building. The division's budget increases by 9.5 percent from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Public Safety by making DNA testing, forensic analysis, and related services available to law enforcement agencies. This division gauges its success partly on the

percentage of analytical requests completed within 30 days. Over the past four years, the measure has remained below 50 percent.

Office of the State Medical Examiner

The purpose of the State Medical Examiner is to provide direction and support to the state death investigation program. The office 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 a 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. The office oversees roughly 8,000 death investigations per biennium. 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 \$4.8 million total funds, of which \$4.6 million is General Fund. Other Funds from counties occupying or using the program's facilities provide most of the remaining \$265,776 of the budget. The program operates with nine positions. The Governor's Budget increases funding for the program by 2.3 percent from the 2013-15 Legislatively Approved Budget and maintains the operations of this program. The program supports the 10-Year Plan for Public Safety by providing timely investigation of deaths from crimes.

Criminal Justice Information Services

The Criminal Justice Information Services division maintains Oregon's central computerized repository of criminal offender records and related law enforcement information. It provides for the immediate and secure access of these confidential records, which include crime and arrest data and fingerprints. The division serves the criminal justice information needs and requirements of Oregon law enforcement at the city, county, state, and federal levels. The customer base is primarily external to the Department but includes the Department as one of approximately 700 agencies served. The division's information is used for many law enforcement purposes, such as to solve crimes, pre-screen people seeking to purchase firearms, screen people seeking concealed handgun licenses, and screen people applying for certification and licensing for various positions such as working with children and vulnerable adults. The Governor's Budget for this program is \$27.2 million total funds, of which \$7.7 million is General Fund. Federal Funds support \$2.4 million of the program budget. Other Funds from fees for Law Enforcement Data System use and for concealed handgun licenses provide most of the remaining \$17.1 million of the budget. The program operates with 77 positions.

The Governor's Budget maintains the operations of this program and provides funds for replacing the Department's CRIMEvue data system. The division's budget increases by 19.4 percent from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Public Safety Outcome Area by providing coordinated information sharing among law enforcement and other public safety agencies.

Gaming Enforcement

The purpose of the Gaming Enforcement division is threefold: (1) to assure the fairness, integrity, security and honesty of the Oregon State Lottery by providing independent and specialized gambling regulatory services to the Oregon State Lottery Commission; (2) to assure the fairness, integrity, security and honesty of Class III gaming by providing the required independent Tribal-State Compact monitoring of the operations of the nine federally recognized tribes of Oregon; and (3) to ensure the integrity and honesty of the professional boxing, wrestling, and mixed-martial arts industry in Oregon and to protect the interests of the professional athletes and the public concerning medical standards, fairness, financial fraud and event environmental safety. The Governor's Budget for this program is \$10.4 million total funds, all of which is Other Funds that come primarily from a contract with the Oregon State Lottery, compacts with Oregon Tribes, and gross revenue tax on various ring sports events. The program operates with 36 positions. The Governor's Budget maintains the operations of this program with a 2.0 percent increase in funds from the 2013-15 Legislatively Approved Budget. The division supports the 10-Year Plan for Public Safety by maintaining a police presence to deter crime.

Office of the State Fire Marshal

The Office of the State Fire Marshal is responsible to protect citizens, 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. It develops, adopts, and interprets the State Fire Code. It also coordinates with other agencies on statewide issues and during conflagrations, mobilizations, and major emergency incidents. It 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. It also plans, coordinates, and manages emergency response by local fire service providers for the Oregon Conflagration Act, natural disasters, and structural collapses. The Office regulates, licenses, and inspects to ensure fire and life safety protection for fireworks, liquefied petroleum gas, and non-retail fuel dispensing. The Governor's Budget for this program is \$21.7 million total funds, of which \$21.2 million is Other Funds that come primarily from the Fire Insurance Premium Tax, hazardous substance possession fees, petroleum load fees. Federal Funds support the remaining \$510,266 of the program budget. The program operates with 65 positions.

The Governor's Budget adds 0.4 percent to the program's total funds from the 2013-15 Legislatively Approved Budget. This division gauges its success partly on the percentage of properties saved from destruction by fire after a Governor-enacted "Declaration of Conflagration." In 2013, the measure was 99.5 percent. The division supports the Public Safety Outcome Area by coordinating emergency response by local fire departments.

Department of Public Safety Standards and Training

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	10,593,375	9,788,298	9,550,476
Lottery Funds	0	0	0
Other Funds	30,570,748	35,668,666	37,691,949
Federal Funds	15,605	258,893	260,660
Other Funds (Nonlimited)	59,971,796	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$101,151,524	\$45,715,857	\$47,503,085
Positions	131	135	139
FTE	129.54	133.06	136.97

OVERVIEW

The Department of Public Safety Standards and Training (DPSST) provides basic and ongoing training, approves initial certification, and monitors compliance with minimum and advanced professional standards established by the Board on Public Safety Standards and Training for city, county and state law enforcement officers, corrections officers, parole and probation officers, fire service personnel, telecommunicators, emergency medical dispatchers, 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, Governor-appointed Board composed of one private citizen and city, county and state professionals representing each of the public safety disciplines. 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 representing the public safety disciplines and providing technical expertise and serving as vital links to public safety organizations. The Board and policy committees operate in close partnership with DPSST.

The Department operates five major programs:

- Criminal Justice Standards and Training
- Fire Training and Certification
- Private Security and Private Investigators
- Public Safety Memorial Fund
- Administration and Support Service

GOVERNOR'S BUDGET

The Governor's Budget continues funding for core programs. Criminal Justice Standards and Training receive an additional position to address mental health training and program development for the Center for Policing Excellence. The Governor's Budget is \$47.5 million total funds and includes 139

positions. This is a 3.9 percent total funds increase above the 2013-15 Legislatively Approved Budget. The increase is primarily due to expansions in the Criminal Justice Standards and Training program. Funding for the Public Safety Memorial Fund continues with no reduction from the current level. DPSST supports the 10-Year Plan for Oregon in the Public Safety Outcome Area by delivering quality training and developing and upholding professional standards.

REVENUE SUMMARY

General Fund is provided to cover \$9.6 million in debt service used to fund construction of the new academy. Criminal Fine Account revenues make up 60 percent of DPSST's revenues and about 75 percent of non-General Fund revenue. Criminal Fine Account revenues fund criminal justice training; certification and records management; and agency administration. Criminal Fine Account budgeted revenues equal \$27.8 million. Revenues from the Fire Insurance Premium Tax, which equal \$4.6 million, the 9-1-1 telecommunications tax, and fees charged to private security officers and providers and to private investigators are dedicated to specific programs. The Department also receives polygraph licensing fees and charges for certain non-mandated training.

AGENCY PROGRAMS

Criminal Justice Standards and Training

The purpose of the Criminal Justice Standards and Training program within DPSST 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 600 public safety agencies across the state and helps ensure the safety of Oregon's residents.

The Governor's Budget for this program is \$19.6 million, funded by the Criminal Fine Account. The budget funds approximately 520 students in Basic Law Enforcement classes per year and over 280 regional specialized and advanced training courses per year. Basic training classes range from three weeks for telecommunicators and emergency medical dispatchers to sixteen weeks for law enforcement officers. Costs for the program are primarily based on the number of classes provided and the ongoing certification and maintenance required. The current economic slowdown, the loss of timber revenues for some counties, and retirements make it hard to predict the training needs of state and local public safety agencies.

Fire Training and Certification

The purpose of the Fire Training and Certification program within DPSST is to train and certify career and volunteer firefighters. The Fire Training and Certification program is important because 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 supports the Oregon Department of Forestry when the Governor mobilizes the Oregon National Guard. At the request of the Oregon Department of Forestry, DPSST provides wildland firefighter training to members of the National Guard being mobilized to assist with fire suppression efforts across the state. Fire program employees also participate in and respond as part of the State Fire Marshal's Incident Management Team.

The Governor's Budget for this program is \$4.4 million. 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 Fire Insurance Premium Tax revenue is used to provide training and certification for over 13,000 fire service professionals.

Private Security and Private Investigators

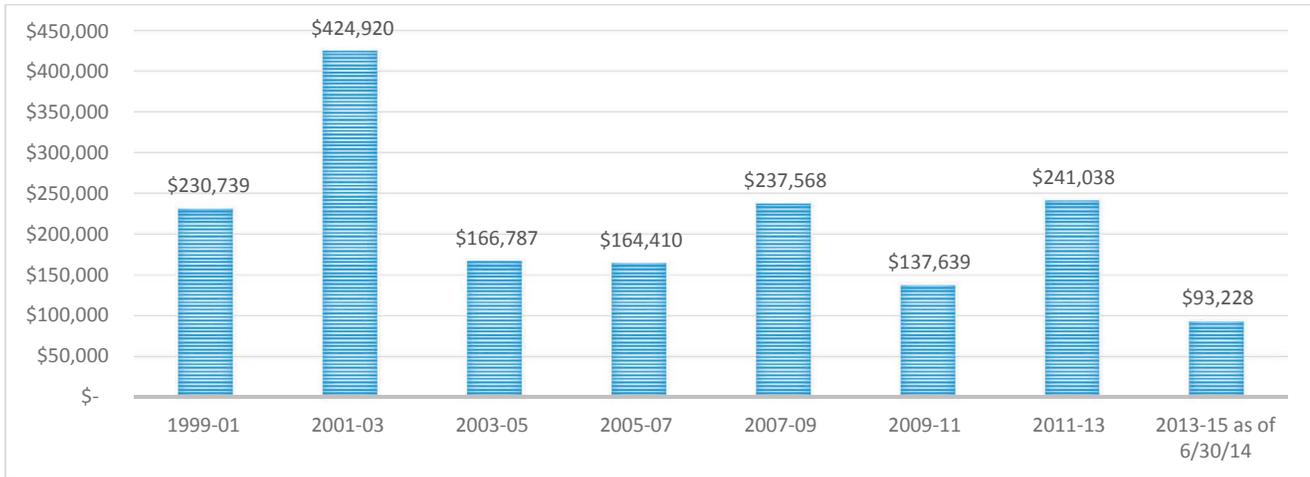
The purpose of the Private Security and Private Investigators program within DPSST is to certify and license private security providers and private investigators according to established standards, regulate professional standards compliance and issue certifications for qualified instructors. The program focuses on education, technical assistance and enforcement to maximize industry awareness and compliance with the law. Requiring formal applications, background investigations and formalized training for certification and licensure, the program is able to increase professionalism in the industries and maximize compliance with laws and rules.

The Governor's Budget for this program is \$2.1 million, which is funded by industry imposed fees. There are currently more than 15,000 private security officers and about 600 private investigators. On average there are 3,700 newly certified private security officers and 130 new private investigator applicants per year with another 4,500 officers and 225 investigators renewing each year.

Public Safety Memorial Fund

The Public Safety Memorial Fund within DPSST 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 to permanently and totally disabled public safety officers and the families of public safety officers who are killed in service to the citizens of Oregon. When line-of-duty tragedies occur, DPSST staff work promptly with contacts from the officer's public safety employer to assist them in working with the officer's family members. Benefits may include a statutorily mandated one-time \$25,000 lump sum payment, payment 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 is \$259,824 and is funded from the Criminal Fine Account. The benefits paid 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 \$1.7 million has been paid to more than 30 families of injured or killed public safety officers. The annual number of claims processed ranged from 11 in 2007 to 17 in 2011 for a five-year average of 10.4 claims per year. The Fund has paid benefits as shown on the following page:



Administration and Support Service

The Administration and Support Services program of DPSST 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 237 acres of land and includes 21 acres of state and federally protected wetlands. The facility includes more than 350,000 square feet of space within 22 buildings located throughout the campus. This program is the foundation of the agency that helps keep everything in working order.

The Governor's Budget for this program is \$21.1 million, which includes \$9.6 million in General Fund for debt service on the Oregon Public Safety Academy.

ECONOMIC AND COMMUNITY DEVELOPMENT

Program Area and Agency Information

SECTION E



ECONOMIC AND COMMUNITY DEVELOPMENT AGENCIES

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Economic and Community Development Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor’s Budget
General Fund	26,611,876	37,373,856	48,157,660
Lottery Funds	140,086,180	127,065,256	156,003,523
Other Funds	313,467,939	394,232,644	616,251,850
Federal Funds	378,108,109	325,608,835	317,286,598
Other Funds (Nonlimited)	2,590,493,484	3,119,806,716	3,037,278,936
Federal Funds (Nonlimited)	1,578,894,113	372,035,745	207,152,000
Total Funds	\$5,027,661,701	\$4,376,123,052	\$4,382,130,567
Positions	1,946	1,734	1,520
FTE	1,837.27	1,650.97	1,478.27

OVERVIEW

Oregon’s vision is to support a diverse, dynamic and sustainable economy that drives job creation and prosperity for all. While the private sector creates jobs, the public sector is responsible for creating the conditions conducive to growing a vibrant and innovative economy based on Oregon values.

Agencies in the Economic and Community Development Program Area aid businesses, communities, and people by providing economic and cultural enhancement 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, provide technical assistance to individuals, businesses and communities. The program area also includes funding for programs that support community development activities such as the arts.

Agencies in the Economic and Community Development Program Area have a broad impact on Oregonians and have an impact on several outcome areas within the 10-Year Plan for Oregon. Programs within these agencies impact the Economy and Jobs Outcome Area by:

- Streamlining efforts to attract, grow and support businesses in Oregon
- Coordinating with local governments and the private sector
- Developing a dynamic, resilient workforce that will be attuned to Oregon priorities

Agency programs also impact the Healthy People Outcome Area within the 10-Year Plan by improving access to safe and affordable housing and the Education Outcome Area by promoting arts education.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Economic and Community Development Program Area is \$4.382.1 million total funds, \$204.2 million General Fund and Lottery Funds. This is a 24.2 percent increase in General Fund and Lottery Funds from the 2013-15 Legislatively Approved Budget. The Governor's Budget makes several investments in Oregon's vision of prosperity and prioritizes opportunities for economically disadvantaged communities to revitalize our rural economies. These investments will streamline efforts to attract, grow and support businesses, coordinate with local governments and the private sector, and develop a dynamic, resilient workforce attuned to Oregon's priorities.

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

- Investing in seismic retrofitting to assure the infrastructure stability of schools and emergency service buildings. This investment strives to prevent loss of life in schools and to continue the operations of emergency services buildings during and following a large earthquake.
- Establishing a Working Forest and Farms Finance Initiative. This investment is the first installment of a multi-biennia strategy that will provide landowners access to private capital and keep their lands working in a sustainable way.
- Investing through Regional Solutions to identify and prioritize economic development opportunities, priorities and needs. Regional Solutions is an innovative, collaborative approach to community and economic development in Oregon, that promotes public-private partnerships.
- Capitalizing new and existing programs to provide Oregon communities and businesses with access to capital. The budget recapitalizes the Special Public Works Fund, the Brownfields Redevelopment Fund, establishes the Natural Resource Transformative Technology Grant Program and an Oregon Infrastructure Opportunity Program.
- Investing in the Oregon Innovation Council's Innovation Plan to promote research and innovation technology. These investments will develop and drive the state's innovation strategy and advance Oregon's economy. Oregon Innovation Council funds individual initiatives with the potential to build or coalesce industry clusters around new or emerging technologies in specific areas where Oregon holds unique, national advantages.
- Providing capital to the Oregon Growth Fund. The budget furthers economic development by investing in early and growth-stage entities in Oregon.
- Providing key investments to the Department of Veterans Affairs. These investments enhance the agency's ability to conduct its business to reach more veterans in order to maximize veteran benefits that federal, state, and local governments and non-profits provide.
- Investing significant resources towards family affordable housing. Additionally, the budget provides funding for additional grants for the Court Appointed Special Advocate's program, and the Oregon Commission for Voluntary Action and Service.

- Working with the Oregon Workforce Investment Boards and the Local Workforce Investment Boards to update WorkSource Centers in communities throughout Oregon. WorkSource Centers are a critical link connecting businesses and workers.

Oregon Business Development Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	3,842,479	8,371,867	19,048,619
Lottery Funds	129,621,500	117,636,290	144,071,688
Other Funds	18,380,783	77,605,374	185,500,561
Federal Funds	24,904,462	38,841,307	39,477,743
Other Funds (Nonlimited)	259,589,335	222,341,005	260,772,180
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$436,338,559	\$464,795,843	\$648,870,791
Positions	129	135	144
FTE	126.05	131.88	141.74

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 and entrepreneurs. Functionally, Business Oregon is organized into the following divisions:

- Shared Services/Central Pool – Includes the Directors Office, Employee Services, Fiscal and Budget Services, Strategic Services and the Technology Project Office.
- Business, Innovation, Trade – Promotes business retention, growth, and job creation.
- Infrastructure Finance Authority – Assists communities to build infrastructure capacity.
- Film and Video – Recruits and facilitates film and television production throughout the state.
- Arts – Increases access to cultural participation and experiences that promote lifelong learning for Oregonians.
- Lottery and General Obligation Bond Debt Service – Used to track the payment of Lottery and General Obligation Debt Service.

GOVERNOR'S BUDGET

The Governor's Budget for Business Oregon is \$648.9 million total funds. This is a 39.6 percent increase from the 2013-15 Legislatively Approved Budget. The largest share of this increase is the result of issuing new General Obligation and Lottery Bonds to make strategic investments assuring infrastructure stability for schools and emergency services buildings and to capitalize new and existing programs which provide Oregon communities and businesses with access to capital.

Major investments include:

- General Obligation Bond proceeds, \$70.0 million, for the seismic retrofitting of schools.
- General Obligation Bond proceeds, \$30.0 million, for the seismic retrofitting of emergency service buildings.
- Lottery Bond proceeds, \$28.0 million, to respond to critical statewide public works and regional infrastructure needs through the recapitalization of the Special Public Works Fund.
- Lottery Bond proceeds, \$15.0 million, to provide incentives that afford conservation benefits and encourage the retention and creation of jobs in Oregon through a Working Forest and Farms Finance Initiative.
- Lottery Bond proceeds, \$10.0 million, to enhance access to capital for rural infrastructure projects and to drive job creation in rural communities through an Oregon Infrastructure Opportunity Program.
- Lottery Bond proceeds, \$7.0 million, to address assessment and cleanup of contaminated industrial/employment properties through the recapitalization of the Brownfields Redevelopment Fund.
- Lottery Bond proceeds, \$1.5 million, for the alternative fuels lab at Linn-Benton Community College.
- Establishment of a Natural Resource Transformative Technology Grant Program to further economic development by facilitating the development of natural resource industries and technologies, and encouraging quality job growth in Oregon.
- Investments through the Oregon Innovation Council to promote research and innovative technology to develop and drive the state's innovation strategy and advance Oregon's economy.
- Investments in Regional Solutions, an innovative collaborative approach to community and economic development in Oregon which integrates state agency work and funding to ensure that projects are finished as quickly and cost-effectively as possible.
- Investments in the Industry Competitiveness Fund to proactively and strategically target and respond to time-sensitive opportunities in industries with high growth and statewide economic significance.
- Support for innovation initiatives tied to linking university assets with industry needs and the acceleration of fast growing companies that will benefit from the cross disciplinary research and development base fostered by universities and their federal partners.
- Support for ongoing implementation of the state's policy and implementation commitments made under the three-state Pacific Coast Collaborative Energy and Climate Plan.

REVENUE SUMMARY

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

These resources are expended under both Limited and Nonlimited expenditure authority. The Nonlimited authority is mainly for expenditures related to bonds and revolving loan fund activities.

AGENCY PROGRAMS

Shared Services/Central Pool

The Shared Services program includes the Directors Office, Employee Services, Fiscal and Budget Services, Strategic 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 \$10.8 million total funds. This is a 13.7 percent increase from the 2013-15 Legislatively Approved Budget and includes investments in Regional Governance and West Coast Strategies. Program funding comes primarily from Lottery Funds, but it also relies on Other Funds assessed against agency programs. The program operates with 38 positions.

As part of the Improving Government Outcome Area in the 10-Year Plan for Oregon, the Shared Services/Central Pool program assists other agency programs achieve their programmatic missions in a cost effective manner.

Business, Innovation, Trade

The Business, Innovation, 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 \$130.6 million total funds. This is a 34.1 percent increase from the 2013-15 Legislatively Approved Budget, driven by new investments. The program is primarily supported by direct Lottery Funds, but also receives Federal Funds and Other Funds. Federal Funds support the Brownfields sub-program and State Small Business Credit Initiative grant. Other Funds are from loan principal and interest repayments, loan and service fees, investment interest earnings and miscellaneous receipts. The program operates with 64 positions.

Investments in the Governor's Budget for Business, Innovation, Trade include recapitalization of the Brownfields Redevelopment Fund, the establishment of a Natural Resource Transformative Technology Grant Program, Investments in the Oregon Innovation Council, the Industry Competitiveness Fund, support for Innovation Initiatives and support for ongoing implementation of the state's policy and implementation commitments under the three-state Pacific Coast Collaborative Energy and Climate Plan.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Business, Innovation, Trade program promotes business retention, growth and job creation in the state. In the upcoming biennium, the program expects to create 4,000 and retain 10,000 jobs and return \$37 million in revenues to the state General Fund.

Infrastructure Finance Authority

The Infrastructure Finance Authority assists communities 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 \$421.2 million total funds. This is a 47.8 percent increase from the 2013-15 Legislatively Approved Budget, driven by investments. The program is funded by Other Funds from revolving loans, initially capitalized with lottery-backed bond sales, Safe Drinking Water Act funds transferred in from the Oregon Health Authority and Federal Funds for the Community Development Block Grant program. The program operates with 31 positions.

Investments in the Governor's Budget in the Infrastructure Finance Authority include seismic retrofitting of schools and emergency service buildings, recapitalizing the Special Public Works Fund, creating a Working Forest and Farms Finance Initiative, establishing an Oregon Infrastructure Opportunity Program, and continued investments in Regional Solutions.

As part of the Economy and Jobs Outcome Area, the Infrastructure Finance Authority leverages private dollars for investments in local infrastructure. In the upcoming biennium, the program expects to finance 60 planning projects for infrastructure improvements, 40 construction projects for public health and safety, and 50 construction projects for future economic and community development.

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 among the industry 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 \$1.2 million total funds. This is a three percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations. 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.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan, the Film and Video office works to grow the film and video industry within Oregon. The growth of this industry brings teams of construction workers, highly skilled technicians, many talented professionals, and new capital into Oregon.

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 \$14.4 million total funds. This is a 2.7 percent decrease from the 2013-15 Legislatively Approved Budget, which is the result of one-time funding in the prior 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 11 positions.

The Governor's Budget makes an investment to provide the program with additional resources to improve compliance with rules governing public art, improve relations with customers, and to reduce the wait time for project leadership in public art projects. By promoting arts education, the Arts program supports the Education Outcome Area in the 10-Year Plan for Oregon and plays a key role in learning and career readiness.

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 \$70.7 million total funds. This is a 24.2 percent increase from the 2013-15 Legislatively Approved Budget, which is driven by new bond financing. Funding to repay debt service comes from the General Fund and Lottery Funds. The program does not include positions.

This program aligns with the Economy and Jobs Outcome Area by tracking and facilitating the debt service payments from bonding, which provides capital for agency programs and initiatives.

Employment Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	109,943,193	127,704,596	108,618,079
Federal Funds	171,190,409	168,973,715	158,875,848
Other Funds (Nonlimited)	1,544,709,275	1,634,912,351	1,520,129,120
Federal Funds (Nonlimited)	1,471,745,386	264,035,745	94,832,000
Total Funds	\$3,297,588,263	\$2,195,626,407	\$1,882,455,047
Positions	1,514	1,347	1,158
FTE	1,426.05	1,286.63	1,122.53

OVERVIEW

The mission of the Oregon Employment Department is to support business and promote employment. There are three programs that comprise the Employment Department:

- Unemployment Insurance Division— Oversees the Unemployment Insurance program, which provides wage replacement income to workers who are unemployed and meet program requirements, thereby helping workers to meet their financial obligations when looking for a new job.
- Business and Employment Services— Connects Oregon employers and job seekers.
- Workforce and Economic Research—Collects, estimates, analyzes, publishes and distributes much of the economic and workforce information that Oregonians, businesses and policy makers need to make educated, sound economic decisions.

The Department is part of a broader statewide workforce development system. The Oregon Workforce Investment Board provides direction for the Department's strategic and business plans. As Oregon's economy continues to change, collective action is needed to assure businesses are able to find workers with the right skills to support future growth, increase productivity, and improve prosperity for individual Oregonians. Achieving this will require active participation by all segments of business, labor, state and local government. The Department's partnership with Local Workforce Investment Boards has initiated a series of forums throughout the state to better understand the state's workforce needs. This information is helping to guide development of the Employment Department's strategic plans.

The Employment Department is within the Economy and Jobs Outcome Area of the 10-Year Plan for Oregon. The Department coordinates with local governments and the private sector as they strive to assist in the development of a dynamic, resilient workforce that will be attuned to Oregon priorities.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Department is \$1,882.5 million total funds. It includes \$108.6 million Other Funds, \$158.9 million Federal Funds, \$1,520.1 million Other Funds Nonlimited and \$94.8 million Federal Funds Nonlimited. This is a 14.3 percent decrease from the 2013-15 Legislatively Approved Budget. The budget includes 1,158 positions which support all agency programs.

The Governor's Budget transfers \$37.9 million from the Supplemental Employment Department Administration Fund to the General Fund. The transfer supports packages in the Higher Education Coordinating Commission's budget for youth employment, incumbent worker training, restructuring of ongoing workforce programs, and a portion of the Community Leverage Fund.

REVENUE SUMMARY

The Employment Department receives funding from both federal and dedicated state sources; the Department does not receive state General Fund. The Department receives increased federal funding during economic downturns, but is underfunded during economic expansions. From 2009 to 2013, the Employment Department received increased federal funding; this increased funding has now ceased, and funding has returned to a much lower level.

The U.S. Department of Labor provides the Department with federal funding through a variety of programs. The majority of funds come through Unemployment Insurance and a number of re-employment related programs. The Unemployment Insurance program funds are derived from employer payroll taxes collected by the Internal Revenue Service. Many of the federal programs that fund the agency have formulas that do not include inflationary increases thereby resulting in a decline over time in the value of moneys being transferred.

Other Funds revenue comes from various employer related activities. One source is Employer Unemployment Taxes that are derived from state payroll taxes collected by the Department and held by the U.S. Treasury. These funds are continuously appropriated by Congress, and used for the payment of Unemployment Insurance benefits only.

The Supplemental Employment Department Administrative Fund is the next largest Other Funds resource. These funds are diverted from taxable payroll at a rate of 0.09 percent and used to support the Department's administrative expenses. The Supplemental Employment Department Administrative Fund is budgeted in the Business and Employment Services and Workforce and Economic Research divisions. The Supplemental Employment Department Administrative Fund makes up approximately 53 percent (\$72.4 million) of the funding budgeted to support operational costs in the 2015-17 biennium.

In 2009, Congress provided a special distribution (one-time only funding) from the Federal Unemployment Trust Fund to states under the Assistance for Unemployment Workers and Struggling Family Act. The Unemployment Insurance Modernization Fund can be expended under strict U.S. Department of Labor guidelines. The agency has planned to use these funds to support their information technology infrastructure upgrades, since 2009. The Employment Department is planning to spend \$7.5 million of this fund during the 2015-17 biennium.

AGENCY PROGRAMS

Unemployment Insurance

The Unemployment Insurance program provides wage replacement income to workers who are unemployed and meet program requirements, thereby helping workers to meet their financial obligations when looking for a new job. Eligible claimants receive benefits on a weekly basis.

The Unemployment Insurance program is a federal-state partnership. It insures workers against wage loss, employers against loss of a trained workforce, and communities against economic loss associated with unemployment. Every dollar of Unemployment Insurance program benefits paid to unemployed workers produces two dollars of increased economic activity.

Funding for the program comes from a payroll withholding tax. The balance of the Unemployment Insurance Trust Fund represents the ability to pay future benefits. It is designed to grow during good economic times and draw down during an economic recession.

Primary cost drivers of the Unemployment Insurance program are the number of people unemployed, the length of time they stay unemployed, and the number of employers in the state. In 2013, the Unemployment Insurance Tax section within the Unemployment Insurance Division collected \$1.7 billion in payroll taxes. Overall, 216,000 workers claimed benefits and received \$700 million in state benefits and \$370 million in federally funded benefits.

The Governor's Budget for this program is \$143.7 million total funds. This is a 3.0 percent decrease from the 2013-15 Legislatively Approved Budget. The budget funds 629 positions.

Business and Employment Services

Business and Employment Services connects Oregon employers and job seekers. The division has a network of 36 offices located around the state, which provide job listing and referral services. The program provides training and reemployment to workers adversely affected by foreign trade, and assists Oregon companies in securing tax credits for hiring individuals with barriers to employment.

Unemployment Insurance claimant reemployment is a key program strategy and Reemployment and Eligibility Assessment is a vital component. On average 1,000 claimants attend a Reemployment and Eligibility Assessment interview each week.

The program typically serves over 10,000 employers and close to 500,000 job seekers annually. The demand for these services from job seekers fluctuates with the business cycle. Currently, demand has returned to pre-recession levels. Current economic conditions emphasize the need for collaborative efforts across workforce and economic development partnerships to address local business needs.

The program also provides services to other programs, which generally focus on a specific subgroup of job seekers. One such program is the Work Opportunity Tax Credit program, which provides incentives for specific target groups including: recipients of Temporary Assistance to Needy Families; Food Stamp recipients ages 18 through 39; qualified ex-felons; vocational rehabilitation referrals; Supplemental Security Income recipients; and veterans (recent food stamp recipients, unemployed, or disabled veterans).

Based on the current level of Work Opportunity Tax Credit applications, \$50 to \$60 million in tax credits are projected to be ongoing. In addition to the Work Opportunity Tax Credit program, the division administers:

- Trade Adjustment Act program for workers who have lost their jobs due to foreign trade
- Preferred Worker Program for qualified Oregon workers who have had permanent disabilities due to on-the-job injuries that prevent their return
- First Source Hiring Agreement providing business incentives to hire individuals from publically funded job training or labor exchange providers
- Foreign Labor Certification program, for administering Temporary Agriculture and Temporary Non-Agriculture certificates
- Migrant and Seasonal Farm Workers program, to provide employment outreach to farmworkers
- Self-Employment Assistance program, to assist claimants likely to exhaust their benefits
- Federal Bonding Program, which provides fidelity bonds to job seekers that are otherwise non-bondable, primarily ex-offenders

Business and Employment Services will be working with the Oregon Workforce Investments Boards and the Local Workforce Investment Boards to remodel and update the WorkSource Centers' outdated physical design and capacity of each facility. Improving customer access and flow is expected to support client service expectations, increase customer access to services and improve performance outcomes.

The Governor's Budget for this program is \$108 million total funds. It represents a 2.8 percent increase from the 2013-15 Legislatively Approved Budget. The budget funds 467 positions and supports existing programs.

Workforce and Economic Research

The Workforce and Economic Research division collects, estimates, analyzes, publishes and distributes much of the economic and workforce information that Oregonians, Oregon businesses and Oregon policy makers need to make educated, sound economic decisions. The analyses help to explain current economic conditions, and to forecast future economic conditions and workforce trends. These analyses are necessary in determining the success of policies aimed at producing "a diverse and dynamic economy that provides jobs and prosperity for all Oregonians."

The Research division serves all of Oregon, providing information for counties and workforce areas and serving as the local economic and workforce experts for local Workforce Investment Boards, businesses, elected officials, job seekers, and public agencies scattered across the state. The division functions as the home agency for Oregon's workforce Performance Reporting Information System, which monitors workforce development. The division has an ongoing collaborative relationships with state and local entities relating to education (K-12 through university), social services, and economic development.

The division not only collects key data, but provides a wealth of information to many stakeholders. In the 2013-15 biennium, the division:

- Responded to more than 9,000 customer information requests. The largest requestor is private sector businesses
- Provided more than 350 presentations to nearly 12,000 participants
- Distributed more than 400,000 reports and publications. Oregon *CAREERS* is the most widely distributed publication, along with the *Around the State* weekly publication and *Labor Trends* series
- *QualityInfo.org* received more than 700,000 visitors and nearly 10,000 blogs

The Governor's Budget for this program is \$15.7 million total funds. It represent a 3.0 percent decrease from the 2013-15 Legislatively Approved Budget. This budget funds 62 positions and maintains current services.

Nonlimited

Nonlimited funds include unemployment tax collections, Trust Fund interest earnings, and federal revenues that are used to pay the Unemployment Insurance program and associated benefits to qualified applicants who are seeking work. Nonlimited funds also include Federal revenue used to pay benefits related to federal training programs such as the Trade Adjustment Assistance Program, and for reimbursement of Unemployment Insurance program benefits paid to federal workers. Federal Funds are also deposited into the Federal Unemployment Trust Fund for payment of various federal unemployment benefit and training programs.

The Governor's Budget is \$1,614.9 million total Nonlimited funds, which represents the distribution of benefits to individuals and a projected ending balance of \$3,134.2 million in the Unemployment Insurance Trust Fund. This represents a 15.0 percent decrease from the 2013-15 Legislatively Approved Budget.

The Governor's Budget transfers \$37.9 million from the Supplemental Employment Department Administration Fund to the General Fund. The transfer supports packages in the Higher Education Coordinating Commission's budget for youth employment, incumbent worker training, restructuring of ongoing workforce programs, and a portion of the Community Innovation Fund.

Housing and Community Services

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	16,374,753	19,401,247	15,738,955
Lottery Funds	10,464,680	9,428,966	11,931,835
Other Funds	131,786,323	138,522,567	240,659,404
Federal Funds	155,310,950	117,493,813	118,933,006
Other Funds (Nonlimited)	634,042,969	927,328,360	938,043,926
Federal Funds (Nonlimited)	107,148,727	108,000,000	112,320,000
Total Funds	\$1,055,128,402	\$1,320,174,953	\$1,437,627,126
Positions	209	169	130
FTE	191.97	150.33	126.00

OVERVIEW

The Oregon Housing and Community Services Department (OHCS) works to provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunities for Oregonians. The Department was created in 1991, when the Legislature merged the Oregon Housing Agency with State Community Services. OHCS 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, homeless 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, as well as grants and tax credits to promote affordable housing.

GOVERNOR'S BUDGET

The Governor's Budget for the Department is \$1,437.6 million total funds which includes \$15.7 million General Fund and \$11.9 million Lottery Funds, and 130 positions. This is an 8.9 percent total funds increase from the 2013-15 Legislatively Approved Budget. This budget makes a major investment in family affordable housing, as well as provides continued funding for the Oregon Foreclosure Avoidance Program, the Emergency Housing Account and the State Homeless Assistance Program. Additionally, the budget provides a General Fund enhancement to the Oregon Commission for Voluntary Action and Service and an enhancement to grants for the Court Appointed Special Advocates program.

REVENUE SUMMARY

The Department receives a small amount of General Fund for Safety Net related programs, and Lottery Funds for debt service. However, most of the Department's programs are funded with either Federal or Other Funds. The Department, largely as a result of decreasing Other Funds revenue, began a strategic planning process to explore alternative service delivery models for agency operations; to improve long-term fiscal sustainability; and to create a new model of state governance, service delivery and community partnerships. This budget supports those efforts to implement a new model of state governance and improved service delivery.

The Department has historically subsidized the administrative costs of its non-bond related housing and community services programs with earnings from the various mortgage revenue bond indentures. These indentures are no longer generating a long-term sustainable source of revenue for the Department and most of the assets in the Department's other indentures are reserved for securing bond ratings and protecting against potential defaults. The reorganization plans and a revenue reduction package are bringing OHCS more in line with its revenue sources.

AGENCY PROGRAMS

Safety Net Programs

The Safety Net Programs are aimed at preventing and ending homelessness. The programs provide services which include providing access to emergency shelter, transitional and permanent housing, rental assistance and other homeless prevention services. These categories are intended to help individuals stabilize their housing, as well as achieve greater economic stability and self-sufficiency. The two main categories in this area are (1) homeless programs and (2) rental assistance programs, both of which are delivered statewide by community action agencies. This budget moves what used to be the third category, food programs, to the Department of Human Services.

The Governor's Budget for Safety Net Programs is \$39.7 million total funds which includes \$11.2 million General Fund, \$11.1 million Other Funds, and \$17.5 million Federal Funds. The funding for this division continues support for existing programs. While the budget represents a 5.6 percent decrease from the 2013-15 Legislatively Approved Budget, it is exclusively a result of moving the OHCS Food Programs to the Department of Human Services, and is not a cut of services or funds. The Safety Net Programs are funded by General Fund, Other Funds (including document recording fees, interest, etc.), and Federal grant funds from the U.S. Department of Housing and Urban Development, and the U.S. Department of Health and Human Services.

In recent years Oregon's poverty rate has escalated. Poverty is the leading cause of hunger and homelessness, both of which pose significant short- and long-term health risks among adults and children. As part of the Healthy People Outcome Area within the 10-Year Plan for Oregon, the Department's Safety Net Programs help to ensure that all Oregonians have access to decent housing which meets their basic needs, helps them connect to other community-based self-sufficiency resources, and sets them on a path to reach their full potential.

Energy Assistance and Weatherization Programs

Energy Assistance and Weatherization Programs mitigate high energy costs, address health and safety risks, and improve energy efficiency in the homes of low-income Oregonians. Services include utility bill payment assistance, health and safety improvements, heating system repair and replacement, energy conservation services, base load measures (including replacement of inefficient appliances and lighting) and energy conservation education. This division is split into two areas – Low-Income Energy Assistance Programs and Low-Income Weatherization Assistance Programs. Both of these programs are administered and delivered statewide by community action agencies.

The Governor's Budget for Energy Assistance and Weatherization Programs is \$124.2 million total funds which includes \$47.9 million Other Funds and \$76.3 million Federal Funds. The funding for this division continues support for existing programs. These programs are funded from various Federal

grants (i.e. Low Income Home Energy Assistance Program from the U.S. Department of Health and Human Services) and through Oregon's Public Purpose charge as well as additional funds collected by Oregon's investor-owned utilities which are dedicated for low-income electric bill payment assistance through ORS 757.612(7).

As part of the Healthy People Outcome Area within the 10-Year Plan for Oregon, these programs ensure all Oregonians have access to decent housing which meets their basic needs and allows them to reach their full potential. This is achieved by helping households maintain utility services, address home health and safety issues, as well as tackling high home energy costs among low-income Oregonians.

Multifamily Rental Housing Programs

The Multifamily Rental Housing Programs provide financing for a continuum of rental housing options for low-income and fragile Oregonians. This includes grants and loans to enable the development of new housing units, rehabilitation of existing housing units, preservation of affordable housing projects with project-based Section 8 and Rural Development rental subsidies, and administration of the U.S. Department of Housing and Urban Development rental assistance contracts with private owners.

The Governor's Budget for Multifamily Rental Housing Programs is \$195.5 million total funds, which is a 13.5 percent increase over the 2013-15 Legislatively Approved Budget. The funding for this program includes a substantial investment of \$100 million Other Funds (\$15 million in lottery-backed bonds and \$85 million in Article XI-Q bonds), which will be targeted primarily to providing increased housing inventory for homeless families with children. Oregon cannot meet any of its long-term health or education goals when children are homeless, and Oregon should find the very idea of homeless families to be unacceptable.

The state, as a financier of housing, can and should play a larger role in addressing this need, in partnership with local Housing Authorities, Centers for Disease Control and Prevention, and non-profits who build and operate low income housing and meet the needs of homeless families. The \$85 million in Article XI-Q bonds are budgeted in the Department's Capital Construction budget structure, but have been included here to highlight this critical policy priority and its impact in meeting the goal for the 10-Year Plan for Oregon. In addition to receiving the bond proceeds discussed above, these program's are funded through Other Funds resources including tax credits, loan repayments from the Department's revolving loan funds, Oregon's public purpose charge (for multifamily weatherization projects), document recording fees, charges for services and the Housing Finance Account. Additionally, the Multifamily Rental Housing Programs receive Federal Funds from the U.S. Department of Housing and Urban Development for both the Section 8 program and the HOME Investment Partnership Program.

As part of the Healthy People Outcome Area, these programs help to ensure access to decent, accessible, stable housing. This is accomplished through the administration of federal and state-funded multifamily rental housing resources. OHCS facilitates the increased availability of safe, decent, affordable housing for low-income Oregonians by providing its resources and capital financing sources to community-based and private-sector housing developers. The outcomes of these programs include the production of new units and the acquisition and rehabilitation of existing units that house people experiencing poverty including elderly, disabled, and low-income families with children.

Single Family Housing Programs

The Single Family Housing Programs provide financing and services that increase homeownership, provide home buyer education, support foreclosure avoidance, and stabilize residential neighborhoods. OHCS achieves these objectives by offering affordable, at or below market rate residential loans to qualified first time homebuyers. The Residential Loan Program uses a network of lenders to finance residential loans under the program guidelines. OHCS invests in and purchases these loans from the lenders using mortgage revenue bonds (see description in Bond-Related Activities). Economic conditions and financial markets affect the success of mortgage revenue bond financed loans. In recent years, historically low conventional mortgage interest rates slowed the use of this program, as tax-exempt rates have been higher than conventional rates and financial markets affect the success of mortgage revenue bond financed loans. This program also offers down payment assistance to first time, low- and moderate-income homebuyers. The Single Family Housing Programs also contain the Manufactured Communities Resource Center, which provides mediation services to manufactured dwelling park residents and owners. The program aims to provide impartial assistance to resolve disputes between park owners and tenants outside of the court process.

The Governor's Budget for Single Family Housing Programs is \$7.9 million total funds which includes \$1.0 million General Fund, \$4.3 million Other Funds, and \$2.6 million Federal Funds. This represents a 28 percent decrease from the 2013-15 Legislatively Approved Budget. The funding for this division continues support for existing programs. The Department received a one-time General Fund appropriation in 2013-15 for the Foreclosure Avoidance Program, a program that was created in response to the specific circumstances of the 2008 economic collapse, originally with one-time funds related to the crisis (the national bank settlement in 2012). This budget provides \$1.0 million General Fund in order to ramp down this crisis-driven program and provide, for the short term, some level of ongoing state response. Single Family Housing Programs' primary source of funding comes from proceeds of bonds sold by the Department. The programs also receive funding through document recording fees and manufactured dwelling assessment and park registration fees. The main source of federal funding is through the National Foreclosure Mitigation Counseling Program.

As with the Department's other programs, this division is part of the Healthy People Outcome Area. The Single Family Housing Programs help to ensure access to decent housing by expanding access to decent, affordable homeownership and by aiding housing stability through an array of foreclosure prevention and homeowner education programs.

Oregon Homeownership Stabilization Initiative

The Oregon Home Stabilization Initiative (OHSI) is a foreclosure prevention program assisting at-risk homeowners to avoid 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. Oregon is one of 18 states and the District of Columbia awarded funds because of the severe impacts suffered during the economic recession. The OHSI program administers the Hardest Hit Funds program under contract with the Oregon Affordable Housing Assistance Corporation, a non-profit 501(c)(3). This non-profit was formed at the direction of the U.S. Treasury. The Department's budget consists of expenditures necessary to administer the contract with the Oregon Affordable Housing Assistance Corporation. This corporation receives funding directly from the U.S. Treasury for direct service delivery.

The Governor's Budget for OHSI is \$1.8 million other funds. This represents a 54.3 percent decrease from the 2013-15 Legislatively Approved Budget because the majority of funds have been obligated and the program has begun to wind down.

As part of the Healthy People Outcome Area within the 10-Year Plan for Oregon, this program also ensures housing stabilization. The overall goal of the Hardest Hit Funds program is to stabilize the housing market through foreclosure prevention activities. Oregon received a \$220 million Hardest Hit Funds program award in 2010, and must expend all of these resources by 2017. These programs include the Mortgage Payment Assistance Program, Loan Preservation Assistance Program, Loan Refinancing Assistance Pilot Project, and the Rebuilding American Homeownership Assistance Pilot Project. Through these programs, Oregonians hard hit by the economic downturn are provided financial assistance to help prevent foreclosure.

Oregon has obligated nearly all of its Hardest Hit Funds program award and is continuing to offer assistance through two of the programs. To date, more than 10,500 homeowners have been served, and the vast majority of assisted households have been able to retain their home even 24 months after exiting the program. The agency expects to close all programs early in the biennium and is actively working to manage wind-down, which accounts for a decrease in staff positions.

Oregon Volunteers Commission

This is a newly created budget structure within the Department's budget. This structure was created to provide a more transparent budget structure for the Oregon Commission for Voluntary Action and Service. This program currently exists within the Department's Central Services unit. The Commission was established in accordance with the federal National and Community Service Trust Act of 1993. The Commission promotes and supports AmeriCorps, volunteerism, and civic engagement in order to strengthen Oregon communities. The Commission receives federal funding from the Corporation for National and Community Service. Additionally, the Court Appointed Special Advocate (CASA) program moved to the Oregon Commission for Voluntary Action and Service due to legislative action taken in 2012. Judicially-appointed CASA volunteers advocate for abused and neglected children, ensuring they do not get lost in the overburdened legal and social service system or languish in inappropriate group or foster homes. This is a critical service for abused and neglected children.

The Governor's Budget for Oregon Volunteer programs is \$11.8 million total funds which includes \$3.6 million General Fund, \$3.2 million Other Funds, and \$5.0 million Federal Funds. This budget moves all funding for the Commission (funding, staff, and commission members) from the Department's Central Services structure into its own program structure. The budget enhances the CASA program with an additional \$0.9 million General Fund for grant purposes to better meet the needs of children across Oregon. The budget also enhances the Oregon Volunteers program with additional General Fund (\$250,000) to provide the Commission with the ability to become more sustainable in meeting its state and federal obligations.

The Commission will receive the first year of additional funding (\$125,000), with the second year of additional funding set aside in a Special Purpose Appropriation to the Emergency Board. The intent is that the Commission will engage in a public process between the 2015 and 2016 Legislative Sessions to report back in 2016 to the Legislature with a report and recommendations as to whether the Commission shall: (1) remain as an entity within the Housing and Community Services Department; (2) move to a different state agency; (3) be set up as a stand-alone small agency; or (4) move to Portland

State University. The remaining General Fund enhancement of \$125,000 is expected to be added back for the second year, in line with the February 2016 recommendations from the Commission.

Central Services

Central Services includes the Director's office, Public Affairs, and the Business Operations division. The Business Operations division provides essential business services that support the agency's leadership and workforce to achieve the Department's mission. The Business Operations division consists of the Administrative Services, Asset Management, Finance, Debt Management, Human Resources, and Information Technology sections. Work performed in these sections ensures accountability, stewardship of resources, and includes facilities management, program compliance and monitoring activities, all aspects of the agency's budget, contracts and grants, financial operations, management of the bond indentures and related activities, human resources activities, and maintaining information technology systems.

The Governor's Budget for Central Services is \$19.8 million total funds which includes \$15.8 million Other Funds and \$3.9 million Federal Funds. The funding for this program continues support for existing programs. While the budget represents a 28.2 percent total funds decrease from the 2013-15 Legislatively Approved Budget, it is exclusively a result of moving Oregon Volunteers Program to its own budget structure within the Department. The agency will continue its participation in shared services workgroups convened by the Department of Administrative Services exploring ways in which the sharing of administrative functions between agencies has the potential to improve service delivery with existing resources.

Bond Related Activities

The Oregon Housing and Community Services Bond Related Activities program, as a part of the Healthy People Outcome Area, provides safe and affordable rental housing to low income Oregonians, and provides opportunities for first-time homebuyers to finance their 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. This program mechanism is used to expend funds related to OHCS bond financed loan programs. 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 related activities is \$234.0 million Other Funds. The funding for this program continues support for existing programs in Multifamily Rental and Single Family Housing programs.

Capital Construction

This is a newly created budget structure within the Department's budget created to expend Article XI-Q bond proceeds for new family affordable housing, targeted primarily at homeless families with children. These expenditures must be made as a capital outlay and as such are budgeted here. However, the bond proceeds will be used within the Multifamily Rental Housing program to develop, construct, acquire, or renovate affordable housing for low- and very-low-income Oregonians.

The Governor's Budget is \$85 million Other Funds to be derived through the sale of Article XI-Q bonds.

Bond Debt Service

The Department's Bond Debt Service program repays investors and other parties the obligations owed on the outstanding debt issued by the agency to finance various loan program activities. These loan programs provide safe and affordable rental housing to low-income Oregonians, and provide opportunities for first-time homebuyers to finance their mortgages at below-market interest rates.

The Governor's Budget for Bond Debt Service is \$718 million total funds which includes \$11.9 million Lottery Funds and \$706.1 million Nonlimited Other Funds. This represents a 3.9 percent total funds increase over the 2013-15 Legislatively Approved Budget.

Oregon Department of Veterans' Affairs

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	6,394,644	9,600,742	13,370,086
Lottery Funds	0	0	0
Other Funds	53,357,640	50,400,107	81,473,806
Federal Funds	26,702,288	300,000	1
Other Funds (Nonlimited)	152,151,905	335,225,000	318,333,710
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$238,606,477	\$395,525,849	\$413,177,603
Positions	94	83	88
FTE	93.20	82.13	88.00

OVERVIEW

The Oregon Department of Veterans' Affairs (ODVA), with new leadership in 2013, developed a new plan to create a more robust agency focused on serving Oregon veterans and their families. The new plan includes a foundational vision, mission and values. The vision is for veterans and their families to thrive in Oregon; the mission is for ODVA to serve and honor veterans through leadership, advocacy and strong partnerships; and the values by which the agency will accomplish the vision and mission are respect, integrity, stewardship and excellence. The Department has four major operational functions: the veteran home loan program; veteran services; two veteran homes (The Dalles and Lebanon); and its core operations that provide support to and enhance the other functions.

GOVERNOR'S BUDGET

The Governor's Budget represents a 4.5 percent total funds increase from the 2013-15 Legislatively Approved Budget (LAB). With respect to General Fund, the budget represents a 39.3 percent increase over the LAB, a large portion of which (\$2.1 million) is related to debt service for the newly constructed Veterans' Home in Lebanon. The increase in General Fund above the debt service requirements is for enhancements to provide the Department with resources to accomplish their newly created vision, mission and values. The budget has 88 positions, five positions more than the 2013-15 LAB. The budget provides key investments to enhance the agency's ability to conduct its business and conduct outreach to more veterans to maximize veteran benefits that federal, state, local governments and nonprofits provide.

REVENUE SUMMARY

The Department funds its programs with a mix of General Fund (3.0 percent of total funds) and Other Funds (97.0 percent of total funds). On occasion the Department receives a small amount of Federal Funds from grants. The most significant Other Funds sources are: veteran loan repayments; dedicated general obligation bond proceeds; fees from the conservatorship program and loan-related services, rent from leasing space within the Veterans' building; funding received from the U.S. Department of Veterans' Affairs for Veterans Homes (as well as Medicare and Medicaid reimbursements); and

investment earnings. The Veterans' Loan Program funds have been used for many years to fund both the Loan Program and to support the Veterans' Services Program. The Department has sufficient Other Funds revenue to maintain the operations of the Department during the biennium. However, due to investment yields in the current economic environment, the Department is expected to draw on program reserves during the biennium.

AGENCY PROGRAMS

Loan Program

The Veterans' Loan Program, created in 1945 through the adoption of Article XI-A of the Oregon Constitution, provides low-interest rate mortgages on single-family owner-occupied homes to qualified veterans. Oregon is one of only five states that has 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. Federal tax law allows the Department to finance a loan with tax-exempt financing to any veteran discharged within the past 25 years. In November 2010, Ballot Measure 70 passed allowing an amendment to the Oregon Constitution to make the Veterans' Home Loan program a life-time benefit, but there are limited resources of funding available to those veterans who apply for a home loan more than 25 years after leaving active duty service.

The Governor's Budget for the Loan Program is \$15.0 million Other Funds. The Loan Program has increased production during the 2013-15 biennium and the Department anticipates the trend will continue. As of June 30, 2014 the Department's loan portfolio consisted of approximately 1,934 loans totaling more than \$214 million. The budget supports enhancing the Loan Program with the addition of a position to address the increased loan demand. Additionally, the budget supports an investment to modernize the Loan Program's information technology systems.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, this program promotes home ownership and the local economy at multiple levels. From the builders and construction workers who construct the homes, to the realtors and mortgage brokers that market and qualify borrowers for the homes, the title company employees and bank employees who fund the loans, and the actual borrower who needs employment for a paycheck to pay the mortgage – jobs are provided and prosperity is enhanced when housing purchases are made.

Veterans' Services Program

The Veterans' Services Program is responsible for providing advocacy and benefits to veterans, their dependents, and survivors. The program provides benefits counseling, claims and appellate representation, certification and training for Veterans' Service Officers in counties and national service organizations, conservatorship services, educational assistance, emergency financial assistance, and other service delivery partnerships across the state. The division is the front line for all 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 in 34 of the state's counties and participating national service organizations. The Department finances the County Veterans Service Officer positions with a base amount and an amount based on the veteran population of the county. The agency headquarters is in Salem and directly serves

veterans in Marion and Polk Counties and serves other veterans throughout the state when requested to do so. In addition, Department employees assist veterans and County Veterans Service Officers throughout the state on preparing or reviewing appeals of denied veteran claims.

The Governor's Budget for Veterans Services is \$11.5 million total funds (\$10.8 million General Fund and \$0.8 million Other Funds). The budget continues the investment made in the previous biennium to move veteran claim related functions to the General Fund in order to preserve the Oregon War Veterans Fund (Loan Fund) for loans in future biennia. This is accomplished through the reclassification of several positions within the Veterans' Services Program and through shifting some Veterans' Service Program expenditures off the Loan Fund and onto the General Fund. The budget continues the Veterans Extended Outreach Grant Program established in 2013 as a competitive grant process for the 24 County Veterans' Services Offices to (1) serve veterans statewide to the greatest effect; (2) improve outreach to veterans; (3) better inform veterans of their benefits; and (4) file more claims on behalf of veterans. The Veterans Extended Outreach Grant Program, in the 2013-15 biennium, resulted in a 16 percent increase (just for a five-month observation period comparing the same five months between 2013 and 2014) in the number of Powers of Attorney filed on behalf of Oregon veterans. The budget also enhances the Veterans' Services Program through the addition of two new positions to mobilize partnerships across all forms of government (federal, tribal, state, and local) and non-profit organizations, especially within the arenas of education and employment, and health and wellness.

Oregon's current veteran population is estimated at 322,000 Oregonians. The Department currently holds Powers of Attorney for nearly 86,000 Oregon Veterans. As a part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Veterans' Services Program has helped to more than double (since 2003) the amount of money received by Oregon veterans. From 2012 to 2013, the amount increased by \$400 million. According to the U.S. Department of Veterans' Affairs, in Fiscal Year 2013, Oregon veterans received more than \$1.1 billion in compensation and pension payments (approximately \$92 million per month), \$128 million in education and readjustment benefits, and more than \$959 million in health care benefits.

To Oregon veterans, benefits enable them to be productive and self-sufficient citizens. Disability compensation is awarded for both physical and mental injuries incurred while serving their country, which helps pay mortgages and other bills and works to provide access to Federal Veterans' Affairs health care services.

Oregon Veterans Home Program

The Oregon Veterans Home Program provides the state's most vulnerable veterans and their families with skilled nursing, Alzheimer's and memory-related and rehabilitative care in an environment understanding the unique needs of the men and women who served our country in uniform. Currently, there are two facilities located in Oregon, one in The Dalles and one in Lebanon, which opened in October 2014. Care at Oregon's Veterans Homes is an earned benefit available to veterans, their spouses, and parents who had a child die while serving in the United States Armed Forces. To be eligible for this benefit, qualifying veterans must have served as defined by the U.S. Department of Veterans' Affairs and received an honorable discharge from their branch of service. The U.S. Department of Veterans' Affairs provides a daily per diem for veteran residents to offset the cost of care. Recent federal legislation allows veterans who are disabled due to their military service (with a service-connected disability rating of 70 percent or more) to have their full daily cost of care at State Veterans' Homes

paid for by the U.S. Department of Veterans' Affairs. The ODVA contracts with Veterans Care Centers of Oregon, a non-profit organization, for the day-to-day operation of the facility. The contract followed the state's competitive procurement process and has resulted in the delivery of award-winning high quality care to veterans.

The Governor's Budget for the Oregon Veterans Home Program is \$68.3 million total funds (\$2.6 million General Fund for debt service, the remaining \$65.7 is Other Funds). The budget provides the necessary resources and staff to operate both the current facilities in The Dalles and Lebanon, but eliminates Debt Service related to a third veterans home in Roseburg because a study regarding the need for a third veterans home will be released late in 2014 for discussion during the 2015 Legislative Session.

Through our nation's promise to care for its veterans and as part of the Healthy People Outcome Area in the 10-Year Plan for Oregon, the Oregon Veterans' Home Program offers a veteran benefit that not only costs significantly less than other private nursing care facilities or in-home care arrangements where significant care is required, but also employs federal benefit dollars to flow into Oregon through reimbursement for cost of care, Veterans' Affairs healthcare, and grants to facilitate safety and health upgrades to the homes.

Nonlimited Program

The Nonlimited program provides the loan and bond expenditures related to the Loan Program. The expenditures consist of loan-related expenditures including loans made, 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. Additionally, bond related costs for planning and issuing bonds, including bond counsel and attorney fees, State Treasury bond fees, and fees relating to preparing bond disclosure documents are Nonlimited. This program also contains the Nonlimited expenditures for debt service related to the sale of those bonds.

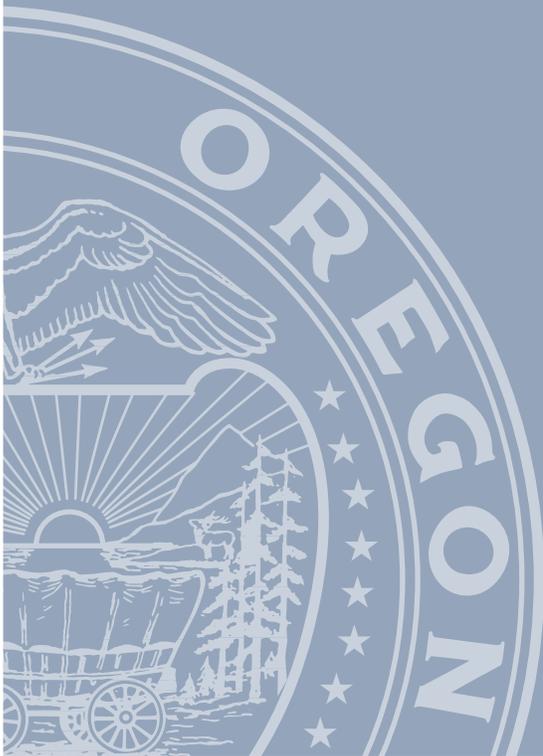
The Governor's Nonlimited budget for the Oregon Department of Veterans' Affairs is \$318.3 million total funds. The budget provides the resources necessary to support the Department's Loan Program.

As this program is the primary source of funding for home loans to Oregon veterans, it is part of the Economy and Jobs Outcome Area, which promotes home ownership positively impacting the local economy at multiple levels.

NATURAL RESOURCES

Program Area and Agency Information

SECTION F



NATURAL RESOURCES AGENCIES

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Natural Resources Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	133,771,297	211,941,067	207,739,705
Lottery Funds	160,649,358	168,608,490	170,681,775
Other Funds	707,944,727	992,452,864	915,221,126
Federal Funds	263,938,685	281,920,838	284,338,854
Other Funds (Nonlimited)	251,424,392	313,543,334	288,339,349
Federal Funds (Nonlimited)	0	1	104,000
Total Funds	\$1,517,728,459	\$1,968,466,594	\$1,866,424,809
Positions	5,331	5,349	5,361
FTE	4,300.91	4,338.14	4,299.09

OVERVIEW

All Oregonians deserve to live, work and play in a healthy environment—Oregon’s farms, forests, rangelands, waters and natural resources provide the foundation for healthy communities and long-term prosperity. The Natural Resources program area encompasses the work of 14 natural resource agencies across 30 programs, and represents 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 sustains our Oregon’s communities, Oregon’s economy and Oregon’s natural treasures.

The link between a sustainably managed environment and Oregon's long-term prosperity has never been more clear. Oregon's population is projected to increase by 500,000 people by 2020. Rapid population growth is coupled with new environmental challenges such as a climate change, which impacts snow-pack dependent water supplies, water quality, wild fire risk and severity and forest health and resilience. In the face of these environmental challenges, Oregon's natural resource agencies are focusing on strategic initiatives to improve water and air quality, conserve, protect and restore key watersheds, improve forest and rangeland health, reduce exposure to toxics, build great communities, increase the effectiveness and efficiency of natural resource management and position Oregon for emerging resource challenges. Balancing conservation with the role of resource-based industries in bringing prosperity in rural communities, the strategies also work to maintain and expand employment in some of the most impoverished areas of our state.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Natural Resources Program Area is \$1,866.4 million which includes \$207.7 million General Fund, and \$170.7 million in discretionary and Measure 76 Lottery Funds. While the Governor's Budget generally maintains existing program levels across the Natural Resource Program Area, it prioritizes working farms and forests, water quality and sustainable resource management and includes the following key investments and innovations.

- *Working Forests and Farms.* The Governor's budget invests significant funds to develop new tools and partnerships to conserve working farms and forests. Productive, well-managed farms and forest operations can both strengthen rural communities and improve the environment. This initiative continues the work begun in the 2013-15 biennium to invest in Federal Forest Restoration through locally-based collaboratives that accelerate the pace and scale of federal forest management, providing a sustainable supply of timber for our mill infrastructure and creating jobs in impoverished areas of the state, while also reducing the risk of wildfire and enhancing the ecological health of these forests. A new area of focus is implementation of Oregon's All Lands All Threats Sage Grouse Plan. This initiative includes funding directed at limiting several of the major threats to sage grouse: rangeland wildfires and invasive grasses and juniper.
- *Clean Water Partnership.* The budget invests \$6.3 million in resources across several agencies to complete new tools to quantify trends in watershed health and water quality. Those tools will be used to direct existing federal and state conservation funding to areas where it will result in the greatest improvements in water quality and watershed health, document the successes of well-managed lands, and identify where additional efforts are needed to make our waters safe for all of the many public benefits they provide. This initiative will also build successful market-based programs that avoid costly investment in water and wastewater treatment systems, by creating markets for additional conservation improvements in Oregon's watersheds.
- *Integrated Water Resources Strategy.* The budget invests \$51.6 million to continue the work begun in 2013-15 to develop an important new statewide program for water resources development. The policy foundations for this program are nearing completion, and in the meantime many areas of the state have begun to identify long-term infrastructure needs relating to water supply, including demand management and watershed restoration. The Governor is proposing to invest in all three stages of this program: place-based planning – where local interests work collaboratively to identify long-term needs and priorities; project feasibility –

where local solutions are taken from the conceptual stage to specific proposals; and project finance – where the state partners with local interests and others to carry out projects that meet identified needs, by completing the policy and rule foundation of the program and focusing on regional and local, place-based processes to identify key water resource issues, needs and solutions. These efforts are located throughout the state, including the Umatilla, Deschutes, Willamette, Rogue and Klamath River basins.

In addition to these three key initiatives, the Governor’s Budget also address a number of more specific issues and challenges:

- *The Public Schools Grant Program.* The Governor’s Budget invests \$13.5 million in lottery bonds proceeds that will be used to provide grants to public school districts to invest in energy efficiency and clean energy improvements in local schools, creating employment while reducing energy demand. By providing energy savings to schools, this initiative frees up dollars that can be directed to educational needs.
- *Columbia River Gorge Commission.* The budget invests \$768,028 to restore Gorge Commission capacity to coordinate local, state and federal efforts to address emerging economic and environmental challenges in the Gorge. The addition of planning staff will enable the Commission to eliminate a permitting backlog of 12 to 18 months and update the Gorge Management Plan—ensuring the long-term health of the Gorge. The addition of a resource specialist will increase engagement with Columbia River Treaty tribes, facilitate a regional assessment of recreation and tourism, coordination of regional initiatives and convening of regional stakeholders on emerging issues, including coal and oil transport by rail, invasive species, air quality monitoring, risk of fire in the wildland-urban interface and regional economic development.
- *Lower Columbia River Fisheries.* The budget continues Oregon’s investment in developing alternate commercial fishing opportunities in the lower Columbia River so that the gillnet fishery can be relocated off of the main stem of the Columbia River. Anglers in the lower Columbia pay an additional endorsement fee to contribute to the costs of these efforts, which supplement the investment of General Fund dollars.
- *Resilience to Hazards.* The Northwest continues to experience a variety of natural hazards that threaten public safety and community resources. The budget contains a series of investments in seismic, landslide, flooding and other hazard programs, all of which are directed at identifying key risks and potential solutions.

In the 2015-17 biennium the Natural Resource Program area faces some fiscal challenges. Under Measure 76 the people of Oregon invest fifteen percent of lottery proceeds in the Parks and Natural Resources Fund. In the coming biennium the projected forecast for lottery revenues appears likely to decline. Agencies that receive this funding, Oregon Parks and Recreation Department, Oregon Watershed Enhancement Board, Department of Agriculture, Department of Environmental Quality, Oregon Department of Fish and Wildlife, and the Oregon State Police Division of Fish and Wildlife will be managing within those constraints. In addition, the Oregon Department of Fish and Wildlife is facing a significant budget shortfall, largely as a result of declining participation in hunting and angling. The Governor’s Budget addresses these issues in the short term, but in the longer-term more lasting solutions need to be developed.

The Governor’s Budget for the Natural Resources program area ties to the following key strategies in the Ten-Year Plan for Oregon:

Improve Air and Water Quality

Oregon must act decisively to reverse negative trends in air and water quality. After years of progress, the rate of improvement has declined or flattened. The percentage of streams with significantly deteriorating water quality is on the rise, and more communities are in violation of federal air quality standards. While Oregon has succeeded in reducing greenhouse gas emissions contributing to global warming, substantial reductions are still needed to meet the state’s goal of cutting emissions below 1990 levels.

The Governor’s investments in the Clean Water Partnership and Rangeland Fire Protection will improve air and water quality.

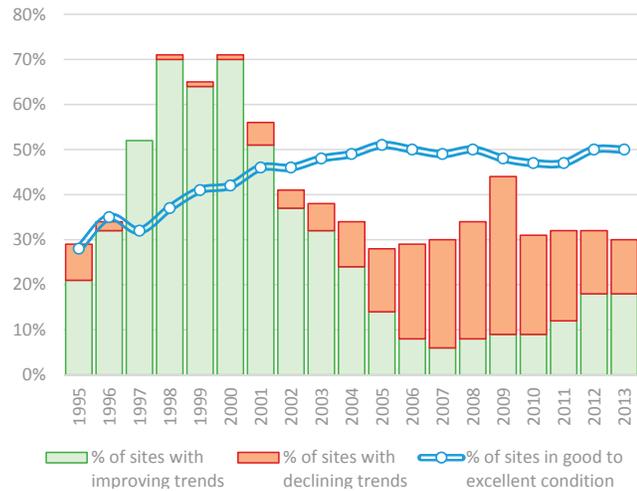
Conserve and Restore Natural Habitats

Restoring degraded natural resources has the potential to stimulate substantial job growth. However, restoration efforts should not come at the expense of maintaining existing high-quality habitats.

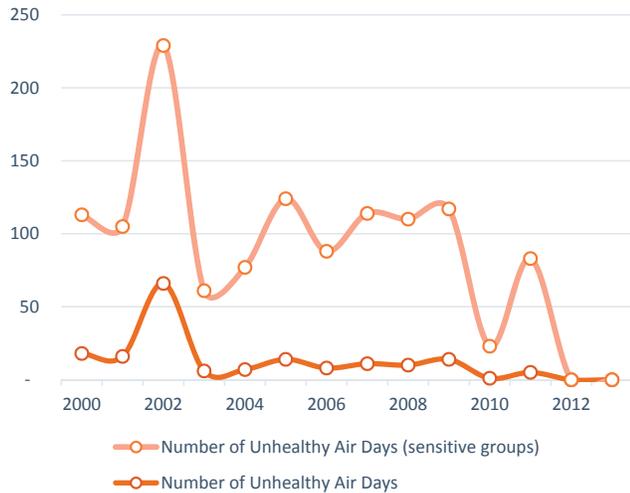
The Governor’s investments will:

- Increase timber harvest from federal lands in manner that improves forest health, reduces wildfire risk, and takes pressure off private and state forestlands.
- Incentivize biomass production and other renewable energy sources and technologies.
- Address rural water resource challenges.

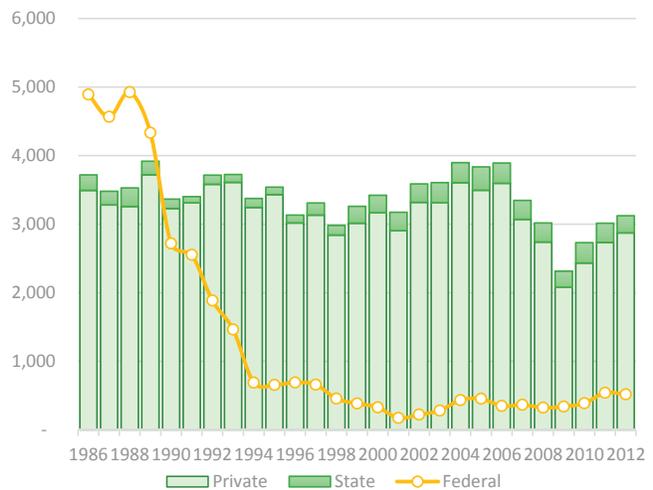
Oregon Water Quality Index



Air Quality



Oregon Timber Harvests (millions of board feet)



Oregon Department of Agriculture

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	12,134,881	19,460,351	23,740,197
Lottery Funds	7,199,518	6,473,272	6,346,795
Other Funds	50,402,029	55,589,067	58,544,483
Federal Funds	11,285,459	15,320,730	15,563,978
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$81,021,887	\$96,843,420	\$104,195,453
Positions	471	480	521
FTE	343.64	352.92	373.25

OVERVIEW

The Oregon Department of Agriculture (ODA) delivers services to enhance Oregon's economy as well as the environment in which we work and live. The threefold mission of the agency is to ensure food safety and provide consumer protection, protect agricultural natural resources, and to promote economic development in the agriculture industry. The agency operates four policy areas:

- Administration and Support Services – Manages the executive functions of the agency 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 \$104.2 million total funds. This is a 7.6 percent increase from the 2013-15 Legislatively Approved Budget. The budget enables the agency 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 makes a coordinated investment in Water Quality and provides ODA with resources to expand capacity for analyzing watershed conditions and use data to prioritize agency resources to improve water quality and restore watersheds. An investment is also made in ODA to control the introduction of noxious weeds, including grasses, into priority habitat for sage grouse. The Governor's Budget provides a stable funding base for the Oregon Invasive Species Council as well as a SageCon Invasive Species investment which will leverage other sources of funding for noxious weed control.

The Governor's Budget supports proposed legislation to clarify the agency's authority related to pesticide application, sale and labeling. This legislation would also increase existing penalty amounts for violations of pesticide laws.

REVENUE SUMMARY

The agency is funded by a combination of General Fund, Lottery Funds and Federal Funds. Other Funds make up the largest revenue component and include fees for licenses, registrations, inspections, certifications and reimbursements under federal service contracts. 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 several fee increases and newly established fees which will provide needed financial support for agency programs in the 2015-17 biennium. This includes the ratification of fees which were increased administratively in the 2013-15. Fee changes include increases for motor fuel metering devices, fertilizer registrations, nursery licenses and certifications, and the wholesale seed dealers license. New fees are established for the inspection of egg-laying operations and for tonnage fees in the fertilizer program.

AGENCY PROGRAMS

Administrative and Support Services

The Administration and Support Services program includes the Directors Office, the Information Office, and Administrative Services Office which manage the executive functions of the agency and provide related business, accounting, and technical support. The Governor's Budget for this program is \$10.5 million total funds. This is a two percent decrease from the 2013-15 Legislatively Approved Budget, which is the result of one time expenditures in the prior biennium. Funding for Administration and Support Services is comprised of General Fund and by transfers of Other Funds from the agency's three policy areas. The Governor's Budget makes an investment to maintain parity in the programs' funding. The program operates with 37 positions.

As part of the Improving Government Outcome Area in the 10-Year Plan for Oregon, the Administrative and Support Services program continually evaluates its processes and those of internal agency programs to improve service delivery and identify ways to provide effective and efficient services to internal and external customers.

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. The Governor's Budget for this program is \$31.7 million total funds. This is a 9.8 percent increase above the 2013-15 Legislatively Approved Budget, driven by investments. Funding for the program is primarily Other Funds with much smaller amounts of General Fund and Federal Funds. Other Funds revenue includes licensing fees, registration fees, and fees for service. The program operates with 181 positions.

Investments in the Governor’s Budget for Food Safety/Consumer Protection include enhancements to the agency’s lab services program, replacement of antiquated equipment in the weights and measures program, expansion of the Manufactured Food Regulatory Standards Program, and resources to assist in the implementation of Ballot Measure 91.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Food Safety/Consumer Protection Policy Area benefits Oregon’s economy by helping many of Oregon’s businesses gain and retain market access by meeting or exceeding domestic and international market expectations for safe foods and accurate measurements.

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. The Governor’s Budget for this program is \$37.1 million total funds. This is a 9.4 percent increase above the 2013-15 Legislatively Approved Budget, driven by investments. 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 program operates with 136 positions.

Investments in the Governor’s Budget for Natural Resources include providing resources to advance Agricultural Water Quality, funding for the Oregon Invasive Species Council, and investments in SageCon Invasive Species to control the introduction of noxious weeds, including grasses, into priority habitat for sage grouse.

The Natural Resource Policy Area is part of the Healthy Environment Outcome Area in the 10-Year Plan for Oregon. Through outreach, education, compliance monitoring, technical assistance, invasive species detection and eradication, weed control, and coordination with other states and federal natural resource agencies, the program helps landowners manage their lands in a manner that makes both economic and environmental sense.

Market Access, Development, Certification/Inspection Policy Area

The Market Access, Development, Certification/Inspection Policy Area assists Oregon’s agricultural producers to successfully sell and ship 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. The Governor’s Budget for this program is \$24.9 million total funds. This is a 6.6 percent increase above the 2013-15 Legislatively Approved Budget, driven by investments. 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 program operates with 167 positions.

The Governor’s Budget makes investments in Regional and Environmental Solutions to assist in project facilitation related to agriculture and also provides ODA with resources for the industrial hemp growers and handlers program.

The Market Access, Development, Certification/Inspection Policy Area is part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon. In many of Oregon's rural communities, agriculture is the primary job driver; this program works to create jobs by promoting and creating demand for Oregon agricultural products.

Columbia River Gorge Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	779,799	891,000	1,689,660
Lottery Funds	0	0	0
Other Funds	0	5,000	5,152
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$779,799	\$896,000	\$1,694,812
Positions	0	0	0
FTE	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 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 80 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 local, county, state, federal government, tribal, and other 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 that four 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 \$1.7 million total funds. This is an 89.2 percent increase from the 2013-15 Legislatively Approved Budget. The budget invests \$768,028 to restore and enhance Gorge Commission staff capacity and further internal and regional initiatives. The addition of planning staff will enable the Commission to eliminate a permitting backlog of 12 to 18 months and update the Gorge Management Plan—ensuring the long-term health of the Gorge. The addition of a resource specialist will increase engagement with Columbia River Treaty tribes, facilitate a regional assessment of recreation and

tourism, coordination of regional initiatives, convening of regional stakeholders on emerging issues. Emerging issues include coal and oil transport by rail, invasive species, air quality monitoring, risk of fire in the wildland-urban interface and regional economic development.

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 \$1.7 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 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 Scenic Area.

Commissioner's Expenses

The Commissioner's Expenses program provides for Oregon Commissioner's per diem, training and travel expenses. It also includes a portion of state government service charges for centralized services provided by the State of Oregon. The budget for Commissioner's Expenses is \$22,291 total funds.

Oregon Department of Energy

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	2,164,181	2,166,050	3,833,330
Other Funds	27,145,550	50,489,645	47,888,133
Federal Funds	31,841,586	2,977,118	3,091,351
Other Funds (Nonlimited)	109,732,447	176,018,807	140,840,333
Federal Funds (Nonlimited)	0	1	104,000
Total Funds	\$170,883,764	\$231,651,621	\$195,757,147
Positions	130	114	108
FTE	118.60	112.81	106.50

OVERVIEW

The Oregon Department of Energy's mission is to reduce the long-term cost of energy for Oregonians. The Department accomplishes this mission through the following programs:

- Planning, Policy and Technical Analysis – Develops state policy and goals relating to energy conservation, the development of alternative fuels and renewable energy resources.
- Energy Development Services – Administers 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.
- Nuclear Safety and Energy Emergency Preparedness – 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 energy hazards.
- Energy Facility Siting – Works with energy facility developers and operating energy facilities to meet the state's energy needs by ensuring large power plants, transmission lines and natural gas pipelines are built to meet Oregon siting requirements.
- Administrative Services – Includes the Director's office and Central Services Division and supports Oregon's Northwest Power Conservation Council members.

House Bill 2807 (2013) created an Energy Advisory Work Group, and directed the Department of Energy to provide the Work Group with information on its requested budget, legislative concepts and policy activities.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Energy is \$195.8 million total funds. This is a 15.5 percent decrease from the 2013-15 Legislatively Approved Budget. The Department's operational budget, is \$56.1 million; the balance is Nonlimited Other Funds which are associated with the Small

Scale Energy Loan Program. The Department has 108 positions, six positions fewer than the 2013-15 Legislative Approved Budget.

This budget continues the investment in the Governor's 10-Year Energy Plan by initiating the Public Schools Grant Program, encouraging innovation in biomass energy production, and requiring more accountability and transparency in the energy siting and energy incentives programs.

REVENUE SUMMARY

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

- application fees mainly associated with the Small Energy Loan Program and the Energy Incentive Programs;
- charges paid by consumers for the State Energy Efficient Design and Energy Facility Siting;
- the Energy Supplier Assessment (an annual assessment on Oregon energy suppliers); and
- federal Funds including grants from the U.S. Department of Energy.

The budget reflects fee changes in the energy incentive program and in the biomass energy program. It also reflects an increase in the Energy Supplier Assessment. Lastly, it includes \$4.4 million in reductions to streamline the effectiveness of the agency.

The Department receives Lottery Funds for debt service and receives Other Funds Nonlimited revenue through its Small Energy Loan Program, revolving loan program from bond sales, interest earnings and loan repayments.

AGENCY PROGRAMS

Planning, Policy and Technical Analysis Division

The Planning, Policy and Technical Analysis Division contributes to the Department's mission to reduce the long-term cost of energy for Oregonians, including environmental and public health. The division collaborates with the Department's other divisions and with stakeholders to help accomplish this mission and the goals of the Governor's 10-Year Energy Action Plan. The work falls into four strategic areas: demand-side management; supply, infrastructure and delivery systems; clean transportation; and resiliency and sustainability.

The planning program aligns with the 10-Year Plan for a Healthy Environment by investing in work that will reduce greenhouse gas emissions that contribute to climate change and by reducing air toxics levels in urban areas. The program also supports the goal of building cutting-edge communities by encouraging the use of local energy sources such as biomass, solar and geothermal energy.

The Governor's Budget continues funding for staff to continue leading energy initiatives including the new Public Schools Grant Program which will establish a grant program for kindergarten through twelfth grade public schools not served by the public purpose funds. The grants will be used for cost-effective energy saving projects in the schools.

Energy Development Services Division

The Energy Development Services Division administers financing and incentives for businesses, households and the public sector to reduce the cost of energy for Oregonians through conservation, energy efficiency, renewable energy and use of alternative transportation. The program stimulates economic development and creates jobs. Incentives include tax credits, rebates, renewable energy development grants and loans made by the Small-scale Energy Loan Program.

The program's budget aligns with the 10-Year Plan for Economy and Jobs by helping stimulate the economy, advance clean energy technologies, protect the environment and help contain energy costs for all Oregonians. The Governor's Budget establishes a pilot program to test an alternative implementation of the biomass producer or collector tax credit program.

Nuclear Safety and Energy Emergency Preparedness Division

The Nuclear Safety and Energy Emergency Preparedness Division protects Oregonians from exposure to hazards by monitoring and engaging in radioactive waste cleanup activities at the Hanford nuclear site, preparing and testing nuclear emergency preparedness plans, participating in emergency preparedness planning for Liquefied Natural Gas terminals; and overseeing the transport of radioactive material through Oregon. In addition, in times of petroleum shortages, the division implements the state's Petroleum Contingency Plan to ensure petroleum supply to emergency and essential services.

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 that 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 program's budget aligns with the 10-Year Plan Outcomes for Economy and Jobs and for a Healthy Environment. Energy projects create temporary jobs during the construction of new facilities and long-term jobs to operate newly-constructed facilities.

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

Administrative Services Division

The Administrative Services Division includes the Director's office, Central Services Division, the Governor's Energy Policy Advisor and the Northwest Power Conservation Council staff. The Central Services Division provides shared services for budgeting, accounting, payroll, contracting, federal grants management, information technology management, database development and management, and facilities, records, and risk management. The division also supports the Oregon members of the regional Northwest Power and Conservation Council, a federally established council which is directed to adopt a regional energy conservation and electric power plan and program to protect, mitigate and enhance fish and wildlife on the Columbia River and its tributaries.

Department of Environmental Quality

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	25,011,532	30,961,259	35,176,364
Lottery Funds	4,502,197	3,873,265	3,813,355
Other Funds	112,649,579	142,862,396	149,273,359
Federal Funds	28,811,248	28,010,107	28,600,660
Other Funds (Nonlimited)	109,364,580	127,290,278	127,264,767
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$280,339,136	\$332,997,305	\$344,128,505
Positions	732	720	741
FTE	714.92	704.87	723.73

OVERVIEW

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

- Air Quality – Regulates air pollutants, from certain sources, monitors pollutant levels, analyzes data, provides education and business assistance and enforces pollution laws.
- Water Quality – Monitors and regulates the discharge of wastewater from municipal and industrial sources, oversee residential septic systems, and works with forest, agricultural and other landowners to ensure water quality goals are met.
- Land Quality – Works to reduce hazardous and solid waste, regulates underground storage tank use, responds to hazardous substance spills and cleans up contaminated sites.
- Agency Management – Includes the Director's Office, public affairs, and management services. This area provides leadership, coordination and support for the agency, and coordinates with other natural resources agencies.
- Clean Water State Revolving Loan Program and Pollution Control Bonds.

GOVERNOR'S BUDGET

The Governor's Budget for DEQ is \$344.1 million total funds. This is a 3.3 percent increase from the 2013-15 Legislatively Approved Budget. Sixty-two percent of the Department's budget (\$213.0 million) is for operations; the balance is Nonlimited Other Funds, which are associated with the Clean Water Revolving Fund. The agency has 741 positions. This budget continues the investment in the Governor's 10-Year Plan by continuing a cross-agency initiative, the Clean Water Partnership, to assess the quality of Oregon's waters, and establish tools to direct public and private investments where they will provide the greatest water quality benefits. The budget also continues the expansion of air toxics monitoring to new areas of the state. The budget provides resources to begin a new materials management system to

address how solid waste is managed; and to implement internal process improvements that will result in more efficient and effective interactions with the public, local communities and fee payers.

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 fee increases in the Water Quality Permitting program, the Ballast Water program, the Oil Spill Prevention/Emergency Response program and a new Materials Management program.

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 Air Quality Program aligns with the 10-Year Plan for a Healthy Environment by developing and implementing clean air plans to meet federal standards, and reducing air toxics and greenhouse gasses. The program also coordinates with other partners investing in transportation and land use improvements that reduce air pollution.

Water Quality Program

DEQ's Water Quality Program assesses environmental conditions through monitoring and scientific analysis and sets water quality standards to protect health and assure our waters are also 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 manage 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 Water Quality Program aligns with the 10-Year Plan for a Healthy Environment by developing the tools to improve and protect Oregon's water quality through new monitoring and modeling methods that allow resources to be focused where they will yield the greatest benefits. The program also administers the Pesticides Stewardship Partnership, which protects public health in watersheds across Oregon. The program is working with industry and local communities to develop innovative and collaborative approaches to improving water quality that result in environmental benefits for less money, such as a water quality trading program.

The Governor's Budget has invested significantly in water quality: assessing Oregon's water, as well as developing consistent metrics and methods for planning, implementing, tracking and reporting on watershed restoration and evaluation activities.

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 Land Quality Program issues permits for facilities to ensure responsible management of solid waste and works with wastesheds to minimize the volume of solid wastes. The program maintains reports on the use of toxic substances and the generation of hazardous waste and provides technical assistance to businesses. Its 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 division also contains the ballast water program which seeks to control invasive species being introduced into Oregon waters by the ballast water of ships.

The Land Quality Program aligns with the 10-Year Plan for a Healthy Environment by helping to ensure healthy air, lands and waters for people, fish and wildlife. This program also aligns with the Economy and Jobs Outcome Area through its work with Business Oregon and Regional Solution Centers on the redevelopment of brownfield properties.

The Governor's Budget includes fee increases and General Fund investments to support the oil spill response program, and ballast water monitoring and enforcement which protects Oregon's waters from invasive species. It also invests \$1.4 million Other Funds to implement Materials Management Vision 2050, which seeks to change how solid waste is managed from the production of goods through the remaining supply chain.

Agency Management

DEQ's Agency Management 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.

Agency Management provides leadership and services to the agency's programs to ensure they are advancing the Governor's 10-Year Plan. The Governor's Budget invests \$1.1 million Other Funds in process improvement. The division will evaluate, update, document and implement major business processes with the goal of standardizing processes across department programs. This initiative is an outgrowth of DEQ's four-year effort to implement outcome-based management.

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.

Nonlimited Budget

The Nonlimited Budget program contains the agency'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. These projects include wastewater treatment facilities and upgrades, sewer replacement and rehabilitation, storm water controls, irrigation improvements and certain types of nonpoint source projects such as animal waste

management or stream restoration. Eligible agencies include tribal governments, cities, counties, sanitary districts, soil and water conservation districts, irrigation districts, various special districts and certain intergovernmental entities.

Revenues come from beginning balances, bond proceeds, loan repayments, and interest earnings.

Oregon Department of Fish and Wildlife

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	6,777,283	17,704,434	27,678,949
Lottery Funds	5,824,398	4,921,716	4,190,244
Other Funds	183,659,786	185,369,107	174,683,746
Federal Funds	108,741,697	134,778,425	138,895,412
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$305,003,164	\$342,773,682	\$345,448,351
Positions	1,501	1,520	1,471
FTE	1,227.36	1,258.99	1,195.85

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 agency operates three major programs

- **Fish Division** – This division has two program areas: Inland Fisheries, and Marine and Columbia River Fisheries, both of which are responsible for managing indigenous fish species to prevent their serious depletion and to provide the optimum recreational and aesthetic benefits for present and future Oregonians.
- **Wildlife Division** – This division has three programs: Wildlife Management, Habitat Resources, and Conservation. The division manages indigenous wildlife species to prevent serious depletion and to provide optimum recreational and aesthetic benefits for present and future Oregonians.
- **Administration** – This program includes the Director's Office and the Administrative Services, Human Resources, Information and Education, and Information Systems Divisions. This includes support for the Oregon Fish and Wildlife Commission and the Commercial Fish Permit Board.

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 agency property, such as fish hatcheries, and a Major Construction and Acquisition program which does not operate every biennium but is operating in the 2015-17 biennium.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Department of Fish and Wildlife is \$345.4 million total funds. This is a 0.8 percent increase from the 2013-15 Legislatively Approved Budget. The Department has 1,471 positions. The budget invests an increased level of General Fund in the Department to reflect declining participation in fishing and hunting, and ODFW's responsibilities to the general public to protect and conserve the environment for fish and wildlife species. The Department also provides

technical assistance for state energy facility siting, transportation, forestry, land use, waterway alteration, and natural resource damage assessment. That funding has primarily been directed towards maintaining staff in the field who work most closely with the resource and with the public.

The Governor's Budget continues the Columbia River Fish Management Reform effort initiated in the 2013-15 biennium with an investment of both General Fund and fees. It also invests Federal Funds in the purchase of a large tract of land on the Lower Deschutes River to preserve habitat for iconic species and improve access for hunters and the general public. The budget also increases funding for hunter education and outreach to encourage more Oregonians to enjoy and participate in one of Oregon's quintessential experiences.

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. Hunting and fishing participation is at the lowest levels in the last thirty years. The Governor's Budget includes a policy package, supported by proposed legislation that adjusts recreation fishing, hunting, trapping, occupational, and commercial fishing fees over the next six years. The proposed fees would become effective January 1, 2016 and most fees would adjust in two-year increments.

The agency also allocates a portion of Federal Funds to Other Funds to cover overhead administrative costs in compliance with federal requirements. Federal Funds revenues are received from 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, and Engineering and Facilities. The Governor's Budget for Inland Fisheries is \$152.6 million total funds. This is a 0.7 percent increase from the 2013-15 Legislatively Approved Budget.

The Hatchery program provides more than 70 percent of the fish harvested in the state's sport and commercial salmon, steelhead, and trout fisheries. Anglers generate significant economic value into the Oregon's economy, \$904 million biennially, and much of it is in rural areas.

The Inland Fisheries program manages freshwater fish resources consistent with the 10-Year Plan for a Healthy Environment directive to conserve and restore natural habitats, and ensure that fisheries

are sustainably managed, particularly for keystone and iconic species like salmon and steelhead. Sustainable fisheries contribute to the economic goals of the 10-Year Plan.

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 population in the Columbia and Snake River systems. The Marine Resources section manages marine species and habitats through research, fisher monitoring and policy. The Governor's Budget for Marine and Columbia River Fisheries is \$35.4 million total funds. This is a 4.4 percent decrease from the 2013-15 Legislatively Approved Budget.

The Marine and Columbia River Fisheries program aligns with the 10-Year Plan for a Healthy Environment by managing recreational, commercial fisheries, and marine wildlife species to be sustainable and stable resources. Without this program the recreational value to local communities would be diminished or in some cases eliminated. This would impact both the natural environment and numerous jobs could be lost, particularly in rural communities.

Wildlife Management

The Wildlife Management program is the primary vehicle for implementation of the North American Model of Wildlife Management. 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, U.S. Fish and Wildlife Services, and some counties on predator control efforts. The program leads the Wildlife Division on policy, budget, and management issues.

The Governor's Budget for Wildlife Management is \$58.8 million total funds. This is a 0.4 percent decrease from the 2013-15 Legislatively Approved Budget. The budget reflects an increase in fees beyond the initial estimates. The agency is planning to direct much of that funding to wildlife biologists.

This program aligns with the Healthy Environment Outcome Area within the 10-Year Plan by improving wildlife habitat and maintaining stable and sustainable populations of important wildlife species. The program also contributes to the Economy and Jobs Outcome Area by providing damage assistance to agricultural and forestry interests, and providing tourism opportunities.

Habitat Resources

The Habitat Resources program provides guidance for land use activities that affect fish and wildlife habitats. It offers technical assistance and tax incentives to private and public landowners to enhance the fish and wildlife habitat on their property and to ensure environmental protection standards are

met. It coordinates with other agencies to resolve land and water issues affecting fish and wildlife habitat. It also provides technical assistance for state energy facility siting, transportation, forestry, land use, waterway alteration, and natural resource damage assessment. As part of the multi-state Wildlife Corridors and Crucial Habitat Initiative, the Habitat Resources program has also developed a web-based source of mapped biological information of the western states to create a Decision Support System tool. The Oregon specific tool is called Compass. The Governor's Budget for Habitat Resources is \$3.8 million total funds. This is a 51.3 percent decrease from the 2013-15 Legislatively Approved Budget.

The Habitat Resources program aligns with both the Healthy Environment and Economy and Jobs Outcome Areas within the 10-Year Plan. The program works collaboratively with landowners and regulatory agencies to guide decisions on land use, removal-fill, mining, energy, transportation, and forestry issues, so that healthy habitats for Oregon's fish and wildlife are not harmed. The presence of healthy fish and wildlife populations, as noted above, have a positive fiscal impact on rural economies.

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 works to keep 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 Governor's Budget for the Conservation Division is \$8.4 million total funds. This is a 10.2 percent increase from the 2013-15 Legislatively Approved Budget.

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 Conservation program aligns directly with the 10-Year Plan for a Healthy Environment strategy of conserving and restoring natural habitats and showing improvements in at-risk habitats as identified by the Oregon Conservation Strategy. This program also links to the Economy and Jobs strategy by supporting job sectors such as agriculture, forests, rangeland and ecotourism.

State Police Enforcement

The agency 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. The division's primary responsibility is enforcement of fish, wildlife, and commercial fishing laws. It also enforces traffic, criminal, boating, livestock, and environmental protection laws in addition to responding to emergency situations. Thirteen members of the division are assigned to 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 Division at \$22.8 million total funds. This is a 2.6 percent decrease from the 2013-15 Legislatively Approved Budget. The Governor's Budget also invests \$5.2 million General Fund directly into the budget of the OSPFW to support seventeen fish and wildlife trooper positions. This direct investment reflects the broad role that OSPFW plays beyond enforcing fish and wildlife laws, and the role the troopers play in ensuring the safety of all Oregonians.

Administration

The Administration program provides support functions to the programs of the agency and includes the Oregon Fish and Wildlife Commission and Commercial Fishery Permit Board. Administration has recently devoted resources to improving its information technology to improve access and efficiency for staff and for its customers. ODFW also pays for its State Government Service Charges and other statewide charges from this program. The Governor's Budget for the Administration Division is \$50.5 million total funds. This is an 11.2 percent increase from the 2013-15 Legislatively Approved Budget. This increase is primarily tied to the increased investment of federal funds in education and outreach.

In response to a nationwide decline in participation in hunting and fishing the Information and Education Division has engaged in efforts that encourage Oregonians and out of state hunters and anglers to begin or continue hunting and fishing.

Revenues supporting the program are mostly Other Funds with a small but growing amount of Federal Funds and General Fund. Other Funds come from hunting and fishing licenses and tags, federal indirect cost recovery, and a small amount of donations and miscellaneous revenue. Federal Funds are received from the U.S. Fish and Wildlife Service to support Hunter Education and Angler Education. Federal Funds are matched with in-kind volunteer hours.

Administration provides leadership and administrative support for ODFW as it implements the 10-Year Plan for a Healthy Environment and Economy and Jobs.

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.

Capital Improvement

The Department implements capital improvement projects to maintain facilities and support fish restoration and enhancement projects throughout Oregon. ODFW has spent between \$3.0 million and \$10.0 million biennially since 2001 on capital improvement projects with at least 86 percent of the funds spent in local communities on contractors, employees and vendors.

ODFW groups capital projects into four categories: Fish Restoration and Enhancement (R&E); Deferred Maintenance; 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 in size and are typically funded as one-time projects using dedicated or contractually obligated revenue.

The Governor's Budget invests \$8.6 million total funds in capital improvements. This is a 12.6 percent increase from the 2013-15 Legislatively Approved Budget. Investments include maintenance in wildlife management areas, particularly as it impacts mule deer populations, and hatchery repairs and improvements.

Major Construction and Acquisition

ODFW's Major Construction and Acquisition program does not operate every biennium. It is activated if the agency has funding for a specific project. ODFW has proposed two projects for the 2015-17 biennium. First, repairs to the Willamette Falls fish ladders and, second, the acquisition of over 10,000 acres on the Lower Deschutes River which will become a wildlife management area. The Governor's Budget invests \$2.3 million in Federal Funds for these projects.

Oregon Department of Forestry

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	53,860,677	97,836,604	68,834,256
Lottery Funds	2,437,861	5,408,132	8,574,885
Other Funds	174,569,610	343,086,494	234,928,202
Federal Funds	24,526,686	34,108,167	31,678,698
Other Funds (Nonlimited)	0	0	10,000,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$255,394,834	\$480,439,397	\$354,016,041
Positions	1,181	1,200	1,208
FTE	863.16	871.72	887.16

OVERVIEW

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

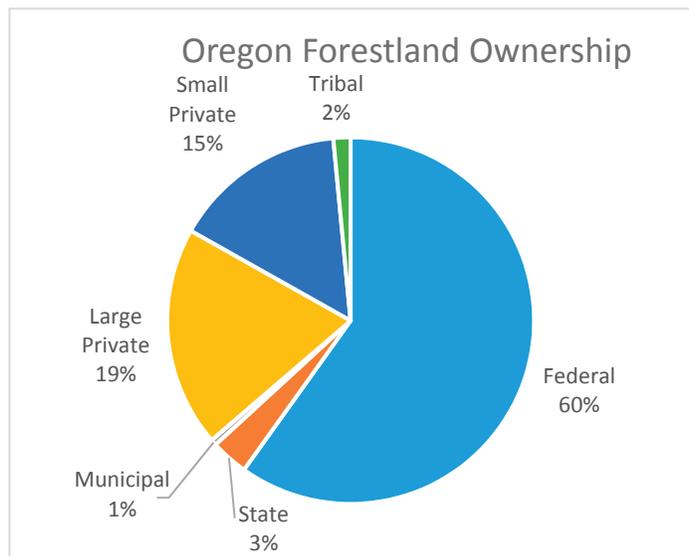
- Fire Protection – Provides fire protection on approximately 16 million acres of forest and rangeland through a complete and coordinated system.
- State Forests – Manages more than 800,000 acres of forestland owned by the Board of Forestry and the State Land Board.
- Private Forests – Administers the 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 \$354.0 million total funds. This is a 26.3 percent decrease from the 2013-15 Legislatively Approved Budget. The large decrease is the result of significant one-time costs for large wildfires in the 2013-15 biennium.

The Governor's Budget continues existing agency programs, and includes the following investments:

- Accelerates the pace and scale of federal forest management to provide



a sustainable supply of timber that maintains our mill infrastructure and creates jobs in impoverished areas of the state, while also reducing the risk of wildfire and enhancing the ecological health of these forests. Federal ownership accounts for 60 percent of Oregon's forestlands. Accelerating the restoration and management of these lands provides critically important economic social, and ecosystem benefits to rural communities in Oregon.

- Builds the capacity of local Rangeland Fire Protection Associations, which have front-line responsibility for wildfire protection on Oregon's private rangelands. This funding is a central component of Oregon's All-Lands All-Threats Sage Grouse Conservation Plan, which is playing a critical role in creating a stable platform for conserving sage grouse while also assuring the continued economic vitality of Eastern Oregon. As an important component of the Sage Grouse Plan, this investment links to related investments in other agencies involved in implementing the Sage Grouse Plan, including the Oregon Department of Fish and Wildlife, the Oregon Department of Agriculture and the Department of Land Conservation and Development.
- Sustains the operations of the State Forests program while the agency pursues and advances a revised Forest Management Plan and new business models to diversify revenue streams and improve the financial viability of this program. The State Forests program is a key source of funding for a number of Oregon counties.
- Promotes market opportunities for woody biomass. Effective woody biomass markets provide an important suite of benefits to Oregonians, including rural economic development, economic diversification, improved forest health, and the provision of homegrown low-carbon sources of energy and products. This investment will also support juniper removal in key areas of sage grouse habitat.
- Builds the capacity of the agency to participate with other partners in quantifying the conservation and economic benefits of investments in watershed restoration and changes in management under the Oregon Forest Practices Act. This investment is a key component of the Clean Water Partnership, a multi-agency initiative with other key partners, to bring new resources to improving the quality of Oregon's waters.
- Invests General Obligation Bond proceeds to restore and preserve the State Forester's Office Building, a historic structure that was constructed in 1938 and is on the National Register of Historic places.
- Invests General Obligation Bond proceeds to procure and implement an integrated Enterprise Purchasing and Procurement System. The Governor recognizes the agency's need to upgrade its procurement system and is interested in seeing the agency continue to engage the State Chief Information Officer and other agencies to pursue a shared service model that could become a statewide solution in the future.

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 agency. Federal Funds are received for a variety of fire program activities and they also support forest insect and disease control activities, and landowner assistance in the Private Forests program.

AGENCY PROGRAMS

Agency Administration

The Agency Administration program leads the agency by developing policy, coordinating programs, assessing forest resources, coordinating land use planning, managing information systems, and providing a wide range of administrative services. The Governor's Budget for this program is \$42.0 million total funds. This is a 34.8 percent increase from the 2013-15 Legislatively Approved Budget, driven by investments. The program is funded by General Fund, Other Funds and Federal Funds assessed against agency programs on a pro-rated basis by funding source. This program operates with 108 positions.

Investments in the Governor's Budget include funding targeted at increasing the pace and scale of federal forest management actions, funding for an integrated enterprise purchasing and procurement system, resources dedicated to advance the Governor's Working Forests and Farms initiative, and investments in restoring capacity in agency administration.

As part of the Improving Government Outcome Area within the 10-Year Plan for Oregon, the Agency Administration program provides leadership, policy development, and public involvement and supports the Board of Forestry. The program continuously evaluates its processes to improve service delivery.

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 range land. 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 and provinces. The Governor's Budget for this program is \$136.5 million total funds. This is a 52.1 percent decrease from the 2013-15 Legislatively Approved Budget, which is driven by one-time costs in the previous biennium related to large wild fires. The program is funded by a combination of General Fund, Federal Funds, and Other Funds. Other Funds are primarily generated from private forest landowner assessments. This program operates with 694 positions.

The Governor's Budget invests resources to support Rangeland Fire Protection Associations in eastern Oregon. Range fires are a key threat to sage grouse habitat in Oregon, as well as to the economic health of Oregon's ranching industry. In addition to investing in the Fire Protection program, the Governor's Budget also reserves \$5.1 million in a Special Purpose Appropriation in the Emergency Fund budget to pay for Severity Resources and catastrophic fire insurance premiums.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, the Fire Protection program protects a long-term supply of timber, improves forest and rangeland health, ensures communities are better prepared for catastrophic wildfire, and provides a stable platform for the forestry industry.

Equipment Pool

The Equipment Pool program manages a transportation pool and radio communications pool. The transportation pool includes approximately 540 pieces of equipment and the radio pool includes approximately 3,600 pieces of major radio equipment and provides support and engineering. The

Governor's Budget for this program is \$15.8 million total funds. This is a 2.5 percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations. Funding for the program comes from fees and assessments charged to equipment pool users. 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. The program operates with 29 positions.

As part of the Improving Government Outcome Area, the Equipment Pool provides equipment and logistical support for agency programs and field operations.

State Forests

The State Forests program manages more than 800,000 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, Gilchrist and Elliot, plus some scattered smaller tracts. About 85 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. The Governor's Budget for this program is \$92.3 million total funds. This is a 2.1 percent decrease from the 2013-15 Legislatively Approved Budget driven by one-time costs in the prior biennium for the purchase of the new Gilchrist State Forest. Other Funds generated from timber sales on lands managed by the agency is the programs' main funding source. The program operates with 258 positions.

The Governor's Budget provides financing to the State Forests program to sustain operations while the agency pursues and advances a revised Forest Management Plan and new business model to diversify revenue streams and improve the long-term financial viability of the program.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, the State Forests program provides a sustainable and predictable log supply. Logs harvested from state forestland contribute to the state's timber industry, while conserving inherent forest values.

Private Forests

The Private Forests program delivers a range of services to industrial, family-forest, state, local government, and some federal landowners. These services seek to maintain and enhance economic, social and environmental benefits derived from Oregon's forests. The Governor's Budget for this program is \$42 million total funds. This is a 15.6 percent increase from the 2013-15 Legislatively Approved Budget, driven by investments. Program funding is received from a number of sources. Administration of the Forest Practices Act is funded by a combination of 60 percent General Fund and 40 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. 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 program operates with 119 positions.

The Governor's Budget for the Private Forests program makes investments in Leadership and Facilitation for Biomass Use, the Clean Water Partnership, and supports and enhances the programs' new Electronic Notification System.

As part of the Healthy Environments Outcome Area, the Private Forests program helps landowners improve long-term forest stewardship and encourages economically efficient forest practices on privately owned land, while encouraging resource protection.

Facilities Maintenance and Management

The Facilities Maintenance and Management program is focused on facilities maintenance activities of the agency's 412 buildings located throughout Oregon. These facilities support a wide range of activities including administrative functions, fire fighter support and dispatch, fire engine and equipment storage, vehicle repair and fabrication, reforestation activities, radio communication sites and forest fire lookouts. The Governor's Budget for this program is \$5.2 million total funds. This is a 2.2 percent increase from the 2013-15 Legislatively Approved Budget, which continues program operations. Funding for the program comes from revenue transfers from the agency's operating programs. The program does not include positions.

As part of the Improving Government Outcome Area within the 10-Year Plan for Oregon, the Facilities Maintenance and Management program ensures that facilities are safe, energy efficient and provide the appropriate functional environment to meet the needs of the agency.

Debt Service

The Debt Service program funds the repayment of Certificates of Participation issued by the agency to fund Capital Construction projects. The Governor's Budget for this program is \$8.7 million total funds. This is a 21.7 percent increase from the 2013-15 Legislatively Approved Budget, driven by new bond financing. Revenues to pay debt service come from the General Fund, Lottery Funds, and Other Funds from the agency's operating programs. The program does not include positions.

This program aligns with the Economy and Jobs Outcome Area within the 10-Year Plan by tracking and facilitating debt service payments from bonding, which provides capital for agency programs.

Capital Improvement

The Capital Improvement program supports the agency by maintaining capital assets, improving the functionality of buildings, and renewing obsolete facility and system components. Capital improvement projects are those capitalized, 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. The Governor's Budget for this program is \$4.4 million total funds. This is a three percent increase from the 2013-15 Legislatively Approved Budget, which continues program operations. Funding for the program comes from revenue transfers from the agency's operating programs. The program does not include positions.

The Capital Improvement program aligns with the Improving Government Outcome Area by providing resources to maintain the agency's facilities as they age.

Capital Construction

The Capital Construction program provides funding for high-priority construction or acquisition projects exceeding \$1 million. The Governor's Budget for the program is \$7.0 million total funds. This is a 300.0 percent increase from the 2013-15 Legislatively Approved Budget, driven by new bond financing to restore and preserve the State Forester's Office Building. This is a historic structure that

was constructed in 1938 and is on the National Register of Historic Places. The program does not include positions.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, the Capital Construction program enables the agency to facilitate major construction or acquisition projects to meet current and future business needs.

Department of Geology and Mineral Industries

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	2,464,702	2,582,015	2,860,141
Lottery Funds	0	0	0
Other Funds	9,009,907	7,955,725	4,400,088
Federal Funds	3,894,652	4,429,263	1,429,502
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$15,369,261	\$14,967,003	\$8,689,731
Positions	53	50	45
FTE	48.59	49.20	22.08

OVERVIEW

Established in 1937, the Oregon Department of Geology and Mineral Industries (DOGAMI) contributes to the safety and prosperity of Oregonians through the collection and dissemination of geoscientific information and prudent regulation. Growing awareness of Oregon's geologic risks has increased demand for geoscientific information. Oregon is a state of varied geologic conditions, diverse geologic resources and one confronted by a range of geologic hazards. Geologic conditions coupled with population growth expose an increasing number of Oregonians to recurrent landslides and flooding, along with the prospect of tsunamis and the threat of an earthquake in the Cascadia subduction zone. Growing recognition of Oregon's geologic risk is evidenced in the *Oregon Resilience Plan* and calls for seismic retrofitting of public buildings.

The Department has two program areas:

- The Geologic Survey and Services Program produces geologic information in partnership with state, federal and local governmental natural resource and planning agencies. These geologic maps and reports inform the development of policy effecting the use of our lands and waters, guide responsible mineral development and mitigate risk of loss due to geologic hazards
- The Mineral Land Regulation and Reclamation Program is the lead regulator for geologic resources (oil, gas, geothermal energy, metallic and industrial minerals and sand and aggregate).

GOVERNOR'S BUDGET

The Governor's Budget is \$8.7 million total funds. The budget invests in increased LIDAR data acquisition and continues the Flooding Hazards Assessment Program, the Earthquake Hazard Mitigation Program and the Landslide Hazard Mitigation Program. While this is nearly a 42 percent decrease from the 2013-15 Legislatively Approved Budget, the figure only reflects funding for the first year of the biennium. Second year funding is contingent on the preparation of a plan to consolidate agency functions into one or more larger agencies. Agency consolidation will mitigate revenue instability, provide the Department with increased administrative support and reduce overhead. Additionally, agency consolidation will increase alignment between regulatory programs within the

natural resource program area. For example, there is already close coordination with the Department of Environmental Quality, under the federal Clean Water Act General Stormwater Permit and the State Water Pollution Control Facility Permit programs. Lastly, the agency will continue participation in shared services workgroups convened by the Department of Administrative Services in order to identify opportunities for shared administrative functions and improvement of service delivery within existing resources.

As for new investments, continued LIDAR data collection remains a Governor's priority. LIDAR is a remote sensing method that uses light in the form of a pulsed laser to measure ranges (variable distances) to the earth. These light pulses—combined with other data recorded by the airborne system—generate precise, three-dimensional information about the shape of the earth and its surface characteristics. LIDAR data not only enables advanced analysis of the risk of landslides and of tsunami and flood inundation, it also facilitates land use planning and natural resource management. Additional LIDAR data will further the Governor's Healthy Environment Initiative, Innovations in Water Quality Initiative and implementation of the *Oregon Plan* among other conservation strategies, through the collection of baseline data on environmental conditions at a landscape scale. Additionally, the budget invests in an array of fifteen seismometers currently installed in Oregon. The seismometer array will enhance monitoring of earthquake and volcanic hazards, contribute to an Earthquake Early Warning System in Oregon and Washington, enhance the research capabilities of University of Oregon faculty and strengthen Oregon's commitment to the Pacific Northwest Seismic Network.

Continued investments in the Flooding, Earthquake and Landslide assessment, hazard and mitigation programs will retain staff expertise necessary for the implementation of the *Oregon Resilience Plan*. Flooding is a widespread, common, and costly natural hazard in Oregon. The Flooding Hazards Assessment Program will continue to systematically inventory, map exposure to, and perform risk analyses for river and coastal flooding hazards using the latest science and state of the art mapping techniques. To address a lack of preparation and post-disaster resilience in the event of a Cascadia Subduction Zone earthquake, the Earthquake Hazard Mitigation Program will enable Oregon to undertake comprehensive assessments of the key structures and systems that underpin Oregon's economy. The program will evaluate the current seismic instrumentation program and coordinate with Regional Solutions Offices where seismic and earthquake hazards are a high priority for community resiliency and sustainability. Similarly, understanding where landslides are or could occur is essential for designing a sustainable transportation system, reducing damage to existing infrastructure and preventing increased sedimentation in fish habitat and drinking water systems. By identifying landslide potential along lifeline routes (roads that are essential to delivering supplies, equipment and help to impacted communities), steps can be taken to mitigate the landslide potential—ensuring these routes remain open in the aftermath of a natural disaster. Continued investment in the Landslide Hazard Mitigation Program, will enable systematic evaluation of statewide landslide risks in conjunction with state and local partners.

REVENUE SUMMARY

DOGAMI relies on a combination of General Fund, Other Funds and Federal Funds revenue sources. General Fund is used within the Geologic Survey program for much of the agency's administration and to deliver program services. Historically, 10 to 15 percent of Federal Funds revenue within the Geological Survey program was derived from grants requiring matching General Fund dollars. Other

Funds revenue is derived from publication sales, contracts, metal and aggregate mining fees and gas and oil fees.

AGENCY PROGRAMS

Geologic Survey and Services Program

The Geologic Survey and Services Program gathers geoscientific data and maps mineral resources and hazards. The program has prioritized geographic areas needing tsunami hazard mapping, landslide hazard studies, flooding hazard studies and earthquake risk mapping. The information is shared with state and local policy-makers for land use planning, facility siting, building code and zoning changes and emergency planning. Geologic Survey program staff are comprised of geologists, geomorphologists, engineers and GIS analysts. The program includes administrative staff that supports both its own activities and those of the Mineral Land Regulation and Reclamation Program.

The Geologic Survey program integrates field data with published studies, aerial photos and LIDAR in order to model, interpret and map the geography of risk and resilience. Combining hazard mapping with information about communities and built infrastructure, enables an assessment of the risk of future natural disasters. This information is essential for designing effective and affordable measures for the mitigation of risk, and for education and outreach activities that build a culture of preparedness and more resilient communities.

Mineral Land Regulation and Reclamation Program

The Mineral Land Regulation and Reclamation Program administers the Mined Land Regulation Act (1972) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction and development. In addition, DOGAMI has an agreement with the Oregon Department of Environmental Quality to implement the federal Clean Water Act General Stormwater Permit and the State Water Pollution Control Facility Permit at aggregate mine sites. The dual goals of the permitting program 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 guarantee through security bonding and reclamation plans that the disturbed area will be reclaimed to an approved secondary beneficial use at the end of mining. The Mineral Land Regulation and Reclamation Program is a field-oriented regulatory program, working with the industry and the public to minimize impacts of natural resource development and to optimize opportunities for reclamation. The program works to identify and mitigate potential violations and environmental impacts before resorting to costly enforcement actions and mine site downtimes.

Department of Land Conservation and Development

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	10,382,331	12,667,032	15,066,943
Lottery Funds	0	0	0
Other Funds	874,713	960,315	484,999
Federal Funds	5,617,444	6,014,070	6,260,925
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$16,874,488	\$19,641,417	\$21,812,867
Positions	57	61	65
FTE	55.13	57.68	62.26

OVERVIEW

The Department of Land Conservation and Development (DLCD) 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. DLCD has two programs:

- Planning Program – Provides planning guidance, technical assistance and encourages local planning that will support economic development, needed housing and protect natural resources.
- 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.

GOVERNOR'S BUDGET

The Governor's Budget for the Department of Land Conservation and Development is \$21.8 million total funds. This is an 11.1 percent increase from the 2013-15 Legislatively Approved Budget. The Department has 65 positions. The Governor's Budget increases the funding available for local land use planning activities and provides resources for the agency's role in the working forests and farms initiative and environmental solutions teams. DLCD will provide a position to lead the SageCon Governance and Implementation team. The budget also invests in sustainable transportation planning, information systems modernization and planning for natural hazards.

REVENUE SUMMARY

The agency is primarily funded with General Fund. It 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 may be affected by a 30 percent withholding to the Coastal Zone Management Act's 306 federal grant. The Department anticipates it will receive notification from the National Oceanic Atmospheric Administration in late January 2015.

Other Funds are a very 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 of DLCD and ODOT.

AGENCY PROGRAMS

Planning Program

The Planning Program helps communities and citizens plan for, protect and improve the built and natural systems that 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 Planning Program's budget aligns with the 10-Year Plan for a Healthy Environment's strategy to conserve and restore natural habitats and to build strong, sustainable communities. It also supports the 10-Year Plan for Economy and Jobs by investing staff and other resources in coordinating with local government and the private sector through its field and Regional Solutions and Environmental Solutions staff.

In the 2015-17 biennium, DLCD will continue its participation in shared services workgroups convened by the Department of Administrative Services to explore how the sharing of administrative functions between agencies has the potential to improve service delivery with existing resources.

Grant Program

The Grant Program distributes General Fund reimbursements to cities and counties to help with comprehensive plan development, plan amendments, and periodic review. The Department's grants to communities for land use planning activities are only partly represented in the Grant Program. Grants funded with federal revenue received under the Coastal Zone Management Act are housed in the Planning Program.

The Department works with 36 counties and 242 cities to plan for livable urban and rural communities, and to protect and conserve farm, forest, coastal lands and natural resources. The Governor's Budget increases grants available to local communities by \$500,000 for the biennium. The purpose of the Grant Program is to support the objectives of the Planning Program. The Grant Program supports the 10-Year Plan's strategies of conserving and restoring natural habitats and building strong sustainable communities.

Land Use Board of Appeals

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	\$1,319,536	\$1,573,758	\$1,784,624
Lottery Funds	0	0	0
Other Funds	61,346	87,401	28,641
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,380,882	\$1,661,159	\$1,813,265
Positions	5	6	6
FTE	5.00	5.75	6.00

OVERVIEW

The Land Use Board of Appeals (LUBA) was established in 1979 to provide prompt, professional and efficient resolution of land use issues—furthering the development of 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, subject to Senate confirmation. The board members serving on LUBA must be members of the Oregon State Bar in good standing.

LUBA's primary responsibilities include:

- Expedient resolution of land use appeals in a manner consistent with sound principles of judicial review.
- Publication of decisions as an authoritative resource to state and local legislators, land use professionals, city and county land use decision makers, property owners and the citizens of Oregon.

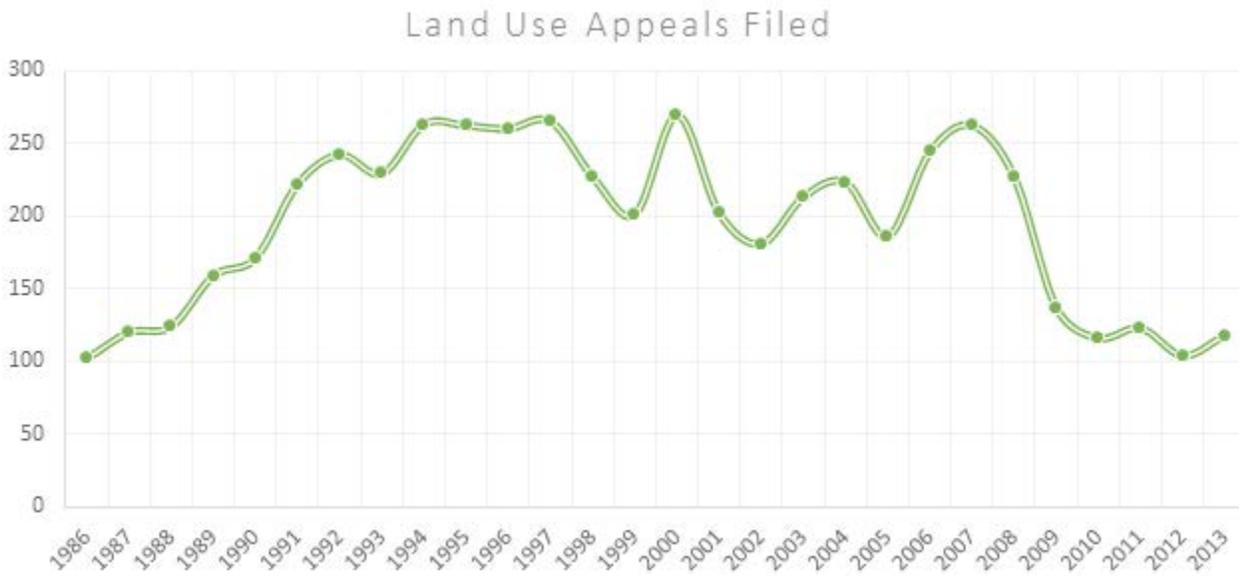
The board is supported by two administrative support staff and a staff attorney.

GOVERNOR'S BUDGET

The Governor's Budget is \$1.8 million total funds. This is just over a 9.2 percent increase from the 2013-15 the Legislatively Approved Budget (LAB). It funds six positions, a net increase of one-quarter of a position from the 2013-15 LAB. LUBA is linked to the Healthy Environment Outcome Area.

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 is influenced by economic activity, population growth and changes in land use policy. Between 1990 and 2009, the Board typically managed 200 appeals a year, with a peak of 262 filings in 2007, immediately preceding the Great Recession. With improvement in the overall economy, LUBA anticipates the number of appeals will return to historic averages. Restoration of the staff attorney position to full-time will reduce the prospects of a final opinion backlog

and ensure LUBA retains the capacity to promptly and consistently address an increasing number of complex land use disputes.



REVENUE SUMMARY

General Fund supports over 95.0 percent of LUBA’s core operations. The remaining 5.0 percent of Other Funds is derived from filing fees, publications sales and other miscellaneous fees. The Other Funds revenue generated from the in-house 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	681,266	0	0
Lottery Funds	0	0	0
Other Funds	24,318,252	30,563,139	32,674,769
Federal Funds	4,417,118	2,881,911	1,634,429
Other Funds (Nonlimited)	27,703,187	10,234,249	10,234,249
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$57,119,823	\$43,679,299	\$44,543,447
Positions	107	107	107
FTE	105.42	106.00	105.92

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 CSF are distributed to schools. The Department operates three main programs, which are:

- 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. It 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 of State Lands is \$44.5 million total funds. This is a 2.0 percent increase from the 201315 Legislatively Approved Budget. The Governor's Budget includes 107 positions.

The proposed budget includes resources to convert rangeland to higher-value agricultural land, for equipment replacement and improvement, and for an accounting position to provide the skills needed for financial work on the Common School Fund.

The agency will continue its participation in shared services workgroups convened by the Department of Administrative Services exploring ways in which the sharing of administrative functions between agencies has the potential to improve service delivery within existing resources.

REVENUE SUMMARY

DSL relies primarily upon Other Funds revenues to support its budget. The Department obtains Other Funds revenues from two sources, operations and investment income. Operations generate revenue from the sale of timber, lease rentals and royalties, periodic land sales, permit fees, unclaimed property, donations, and publications. Investment income is from interest and capital gains earnings from the Common School Fund. Timber revenue will not be sufficient to cover the forest management costs for the Elliot State Forest because of litigation, and the State Land Board is weighing options for this asset. Measure 91 (2014) adds revenue from the taxation of marijuana to the Common School Fund, but will not affect the distribution from the fund because the distribution is based on a three-year rolling average of the Fund balance at the end of each calendar year. The marijuana tax revenue will not accrue to the Fund until the second half of the 2015-17 biennium, so any impact on the distribution will occur in a later biennium.

AGENCY PROGRAMS

Common School Fund

This program manages Common School Fund land, unclaimed property, 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 the basic business operation services for the agency. The Director's office provides leadership and direction in carrying out the State Land Board's policies. The Governor's Budget is \$38.4 million total funds and 91 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. It 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
- Gifts and donations
- Proceeds from mineral or geothermal resources

- Forfeitures and civil penalties
- Investment earnings on unclaimed property accrue to the fund until claimed by the owner

For the 2015-17 biennium, the estimated distribution to schools is \$109.7 million. Performance goals include increasing deposits to the Common School Fund by 1.5 percent annually and increasing revenue from land management (excluding timber sales) by three percent annually. The Governor's Budget continues to provide budget authority for legal costs associated with the eventual clean-up of the Portland Harbor Superfund Site. It also funds an accountant for specialized Common School Fund financial reporting, and purchases replacement equipment and improved communications equipment for staff who work in remote areas of Eastern Oregon. The budget reduces the use of Common School Fund revenue to pay for the processing of applications for easements and Territorial Sea cable-crossings by charging fees to process the applications. The application fees are a legislative proposal.

This program contributes to the healthy environment and education outcomes of the 10-Year Plan for Oregon. The Common School Fund provides basic support for schools, including early literacy and timely graduation. Growing the Fund by 1.5 percent annually will help achieve Oregon's long term education outcomes.

Oregon Wetlands Revolving Fund

The 1987 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 in 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, to help restore, enhance, create and preserve state waters and to cover administrative expenses.

Revenue is entirely Other Funds and comes from contributions and sale of mitigation bank credits. This program's performance goal is no net loss of wetlands. The Governor's Budget for this program is \$1.8 million total funds and no positions.

This program contributes to the healthy environment outcome of the 10-Year Plan for Oregon by ensuring permits issued by the Department create no net loss of wetland acreage. This effort supports long term goals for Oregon watersheds to show improvement.

Natural Heritage Program

This program was moved to the Oregon Parks and Recreation Department by Senate Bill 58 (2011).

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. 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 (NOAA) 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 \$3.6 million total funds and 16 positions. It maintains current operations.

This program contributes to the healthy environment outcome of the 10-Year Plan for Oregon, specifically improving trends to maintain key watersheds throughout the state.

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 Improvement 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 \$758,250 and no positions. This amount includes a basic level of funding for maintenance and project funding to develop 750 acres of rangeland for agriculture, which brings a larger revenue stream from leases than rangeland. The return on investment over 20 years is expected to be \$40,000 per year. This program contributes to the performance goals of increasing land management revenue to the Common School Fund.

This program contributes to the Healthy Environment and Education Outcomes of the 10-Year Plan for Oregon. This program maintains assets of the Common School Fund, which provides basic support for schools, including early literacy and timely graduation.

Oregon State Marine Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	22,664,349	26,214,465	26,211,590
Federal Funds	5,351,936	7,450,387	7,464,524
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$28,016,285	\$33,664,852	\$33,676,114
Positions	40	40	38
FTE	39.50	39.50	38.00

OVERVIEW

Established in 1959, the Oregon State Marine Board (OSMB) serves the recreational boating public through education, enforcement, access and environmental stewardship. The Board's responsibilities include:

- Registering and titling all recreational motorized and sailboats 12 feet and longer in the state.
- Providing boater education.
- Contracting with 32 county sheriffs' offices and the Department of State Police for marine law enforcement.
- Expanding boaters' access to Oregon waters through facility access and enhancement grants.
- Preventing the spread of aquatic invasive species into native waters.

The Board's programs serve the owners of 167,000 registered boats, an estimated 190,000 non-registered boats, 1,350 outfitters and guides, 65 charter vessel operators, 61 registered Clean Marinas and 2,440 floating property owners.

GOVERNOR'S BUDGET

The Governor's Budget is \$33.7 million total funds. This is an increase of less than one-tenth of a percent from the 2013-15 the Legislatively Approved Budget (LAB). The budget enables the Board to continue existing levels of service and funds 38 positions, a net decrease of two positions from the 2013-15 LAB. Increased fees would generate \$5.9 million Other Funds revenue during the 2015-17 biennium, and are central to the Marine Board's ability to sustain essential services for recreational boaters, marine law enforcement and facility investments.

REVENUE SUMMARY

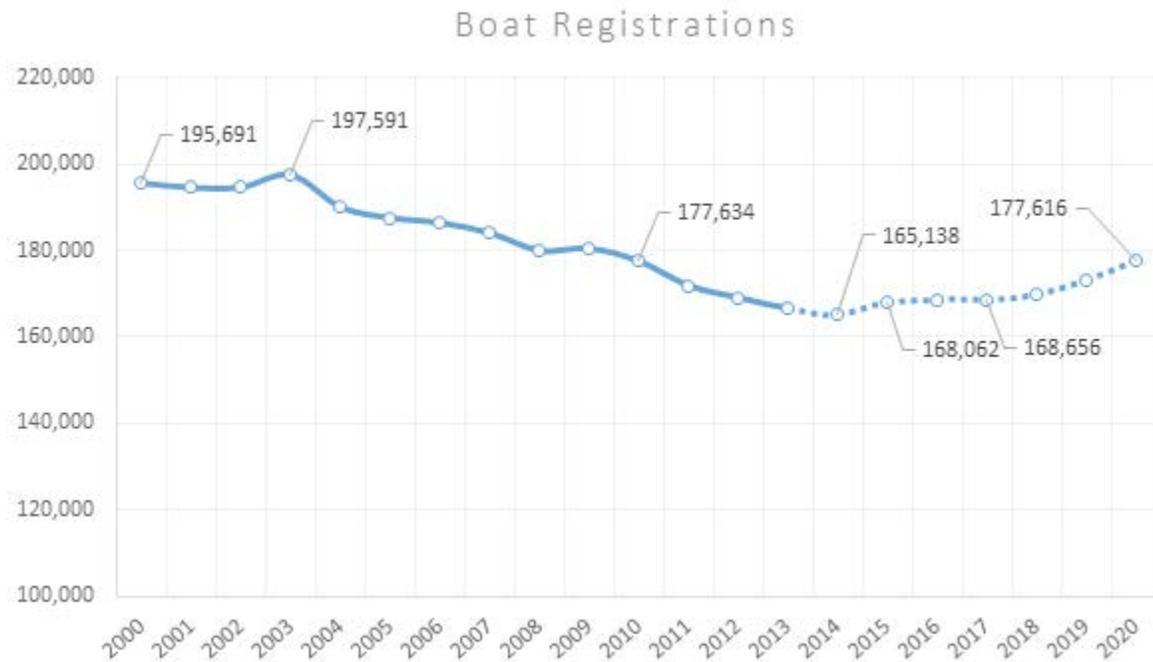
The OSMB receives no General Fund or Lottery Funds support. Agency programs are primarily funded by three major revenue sources; business license and fees, fuel tax revenues and federal grant funds. The Governor's Budget is \$26.2 million Other Funds and \$7.5 million Federal Funds. On average,

Other Funds have accounted for nearly 80 percent of revenue with Federal Funds accounting for the remaining 20 percent. The two largest contributors to the non-business license and fee revenue are boat registrations and titling—accounting for more than 50 percent of all revenue. Just over 23 percent of all revenue, or approximately \$8.0 million, comes from the fuel tax.

AGENCY PROGRAMS

Administration and Education

The Administration and Education Program is linked to the Safety Outcome Area, and is the boater services component of the Marine Board. It is responsible for vessel titling and registration activities including floating homes and boathouses, outfitter and guide registration and ocean charter boat licensing. While boater registrations have declined since peaking in 2003, the Board anticipates increased registration as the economy continues to improve. The program also administers state boating laws, develops waterway management plans, serves as liaison with other government units, conducts boating accident analyses and boater surveys, coordinates the Adopt-a-River program and provides the agency’s central business functions. Education activities include implementation of mandatory boater education, coordination of statewide water safety school programs, development and distribution of safe boating promotional materials and the production of public information materials for distribution to the media. Public service announcements emphasize the importance of wearing life-jackets on the water.



Law Enforcement

The Law Enforcement Program is linked to the Safety Outcome Area, and provides on-water safety patrol and boating law enforcement for 600 lakes, 75 major rivers and over 363 miles of coastline. The program provides public education services including a variety of school education programs. Services are provided through contracts with 32 county sheriffs and with the Oregon State Police (OSP) for general services statewide and specific services in the four remaining counties. The program also provides patrol boats and specialized enforcement equipment, develops and offers basic and advanced training for county marine patrol officers, maintains a marine law enforcement database and reporting system, performs contract administration functions and retains responsibility for the waterway marking system. By statute, boating enforcement is the first priority for the use of boating funds after the cost of administration (ORS 830.230(2)). Funding generated by increased fees would provide an additional \$918,200 Other Funds for law enforcement, bolstering county sheriff law enforcement contracts, enabling additional boat purchases and increasing on-water patrol hours. The additional funding effectively maintains current levels of marine enforcement. It would enable the Law Enforcement Program to provide an estimated 71,310 on-water patrol hours, an amount just over the 10-year average of 68,661. Without these funds, the Marine Board would be required to reduce available funding for county sheriff departments and Oregon State Police, reduce enforcement hours on the water and at access points and limit equipment purchases, maintenance and repairs. Approximately 67 percent of the Law Enforcement program's budget is distributed to counties and the Oregon State Police as payment for law enforcement contracts.

Boating Facilities

The Boating Facilities program is linked to the Safety Outcome Area, and 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. The Statewide Boating Access and Improvement Plan (2011-2017) lists \$179 million in desired improvements identified by users and facility managers at 770 public boating access sights in Oregon.

The Governor's Budget includes an additional \$1.1 million Other Funds to be generated from a fee increase and \$500,000 Federal Funds for the facility investment program for a total funds budget of \$8.97 million—just over the \$8.76 million in the 2013-15 Legislatively Approved Budget. The public entities that manage parks with boating sites are increasingly reliant on competitive grants from the Marine Board to address maintenance issues, repairs and the replacement of aging boating infrastructure. Priority consideration will be given to the rehabilitation and expansion of existing sites, followed by the development of new sites. Grants rely on partnerships and the leveraging of other financial resources such as federal funds, private funds and donations and other local and state funds.

Aquatic Invasive Species

The Aquatic Invasive Species (AIS) program is linked to the Healthy Environment Outcome Area and its purpose is to mitigate the effects of invasive species on native waters through inspecting and decontaminating watercraft. Aquatic invasive species constitute one of the gravest threats to

the waters of Oregon. These 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—posing a threat to Oregon’s native fisheries. Preventing the introduction of these species is Oregon’s only line of defense. In order to stem the silent invasion, it is necessary for the Board to continue boater education, coordination with agency partners on boat inspections and enforcement and preparation of a containment strategy. The AIS program manages the permitting process and education and outreach efforts which impact non-motorized boaters, motorized boaters and out of state visitors bringing their boats to recreate on Oregon waterways. Funding from the program is also provided to Oregon Department of Fish and Wildlife (ODFW) through an interagency agreement to perform roadside boat inspections for AIS. The primary costs of the program are related to the inspection stations which are managed by ODFW. ODFW employees staff each station and are specifically trained and certified as watercraft inspectors. Each station has a hot-water decontamination unit, a mobile office or shade

Watercraft Inspections Conducted by ODFW



structure and signage directing boaters to the inspection station.

Oregon Parks and Recreation Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	980,000	0
Lottery Funds	75,351,082	86,964,694	79,518,186
Other Funds	93,035,795	112,681,149	95,313,562
Federal Funds	8,445,700	11,858,367	11,077,385
Other Funds (Nonlimited)	4,624,178	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$181,456,755	\$212,484,210	\$185,909,133
Positions	876	862	846
FTE	603.63	592.15	575.26

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 and supports the Oregon Parks and Recreation Commission.
- 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 – Operates 255 park properties, 52 campgrounds and 176 day-use areas. It also manages 1,000 miles of trails, 47 boat ramps, 11 interpretive centers/museums, and two historic inns.
- Community Services 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.

From 2006 to July 1, 2015, the Department operated the Oregon State Fair and Exposition. Program activities include the annual state fair and commercial expositions, conferences and employee development activities. Senate Bill 7 (2013) establishes the program as a public corporation separate from the Department.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Parks and Recreation Department is \$185.9 million total funds, which is a 12.5 percent total funds decrease from the 2013-15 Legislatively Approved Budget. The budget includes an 8.6 percent Lottery Funds decrease and a 15.4 percent Other Funds decrease; these two funds form the majority of the agency's resources. Lottery revenue will not keep pace with expenditures, and a shift in revenue sharing with local government results in reduced expenditures.

As the state constitution requires, local grant expenditures are 12 percent of dedicated Lottery Funds received by the agency. Debt service for the Willamette Falls development project, approved by the Legislature in 2013, is included using non-dedicated Lottery Funds. The Oregon State Fair and Exposition Center becomes a separate entity as of July 1, 2015, and has been removed from the agency's budget. The budget addresses staffing needs in the parks. The budget includes 846 positions, which is a 1.9 percent decrease from the 2013-15 Legislatively Approved Budget.

REVENUE SUMMARY

The budget is funded mainly with Lottery Funds and Other Funds. Lottery revenues are constitutionally dedicated to parks. Lottery revenue forecasts continue to predict a decrease in resources and changes to revenue sharing with local government limits the Lottery Funds available for state parks. The addition of new parks and programs since 2000 has increased costs. These changes have reduced the Department's ability to maintain existing service levels. The major supplier of Other Funds is park user fees.

Additional sources of Other Funds revenues are All-Terrain Vehicle permits, un-refunded fuel tax, and recreational vehicle fees. The Department of Transportation also sends funds to the Department to operate and maintain wayside rest areas. 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 agency. It is the liaison for the Oregon Parks and Recreation Commission; it also provides support to the Commission. The Office provides policy direction for agency programs and activities. It provides coordination with the Governor's Office, the Legislature, and other government agencies. It also provides public information, reviews agency programs, conducts annual internal audits, and coordinates rulemaking in its efforts to improve agency performance. The program is supported by dedicated Lottery Funds and park user fees. The Governor's Budget for this program is \$4.8 million total funds and 12 positions.

Central Services

This program unit includes agency financial services, personnel 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 part of this program. Debt service for the Oregon Exposition Center and a local project in Oregon City are budgeted in this program. Between 1999 and 2004, the Oregon State Fair (which was then a separate agency) used lottery revenue bond proceeds for infrastructure projects, building renovations, fair pavilion design and planning, facilities, and partial refunding. The Department inherited the debt service obligation when the Oregon State Fair was moved within its portfolio. This debt service is paid with dedicated Lottery Funds.

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. The debt service for the Oregon City project is non-Measure 76 Lottery Funds.

The program also includes the volunteer and safety programs. This program is funded with dedicated Lottery Funds, park user fees and interest income. The budget also includes non-dedicated Lottery Funds for the payment of debt service for the Willamette Falls development project. The Governor's Budget for this program is \$28.1 million total funds and 73 positions.

Park Development

The Park Development program acquires new properties according to an investment strategy that provides a framework for prioritizing additions to the parks system. The engineering division designs and engineers projects, surveys park land, and oversees construction for new parks and for maintenance and improvement of current properties. When possible, the program uses inmate work crews through the Parks and Prisons program. Dedicated Lottery Funds revenue is the largest source of funding for the program. The Governor's Budget for this program is \$21.2 million total funds and 13 positions.

This program supports the Healthy Environments outcome of the 10-Year Plan for Oregon. Performance measures include the number of park lands and waters acquired compared with park acres per 1,000 Oregonians; the Department has exceeded targets since 2010 for this measure. Also, the Department has met its target for the percent reduction in facilities maintenance backlog, which was a key component of the constitutional dedication of Lottery Funds for parks.

Direct Services

This program includes property and resource management, engineering services for operations, park planning functions including master, strategic, long term and land use planning, and operations support. The program is immediately 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 include land and water-based trail systems and the promotion of bicycling. The program includes the development and implementation of interpretive experiences. Revenues funding this work include licenses, park user fees, interest income, sales income, a transfer from the Department of Transportation, Measure 76 Lottery Funds, and federal grants. The Governor's Budget for this program is \$97.7 million total funds and 719 positions.

This program supports the Healthy Environments outcome of the 10-Year Plan for Oregon. Performance measures include visitors per acre of department property (Oregon is ranked second in the nation).

Community Services and Grants

The Community Services 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. Funding for the All-Terrain Vehicle grants comes from permits for these vehicles. Funding for the Recreational Vehicle grants is a portion of the vehicle registration tag fees collected by the Driver and Motor Vehicle services. Land and Water Conservation grants are funded with federal grant funds and recently were revitalized by Congress. Local Grants are part of the Measure 76 funding stream. The agency assumed authority for the Natural Heritage program from the Department of State Lands in 2012. Also, this program 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. Revenues for this program come from transfers, dedicated Lottery Funds, Federal Funds and Other Funds. The transfer from the Oregon Department of Transportation includes recreational vehicle and All-Terrain Vehicle license revenues. The Governor's Budget for this program is \$34.1 million total funds and 29 positions.

This program supports the Healthy Environments outcome of the 10-Year Plan for Oregon. Performance measures include the number of properties, sites, districts benefiting from the Department's heritage program and the percent of Oregon communities benefiting from the grant program. The heritage program is slightly below target, possibly because of the Great Recession's effect on property development and housing. The grant program has met or exceeded target since 2010.

Oregon Exposition Center

The Oregon State Fair and Exposition Center, located in Salem, conducts an annual state fair and operates the fairgrounds as a year-round fair and exposition center. The fairgrounds consist of 185 acres located in Salem; this property is chartered to host the annual state fair. Most of the revenue generated by the property comes from the annual state fair. The 2005 Legislative Assembly passed House Bill 3502, which eliminated the State Fair and Exposition Center as a state agency, effective January 1, 2006. Responsibilities transferred to the Oregon Parks and Recreation Department. Senate Bill 7 (2013) removes this program from the Oregon Parks and Recreation Department and makes it a public corporation under the guidance of the Oregon State Fair Council, and transfers payment of state subsidies for the program to the Department of Administrative Services.

Water Resources Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	20,359,290	27,284,614	30,908,571
Lottery Funds	587,540	574,025	4,441,160
Other Funds	8,654,128	34,736,737	72,863,335
Federal Funds	780,727	1,275,264	1,302,403
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$30,381,685	\$63,870,640	\$109,515,469
Positions	146	157	169
FTE	144.46	154.55	167.58

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 streamflows 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. Water Resources has six programs:

- Administrative Services – Provides business and administrative services to the Department including management of the Water Development Loan Program.
- Field Services – Regulates water uses based on water rights of record and provides local entities with technical data on surface and ground water.
- Technical Services – Provides data and technical analysis on water management to the Department and to the public.
- Water Rights Services – Evaluates and decides application for new water rights.
- Director's Office – Develops and supervises the policies and programs of the Department.

The programs align closely with the Department's core functions:

- Protecting existing water rights,
- managing the issuance of new water rights,
- facilitating voluntary streamflow restoration,
- increasing 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 \$109.5 million total funds. This is a 71.5 percent increase from the 2013-15 Legislatively Approved Budget. The agency has 169 positions. The Governor's Budget continues investment in the Integrated Water Resources Strategy with new positions and funding for grants and loans that will be directed to place-based water resource projects, feasibility grants, recapitalization of the Water Supply Development Fund, and investment in the Water Supply Fund, which will be used to assist in the financing of the development of one or more water resource projects having economic, environmental and community benefits. The Governor's Budget for the Water Resources Department makes a significant investment in the development of water resources across the state. This is the first installment of a multi-biennia strategy that anticipates further significant investment in the next two biennia.

The budget also invests in implementing the historic water use agreements in the Klamath Basin with coordination and technical support; and will be directing resources to ensure that water transactions throughout Oregon are done efficiently and effectively. The budget supports the Department's continued involvement in Regional Solutions teams, and the cross-agency effort to identify and implement metrics that capture water quality and quantity in Oregon.

REVENUE SUMMARY

The Department's primary source of funding is General Fund. It 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. Finally, the Department receives Lottery Funds to pay debt service.

The Department has proposed a task force be established by the 2015 Legislature to study options for diversifying the Department's revenues.

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 mail-room support services, transportation, and telecommunications coordination. The budget for Administrative Services is \$39.1 million total funds. This is a 142.8 percent increase from the 2013-15 Legislatively Approved Budget. The increase is driven by new investments in the Water Supply Development Fund and Water Supply Fund.

The agency will continue its participation in shared services workgroups convened by the Department of Administrative Services exploring ways in which the sharing of administrative functions between agencies has the potential to improve service delivery with existing resources.

This program also manages loan services for the Water Development Loan Program; and the Water Conservation, Reuse and Storage Grant Program, which awards grants to communities to conduct feasibility studies to determine the likelihood of success of proposed water supply projects. These programs align with the goals in the Healthy Environment Outcome Area of the 10-Year Plan for

Oregon by building strong sustainable communities, and the Jobs and Innovation Outcome Area goal of providing jobs and prosperity for all Oregonians.

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 \$12.4 million total funds. This is a 5.7 percent increase from the 2013-15 Legislatively Approved Budget.

Field Services aligns with the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon by providing the regulatory framework for dependable and sustainable water supplies that promote trade and industry clusters, supporting regional solutions, and improving access to water for agriculture.

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 \$13.7 million total Funds. This is a 7.8 percent increase from the 2013-15 Legislatively Approved Budget.

Technical Services aligns with the goals of the Healthy Environment Outcome Area within the 10-Year Plan for Oregon, of improving water systems, ensuring that drinking water systems meet high quality standards, protecting fish species, and preventing the spread of toxins to humans and the environment. In addition, the data developed by the Department is essential to the Economy and Jobs goal of a diverse and dynamic economy that provides jobs and prosperity for all Oregonians, as data is essential to identifying water supply solutions for Oregon's traded sector and industry sectors, as well as agriculture.

Water Right Services

The Water Rights 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 Rights 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 \$7.8 million total funds. This is an 8.5 percent increase from the 2013-15 Legislatively Approved Budget.

This program aligns with the Economy and Jobs Outcome Area by processing and resolving water rights transactions that sustain a diverse and dynamic economy and provides the owner with a level of reliability prior to investing in expensive infrastructure.

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 Director's Office leads the Department's dual efforts to address water supply needs, as well as restore and protect stream flows, which align with both the Healthy Environment and Economy and Jobs Outcome Areas within the 10-Year Plan for Oregon. The Governor's Budget for the Director's Office is \$4.6 million total funds. This is an 87.4 percent increase from the 2013-15 Legislatively Approved Budget. The increase is primarily the result of increased investment in the Integrated Water Resources Strategy. This effort includes staff and funding to build capacity for water resources development in local communities, helping them to assess, plan and implement projects to make more efficient use of existing water systems, to develop new water supplies for out-of-stream uses, and to develop efforts to protect and restore in-stream functions in Oregon. This targeted investment will include grants for water resource planning.

Water Development Loan Program

The 1977 Legislature established the Water Development Loan Fund to finance irrigation and drainage projects. The Loan Fund was expanded by the 1981, 1987, and 1991 Legislatures to include community water supply projects, fish protection and watershed enhancement projects, and safe drinking water projects. The program received 320 loan applications and funded 181 loans. There are currently no loans outstanding, and the program has no state-owned property or inventory. The Governor's Budget contains the proceeds from the issuance of \$30 million in bonds during the 2015-17 biennium to recapitalize this fund for the purpose of debt financing of water resources projects. This effort is an important component of the Governor's effort to invest in needed infrastructure to support rural economies and job creation.

Oregon Watershed Enhancement Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	62,582,581	58,227,336	59,963,820
Other Funds	899,683	1,852,224	17,921,067
Federal Funds	30,224,432	32,817,029	37,339,587
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$93,706,696	\$92,896,589	\$115,224,474
Positions	32	32	36
FTE	31.50	32.00	35.50

OVERVIEW

The mission of the Oregon Watershed Enhancement Board (OWEB) is to protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. To achieve this mission OWEB provides grants to communities and other partners that are 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 that improve and enhance 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. OWEB estimates that 15-24 jobs are supported for every \$1.0 million in grant investment.

GOVERNOR'S BUDGET

The Governor’s Budget for the Oregon Watershed Enhancement Board is \$115.2 million total funds. This is a 24 percent increase from the 2013-15 Legislatively Approved Budget. The budget continues the significant Measure 76 Lottery Funds investment in watershed enhancement grants to local entities. The agency uses its Long Term Investment Strategy to align grant awards with the Governor’s 10-Year Plan Healthy Environment Outcomes of improving air and water quality, and conserving and restoring natural habitats. In addition, OWEB will again be the administering agency for the Forest Health Collaborative Grant program. The Governor’s Budget continues basic staffing needs and invests in additional grant administration resources. As part of the agency-cross Clean Water Partnership initiative it also funds a position that will coordinate agency work to quantify conservation benefits

and link those benefits to key outcomes including salmon recovery, water quality improvements, and working forests and farms.

The Governor's Budget for OWEB includes a significant investment in the Working Forests and Farms Initiative. This is the first installment of a multi-biennia strategy that anticipates a similar level of investment in the next two biennia. OWEB will direct a state grant program that provides access to capital for buyers of working forests and farms, supporting the rural economy in areas of the state that have lagged behind in the economic recovery, and providing conservation benefits associated with restoring and maintaining water quality, fish and wildlife habitat, and other conservation values.

REVENUE SUMMARY

The 2015-17 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 that 65 percent of the revenue must be used for grants and 35 percent for operations. To date most of the operations funding has been allocated to five agencies including OWEB. OWEB manages the allocations.

The primary source of federal revenue is the Pacific Coastal Salmon Recovery Funds (PCSRF). In Federal Fiscal Year (FFY) 2015 and 2016 revenue is estimated at \$18.0 million, with \$6.3 million held over from FFY 2014. OWEB receives three percent of the grant for administrative costs; the balance is dedicated to grants, primarily for watershed restoration in salmon habitat.

Other Funds revenue is derived from salmon plate registration surcharge from the Oregon Department of Transportation, funds from the Pacific State Marine Fisheries Commission for a watershed project, and funding for a continuation of the Forest Health Collaborative grants and support.

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 \$9.6 million total funds. This is a 9.4 percent increase from the 2013-15 Legislatively Approved Budget.

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 a seventeen-member board including public members and representatives of other partner entities. Staff and support costs for OWEB's programs make up just over nine percent of OWEB's full budget.

Currently, across all programs, OWEB staff administer more than 1,100 open grants and agreements and processes approximately 1,500 grant applications per biennium. The program aligns with the 10-Year Plan for a Healthy Environment strategy to conserve and restore natural habitats by protecting watersheds, improving water quality and forest and rangeland health and stabilizing populations of fish and wildlife species. The program contributes to building strong, sustainable communities by

partnering with communities to implement the investments in a healthy environment that OWEB makes throughout Oregon.

Grants Program

The Governor's Budget for the Grants Program is \$105.7 million total funds. This is a 25.6 percent increase from the 2013-15 Legislatively Approved Budget. This reflects the new grant program for working forests and farms beginning in the 2015-17 biennium; and the grant program for Federal Forests Collaboratives which began in 2013-15 and is expanding in the 2015-17 biennium.

Oregon's Measure 76 (2010) constitutionally dedicates 15 percent of lottery revenue to parks and natural resources. Of the 7.5 percent of those revenues dedicated to OWEB, 65 percent is dedicated to capital projects for construction or acquisition. OWEB also awards grants funded with federal Pacific Coastal Salmon Recovery Funds (PCSRF), salmon license plate revenues, and funding received from the Oregon Department of Forestry for Forest Health Collaborative grants. Over the last three biennia OWEB has funded an annual average of 530 grants and agreements with local organizations.

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.

The Grants Program also aligns with the 10-Year Plan for a Healthy Environment by investing in water quality and the communities that partner with OWEB. Through the Grants Program the agency is actively working to improve the effectiveness and efficiency of natural resources management in Oregon at both the state and local level.

TRANSPORTATION

Program Area and Agency Information

SECTION G



TRANSPORTATION AGENCIES

Oregon Department of Aviation G-229
 Oregon Department of Transportation G-233

Transportation Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,970,000	11,060,000	37,697,995
Lottery Funds	72,614,922	93,953,970	113,842,213
Other Funds	2,799,104,706	3,844,153,215	3,210,494,839
Federal Funds	113,161,260	124,568,487	117,494,865
Other Funds (Nonlimited)	242,708,238	283,800,326	18,158,214
Federal Funds (Nonlimited)	21,621,529	21,621,529	21,621,529
Total Funds	\$3,251,180,655	\$4,379,157,527	\$3,519,309,655
Positions	4,642	4,569	4,529
FTE	4,523.98	4,479.97	4,429.06

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 four 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 Fund revenue sources include fuel taxes, motor vehicle and aircraft registrations, driver license fees, and airport leases, and airport leases. Federal Funds support highways, transit, rail, 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.

Transportation Program Area programs link to outcomes in the Economy and Jobs and Public Safety 10-Year Plan for Oregon. The Governor’s Budget supports and enhances vital programs responsible for building and maintaining infrastructure that is critical to a sustainable economy driving job creation and prosperity for all Oregonians. Programs within the area also support activities to ensure Oregonians are safe and secure where they live, work and play.

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The budget for the Transportation Program Area is \$3,519.3 million total funds, a 19.6 percent decrease from the 2013-15 Legislatively Approved Budget. General Fund and Lottery Funds total \$151.5 million, a 44.3 percent increase from 2013-15 levels. The General Fund and Lottery Funds increase supports the continuation of passenger rail in Oregon and pays debt service for previously authorized projects. The decrease in total funds is related mostly to the phase-out of Other Funds expenditures for construction projects based on the projected schedule in the Statewide Transportation Improvement Plan. However, State Highway Fund revenues from gas sales are not growing at previously predicted rates, in part because cars are becoming more fuel-efficient and because people are driving fewer miles than in the recent past. Consequently, revenues are not keeping pace with the cost to maintain the system. To deal with this problem, the budget contains a revenue reduction package to reduce expenditures (primarily through staff attrition) in order to become more aligned with the revenue sources available.

Key elements of the Governor's Balanced Budget for the Transportation Program Area are outlined below:

- ConnectOregon VI. The Governor's Budget invests \$58.6 million in *ConnectOregon VI* to continue Oregon's investment in non-highway projects aimed promoting development by improving port infrastructure, public transportation, the aviation system, bike and pedestrian facilities, and the rail network.
- Continues Passenger Rail in Oregon. The budget provides General Fund, Other and Federal Funds necessary to continue passenger rail service between Eugene and Portland.
- Facilities Capital for ODOT. The budget increases funding for Capital Improvement projects within the Department of Transportation, and also provides the funding necessary to complete two Capital Construction projects that will provide the Department of Transportation with new Maintenance Stations in Meacham and on the South Coast.
- DMV IT Systems Modernization. The budget enhances the Driver and Motor Vehicles Services (DMV) Division budget to begin modernization of its computer systems, which are over 40 years old.
- Aviation Operations and Improvements to State Airports. The budget increases Aviation related registration fees for aircraft, pilots, and public airports to provide sufficient revenue for the Department of Aviation's operational expenditures; and provides funding for two Capital Construction projects at the Condon State Airport and the McDermitt State Airport.

Oregon Department of Aviation

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	5,461,765	6,297,654	6,602,953
Federal Funds	1,849,401	4,778,379	7,334,014
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$7,311,166	\$11,076,033	\$13,936,967
Positions	13	13	13
FTE	12.33	12.50	12.25

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 agency 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 budget represents a 25.8 percent total funds increase from the 2013-15 Legislatively Approved Budget. This is primarily due to the inclusion of two capital construction projects that are fairly substantial in nature. It includes a 4.9 percent increase in Limited Other Funds, and a 53.5 percent increase in Limited Federal Funds. The budget has 13 positions. The budget maintains the Department's basic operational structure at the 2013-15 level, aside from the Capital Construction projects, and provides an increase in revenue through a fee increase to sustain the operational structure.

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 \$0.09 per gallon and the tax on jet fuel is \$0.01 per gallon. These fuel taxes make up approximately half of the agency's Other Funds revenues. Additional sources of revenue include pilot and aircraft registration fees, hangar and site leases, and other charges for services. The Department receives Federal Funds from the Federal Aviation Administration (FAA) for aviation system planning and construction projects.

The budget increases fees for aircraft registration, pilot registration, and public airport registration fees in order to provide the revenue necessary to continue the agency's current operations. In addition, the fee increase assists the Department in making the 10 percent FAA match requirement for airport capital and non-capital projects. The pilot registration fees, and the increase to them, are specifically

dedicated to covering the costs associated with registering the pilots and to provide funds to the Office of Emergency Management as required under ORS 837.035 for search and rescue activities.

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. This division also provides the core government services of the Aviation 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 \$4.2 million total funds (\$3.7 million Other Funds and \$0.5 million Federal Funds). 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 and pilot registration fees, aircraft dealer license fees, leases, tie down revenue, and fuel flowage fees.

The recession had an impact on fuel tax revenues and required the Department to reduce staff by five positions in 2010. This budget, with a fee increase on aircraft registration, pilot registration, and public airport registration, supports continuing the current operational level, and staffing (13 positions across the entire agency) of the Department. However, even with the fee increases included in this budget, the Department is losing its ability to keep pace with inflation and in 2017-19 could be faced with the need to further increase fees or make cuts in some of its programs.

As part of the Economy and Jobs Outcome Area for the 10-Year Plan for Oregon, the Operations division supports a diverse, dynamic, and sustainable economy by advocating for the growth and improvement of aviation in Oregon

Search and Rescue

The ODA collects an annual fee of \$12 per year for pilot registration in Oregon and registers approximately 4,200 pilots annually. All revenues from pilot registration fees are dedicated to the collection of those fees and to help fund the aviation Search and Rescue Program in Oregon.

The Governor's Budget (including a \$12 per year pilot registration fee increase) for Search and Rescue is \$0.04 million total funds most of which is derived from pilot registration fees. The budget supports continuing the program at its current level and provides \$51,751 Other Funds to be transferred to the Office of Emergency Management for Search and Rescue activities.

The Search and Rescue program, included within the Safety Outcome Area for the 10-Year Plan for Oregon, helps ensure Oregonians are safe and secure by fostering a culture of disaster preparedness and resiliency to actively support Oregon's citizens. The program provides partial funding for a position at the Office of Emergency Management and provides fuel reimbursement for Search and Rescue operations in Oregon's counties.

General Aviation Entitlement

The General Aviation Entitlement Program administers FAA funded projects (that do not meet the Capital Budgeting threshold) to 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 three sections:

- Capital Improvement Planning - Responsible for evaluating, annually, each of the 12 state-owned airports that are part of the National Plan of Federal Integrated Airport Systems (NPIAS), to address safety, operation, and infrastructure development.
- Capital and Construction Project Management - Responsible for managing federal grant assurance obligations and receiving federal funding for qualifying projects.
- Airport Improvement Project Grant Administration and Management - Responsible for administering grants for capital improvement and construction projects at the 12 state-owned NPIAS airports to address safety, operation, and infrastructure development.

The Governor's Budget for General Aviation Entitlements is \$3.3 million total funds (\$0.30 million Other Funds; \$3.0 million Federal Funds). Ninety percent of these funds are provided in grants from the FAA; the remaining 10 percent is the state match necessary for the federal grants. The match funds are derived through aircraft registration fees. The budget continues support for existing projects that are yet to be completed, as well as provides enhancements for projects at several of the NPIAS airports in the 2015-17 biennium.

The General Aviation Entitlement Program is within the Economy and jobs Outcome Area for the 10-Year Plan for Oregon. This program contributes to the Outcome Area by bringing jobs (mostly construction) to areas throughout the state.

Pavement Maintenance

Pavement Maintenance is a state-funded aid program to assist airports in undertaking pavement preventative maintenance, the most cost-effective means to helping preserve the system's airport pavement and pavement infrastructure as addressed in the Oregon Aviation Plan. The program evaluates airport pavement at one third of the state airports each year. The year following the evaluation, airports that agree 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 \$2.0 million total funds. These funds are derived from the fuel tax that is transferred into the Department from the Oregon Department of Transportation. The Department utilizes 45 percent of its avgas and jet fuel tax revenues to support this program. The budget continues support for the program as it currently exists.

This program supports the Economy and Jobs Outcome Area of the 10-Year Plan for Oregon by creating an estimated 50 construction and engineering jobs annually and also increasing the long-term investment in Oregon transportation by preserving and extending the life of airport pavement.

The Department has split the contracts into smaller units in order to encourage underrepresented communities and disadvantaged businesses to be able to compete more effectively.

Aircraft Registration

The Aircraft Registration program registers over 4,400 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, including fee increases, is \$0.06 million total funds. The aircraft registration fees fund this program as well as providing the 10 percent match for General Aviation Entitlement Programs. The budget continues support for the program as it currently exists.

As part of the Economy and Jobs Outcome Area for the 10-Year Plan for Oregon, the Aircraft Registration Program is integral in supporting the programs that impact Oregon's economy as a revenue generating program that provides necessary funding for projects in the Department's other programs, including Operations, but mostly providing the match for General Aviation Entitlements and Capital Construction projects.

Capital Construction

The Capital Construction program is similar to the General Aviation Entitlement program, which administers FAA funded projects to address safety, operations, and development at airports in Oregon. The only difference between the two programs is the projects in this program exceed \$1.0 million.

The budget for this program is \$4.3 million total funds; 90 percent of these funds are granted to the Department by the FAA. The remaining 10 percent is the required match amount and is derived from aircraft registration fees. The budget supports two projects (1) funding for major renovations at the Condon State Airport, and (2) funding for significant rehabilitation at the McDermitt State Airport.

As part of the Economy and Jobs Outcome Area for the 10-Year Plan for Oregon, the Capital Construction program is integral in supporting Oregon's economy in that capital construction projects result in job creation within the construction and engineering industries. The program also enhances critical Oregon infrastructure.

Oregon Department of Transportation

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,970,000	11,060,000	37,697,995
Lottery Funds	72,614,922	93,953,970	113,842,213
Other Funds	2,793,642,941	3,837,855,561	3,203,891,886
Federal Funds	111,311,859	119,790,108	110,160,851
Other Funds (Nonlimited)	242,708,238	283,800,326	18,158,214
Federal Funds (Nonlimited)	21,621,529	21,621,529	21,621,529
Total Funds	\$3,243,869,489	\$4,368,081,494	\$3,505,372,688
Positions	4,629	4,556	4,516
FTE	4,511.65	4,467.47	4,416.81

OVERVIEW

The Oregon Department of Transportation (ODOT) was established in 1969 and was reorganized in 1973 and 1993 by the Oregon Legislature. Its mission is to provide a safe, efficient transportation system that supports economic opportunity and livable communities for Oregon. The agency 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.

The programs within the Department of Transportation are Highway (including Maintenance, Preservation, Bridge, Highway Operations, Modernization, Driver and Motor Vehicles Services, Motor Carrier Transportation, Transportation Program Development, Public Transit, Rail, Transportation Safety, Debt Service, Central Services, and Capital Improvements).

GOVERNOR'S BUDGET

The Governor's Budget is \$3,505.4 million total funds which includes \$151.5 General Fund and Lottery Funds and is a 19.8 percent total funds decrease from the 2013-15 Legislatively Approved Budget (LAB). With respect to General Fund and Lottery Funds, the budget represents a 44.3 percent increase over the 2013-15 LAB. Eight million dollars of the General Fund increase is debt service for the final bond sale (to occur in Spring 2015) related to the completion of the State Radio Project. The increase in General Fund above the debt service requirements are enhancements to provide the Department with resources to continue the passenger rail service between Eugene and Portland (\$10.4 million General Fund),

and to begin reimbursement of the State Highway Fund for debt service the Department has been covering for the Oregon State Police portion of the State Radio Project (\$10 million General Fund). All of the Lottery Funds are for debt service in connection with previous *ConnectOregon* I, II, III, IV and V; South Metro Commuter Rail; Southeast Metro Milwaukie Extension; Short Line Rail and industrial spur projects; the Portland Street Car project; Coos Bay Rail Link, and the Salem-Keizer Transit project. The budget provides funds for 4,516 positions, which is 40 positions less than the 2013-15 LAB.

The budget provides key investments to do the following: make an investment in the sixth version of *ConnectOregon*; begin modernization of information systems used by the Driver and Motor Vehicle Services Division (DMV); allow the DMV to pay merchant fees associated with the acceptance of credit/debit cards for payments in field offices; provide the Department with the resources necessary to make several small Capital Improvement projects (costing less than \$1 million) in order to upgrade or replace outdated facilities; and fund two Capital Construction projects (costing more than \$1 million) for maintenance facilities in Meacham and on the South Coast.

REVENUE SUMMARY

The majority of the agency's revenue comes from motor fuel receipts, 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. Consequently, revenues are not keeping pace with the cost of inflation. To deal with this problem, the budget contains a revenue reduction package to reduce expenditures (primarily through staff attrition) in order to become more aligned with the revenue sources available.

Net proceeds from the revenues listed above are shared with cities and counties on a formula basis after collection costs have been deducted by Driver and Motor Vehicle Services, the Motor Carrier Transportation Division, and Central Services. ODOT 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 budget also includes General Fund support for public transit programs serving seniors and individuals with disabilities, continuation of passenger rail transportation on the Amtrak Cascades line, and debt service related to the State Radio Project. Lottery Funds support the Department's debt service on *ConnectOregon* I, II, III, IV, and V; South Metro Commuter Rail; Southeast Metro Milwaukie Extension; Short Line Rail and industrial spur projects; and the Portland Street Car.

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 40 percent of its purchasing power since that time. When the federal Highway Trust Fund first ran short of cash in 2008, Congress made up the gap by transferring more than \$65 billion in total resources into the Fund. These transfers have prevented deep cuts in the federal transportation program, but they have not solved the need for long-term, sustainable revenue. Congress recently passed an extension of the current federal surface transportation authorization legislation, the Moving Ahead for Progress in the 21st Century (MAP-21), through May 2015. By that date, Congress will either need to provide

additional resources, cut transportation funding by 20-25 percent, or pass a new reauthorization bill with adequate resources. Either way, the 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 \$18.2 million Other Funds for the OTIB. The budget supports the continuation of existing programs.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the OTIB loan program provides funding to design and construct transportation projects involving many partners including the local agencies, state agencies, the Federal Highway Administration, and various stakeholders.

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. In order to keep our highways safe, 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 \$5.4 million Other Funds which represents a 62.9 percent increase over the 2013-15 Legislatively Approved Budget. The revenue for this program comes from the State Highway Fund. The Capital Improvements budget has not been increased in the last three biennia. This increase will help the Department address increased costs associated with land acquisition, construction, leasing, and a larger backlog of needed capital improvement projects.

As part of the Safety Outcome Area, the Capital Improvements program provides a safe work environment and reduces the adverse environmental impacts of the Department's operations. The Capital Improvement Program also maintains and enhances operations centers and facilities which facilitate radio communication between department crews and other agencies such as the Oregon State Police. This budget enhances the Department's ability to address life, health, safety, and American with Disabilities Act requirements.

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 \$12 million Other Funds (including a \$1 placeholder to co-locate ODOT, other state agencies, and local government facilities). The revenue for this program comes from the State Highway Fund and the sale of certain department properties. The budget invests in two substantial capital projects that will also be funded from the State Highway Fund. The first project will provide new property and facilities for a highway maintenance station in Meacham. The second investment is for new property and facilities for a South Coast maintenance station. 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 investments give the Department the ability to begin moving forward in building to construct quality infrastructure that support its work.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, the Capital Construction program creates jobs. Furthermore, a substantial portion of the Capital Construction program is aimed at achieving sustainability and reducing the environmental impacts of department operations. New construction always includes energy efficient elements such as lighting, alternative energy generation systems and natural resource conservation systems, where feasible.

Highway Maintenance

The Highway 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 \$472.1 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

The Oregon State Highway System serves more than three million licensed Oregon drivers and countless visitors to Oregon each day. It is considered critical public infrastructure. As part of the Safety Outcome Area within the 10-Year Plan for Oregon, drivers of both passenger vehicles and commercial trucks rely on ODOT to provide a safe, reliable network of state highways. 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.

Highway Preservation

ODOT's Highway 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 on over 8,000 miles of Oregon highways. These highways carry more than 18 billion vehicle miles and more than 300 million tons of freight annually. The Preservation program maintains a statewide Pavement Management

System that monitors and forecasts pavement conditions on state highways. These preservation projects add useful life to a road without increasing its capacity, primarily through pavement resurfacing. ODOT has adopted a pavement preservation program designed to keep highways in the best condition at the lowest lifecycle cost. The program focuses on taking preventative measures to add useful life to a road before the pavement reaches poor condition.

The Governor's Budget for maintenance is \$216.0 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration. The budget reflects the completion of projects from the Oregon Transportation Investment Acts I, II, and III and a slight increase in projects from the Jobs and Transportation Act as those projects are starting up.

The Highway Preservation program is required to ensure Oregon's highways continue to support movement of product to market. As part of the Economy and Jobs Outcome Area, the Highway Preservation program creates summer construction jobs in the form of pavement overlays, chip seals, and other pavement rehabilitation applications. The Department and private consultants design the projects, while private contractors perform the construction. The Department partners with the Federal Highway Administration, American Association of State Highway and Transportation Officials, Associated General Contractors of Oregon, American Council of Engineering Companies, American Concrete Paving Association, Asphalt Paving Association of Oregon, and the Oregon Concrete and Aggregate Producers Association to deliver the Preservation program in an efficient, state-of-the-art, cost effective way.

Highway 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 undercrossings, tunnels, and other structural elements. This work directly benefits the state's economy by extending 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 \$204.3 million Other Funds which represents a 45.3 percent decline from the 2013-15 Legislatively Approved Budget. The decline in the budget is due to the completion, in 2013-15, of projects within the Oregon Transportation Investments Acts I, II, and III. The funding for this program comes from the State Highway Fund and the Federal Highway Administration. The Oregon Transportation Investments Acts bridge delivery program resulted in the replacement or repair of 271 bridges, and through 2013, OTIA sustained more than 21,000 jobs.

Freight mobility has been a key driver for the Bridge program since the inception of the corridor-based Oregon Transportation Investments Acts III program, which addressed the needs of through movements of truck freight over the past decade. As part of the Economy and Jobs Outcome Area within the 10-Year Plan, ODOT strategy gives priority to maintaining the highest priority freight corridors to ensure efficient freight movement. By maintaining freight mobility on the Interstate 5 corridor, as well as other important state and regional routes, the program plays a vital role in preserving the competitiveness of Oregon's trade-dependent economy, and benefiting the entire West Coast and the nation.

Highway Operations

The Highway Operations program is comprised of two separate programs – Highway Safety and Highway Operations. The primary purpose of ODOT’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 at high crash locations 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. Operations solutions provide a cost effective approach to meet the challenge presented by increased demands on the system coupled with increasing constraints on available funding. The key components of the Operations program include traffic signals, signs, and roadway lighting, Intelligent Transportation Systems, and landslide and rockfall mitigation.

The Governor’s Budget for Highway Operations is \$134.7 million Other Funds which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

As part of the 10-Year Plan Safety Outcome Area, the budget continues support for existing programs allowing the Department to continue to fund safety and operations projects that will help to reduce traffic fatalities, and provide technological solutions to help with traffic flow.

Highway 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 also administers the Immediate Opportunity Fund program in partnership with the Oregon Business Development Department.

The Governor’s Budget for Highway Modernization is \$305.0 million Other Funds, which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

The Modernization program, as part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, enables system improvements that are necessary to accommodate a doubling of state exports to international markets. The state highway system provides access to intrastate, interstate, and international markets for traded sector goods shipped by truck. It also provides critical linkages between communities all around the state of Oregon, and the domestic and international markets served by our ports, airports, and rail lines. 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.

Highway Special Programs

Highway Special Programs provides indirect, technical, and program support for the Highway Division construction program through the development and delivery of the tools necessary to optimize management of infrastructure assets, deliver projects efficiently, and promote sustainability and best

practices for Oregon's transportation system. This Program also has a number of construction projects that do not fit the general construction limitation categories and usually fall under special rules or program areas. Highway Special Programs are also charged with delivering construction projects and services in the following distinct program areas: pedestrian and bicycle; salmon and watersheds; forest highway program; winter recreation parking; and, snowmobile facilities. Also included within Special Programs is 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. Recent projects include the Electric Vehicle Charging Network and the Oregon Solar Highway project.

The Governor's Budget for Special Programs is \$271.3 million Other Funds, which represents a 17.7 percent increase over the 2013-15 Legislatively Approved Budget. The increase is largely due to the inclusion of projects from the Statewide Transportation Improvement Program that are expected to be completed during the 2015-17 biennium. The increase does not necessarily reflect a change in the number of projects in the approved Statewide Transportation Improvement Program, just their anticipated scheduling and completion. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

Mobility is a vital component of economic and job growth. As part of the Economy and Jobs Outcome Area, Special Programs helps to ensure people and commerce are able to move safely and efficiently. Special Programs directly supports these goals by providing the Department the tools necessary to deliver strategic projects in an efficient, cost effective manner. In addition to highway projects, Special Programs manages innovative programs including private resources, when available. Other programs also focus on environmental and recreational issues important to Oregonians throughout the state.

Highway – 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. The Local Government program provides support for various local and discretionary transportation programs funded by the state or federal government, and 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. ODOT administers these programs and helps local governments fund transportation projects.

The Governor's Budget for the Local Government program is \$397.9 million Other Funds which continues support for existing programs. The funding for this program comes from the State Highway Fund and the Federal Highway Administration.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, local governments can leverage investments and promote coordination between agencies at the local, state, regional, and federal level to maximize resources to complete the projects that meet community needs.

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 touches almost every Oregonian by issuing over 800,000 driver licenses and ID cards, one million vehicle titles, and almost two million vehicle registrations each year. The DMV also regulates and

inspects about 3,500 vehicle- and driver-related businesses in Oregon. The DMV provides driver licensing, vehicle titling and registration, and driver/vehicle records through four service groups: Customer, Field, Processing, and Program.

The Governor's Budget for DMV Services is \$212.2 million total funds which includes \$0.1 million General Fund, \$208.5 Other Funds, and \$3.6 million Federal Funds and represents a 20.2 percent increase from the 2013-15 Legislatively Approved Budget. Funding is almost entirely derived from fees collected for driver licensing, vehicle title/registration, and records. Fees collected from business licenses and Identification Cards are deposited in the Transportation Operating Fund to support business regulation activities and senior and disabled transportation. Federal funding also comes to the Department from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration, the U.S. Department of Homeland Security, and the U.S. Department of Justice.

The increase in the budget provides the DMV with resources to begin modernizing its 40-year old computer systems. The aging design of existing DMV systems is creating a risk of failure to meet current and future business needs, potentially resulting in longer wait times, and increased manual process and errors. Modern functionality and web-based services will make it easier for customers to do business with DMV, reduce error rates and manual processes, as well as improve communication with DMV customers. The plan to complete this work will be done in stages and will take approximately 10 years and \$90.0 million to complete. Each stage will have specific deliverables that will result in separately functioning projects which will only be enhanced by the completion of the overall modernization. This budget also provides the DMV with the limitation to pay merchant fees associated with accepting credit and debit cards in DMV field offices, which is expected to be effective by the end of the 2013-15 biennium.

As part of the Safety Outcome Area within the 10-Year Plan for Oregon, DMV Services helps to ensure the safety of people in their community by promoting driver safety, and protecting financial ownership and interests in vehicles. The purpose of driver licensing is to ensure people have the necessary knowledge and skills to operate motor vehicles safely on Oregon roads and highways. The purpose of vehicle titling is to protect ownership rights by providing prima facie evidence of ownership or a financial interest in a vehicle. The purpose of registration is to identify vehicles driving on public roads, and to collect revenue for cities and counties and the State Highway Fund. Registration is also a tool to ensure compliance with other legal mandates such as liability insurance coverage and air emissions standards set by the Department of Environmental Quality. The DMV also has a connection to the Economy and Jobs Outcome Area in that it collects a large portion of the revenues used for Oregon's highway system.

Motor Carrier Transportation

The Motor Carrier Transportation Division (MCTD) promotes a safe, efficient, and responsible commercial transportation industry. The MCTD 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. The division maintains accounts for approximately 20,300 trucking companies, with 294,500 trucks registered to operate in Oregon. This includes 7,600 Oregon companies with 43,000 trucks. Additionally, the MCTD helps truckers comply with Oregon laws and regulations relating to economic regulation, registration, safety, freight mobility, and truck size and weight. The MCTD processes tax and fee payments that contribute nearly one-third of all money

received for the State Highway Fund. The MCTD 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. It issues variance permits with safe routing instructions to trucks and truck/trailer combinations operating in excess of standard, size, weight, or height so they do not damage the highway infrastructure or create a hazard to the motoring public.

The Governor's Budget for the Motor Carrier Transportation program is \$65.4 million total funds which includes \$60.0 Other Funds and \$5.4 Federal Funds and continues support for existing programs. The funding comes from the State Highway Fund, with a small portion of federal grants for the Motor Carrier Safety Assistance Program.

Highway safety is the top priority for the MCTD. Consequently, this program is part of the Safety Outcome Area. The division's mission is to promote a safe, efficient, and responsible commercial transportation industry by simplifying compliance, reducing unnecessary regulations, protecting highways and bridges from damage, facilitating the safety of the traveling public, enhancing private-public partnerships, fostering effective two-way communication, delivering superior customer service, and recognizing the vital economic interests of the commercial transportation industry.

Transportation Program Development

Transportation Program Development (TPD) plans and coordinates the future use of transportation resources among state, federal, and local agencies to design and operate an efficient transportation system. The TPD program provides the foundation for decision making to address transportation needs through its research, data collection, and planning responsibilities, and also provides grant opportunities for the building of infrastructure in support of state and community visions for a multimodal transportation system (*ConnectOregon*). The scoping of proposed transportation projects, the planning necessary to identify these projects, and research and data collection are all key functions of the TPD program.

The Governor's Budget for Transportation Program Development is \$192.1 million total funds which includes \$192.0 Other Funds and \$0.2 Federal Funds and is 14.8 percent less than the 2013-15 Legislatively Approved Budget. The major sources of funding for TPD includes federal transportation funds from the FHWA and the National Highway Traffic Safety Administration, and revenues from the State Highway Fund. The decrease is largely due to the completion of previous *ConnectOregon*, Transportation System, non-highway flex funded, and the Jobs and Transportation Act (2009) planning projects during the 2013-15 biennium, thus the limitation was no longer needed. However, the budget for this program does include a \$59.4 million investment in *ConnectOregon* VI, which will be funded through the sale of lottery backed bonds.

As part of the Economy and Jobs Outcome Area within the 10-Year Plan for Oregon, this program is responsible for the integration of economic and community planning, project finance, infrastructure, and regulatory services. The program incorporates individuals' recommendations into the decision making process. TPD supports programs ranging from the legislatively mandated *ConnectOregon* program, work to lifeline routes for use in the case of a catastrophic event, to individual community planning grants in support future transportation needs across all modes. The services provided by TPD are critical for successfully managing Oregon's transportation system.

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. It 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 \$95.4 million total funds which includes \$9.3 million General Fund, \$30.3 million Other Funds and \$55.8 Federal Funds and continues support for existing programs. The majority of funding is from Federal Funds grants from the Federal Transit Administration and the Federal Highway Administration. These sources are specifically for the intended transit programs. Other sources of funding are derived from Transportation Operating Fund, Cigarette Tax, ID Card revenue, and interest income.

As part of the Economy and Jobs Outcome Area, Public Transit will maximize the existing infrastructure of transportation through involvement at a regional and local level with their partners. Public Transit is migrating to a more multimodal and regional model by integrating transit planning and development with other state agencies, as well as local efforts. In the long-term, the vision is to create a universally accessible public transportation system that promotes livable communities and increases the quality of life for all Oregonians through better mobility and reduced congestion.

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 for rail fixed guide ways 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 \$70.3 million total funds which includes \$10.4 million General Fund, \$33.7 million Other Funds and \$26.2 Federal Funds and represents a 7.5 percent decrease from the 2013-15 Legislatively Approved Budget. The decrease in funding is largely due to the reduction of Federal Funds expenditure limitation to better align the budget with anticipated funding. A portion of Rail Safety is funded by an assessment on all railroads based on their annual gross operating revenues generated in Oregon. A second portion is funded by an assessment to four transit districts based on Rail Safety's costs to administer the program. Both sources are dedicated according to ORS 824.010 through ORS 824.019 and ORS 824.045. The Passenger Rail program is funded by Custom License Plate revenue, the Transportation Operating Fund, FTA 5307 grant dollars, Congestion Mitigation, and Air Quality funds received from the Federal Highway Administration.

While there is a decrease in total funds, the Governor's Budget makes a substantial General Fund investment (\$10.4 million) in passenger rail in order to maintain the current level of service for the Amtrak *Cascades* intercity passenger rail service between Eugene and Portland. In 2008, Congress passed the Passenger Rail Investment and Improvement Act. Section 209 of that Act required Amtrak to phase out funding of rail services from the federal government to the states for short-distance corridors of not more than 750 miles. This includes the corridor from Portland to Eugene. Beginning next year, the state will need to come up with state funds if it intends to maintain this service. The service includes two daily roundtrips between Eugene and Portland, four daily roundtrips between Portland and Seattle, and two daily roundtrips between Seattle, WA, and Vancouver, British Columbia. Ridership in the corridor has steadily increased since the service began in 1994 topping 211,000 riders in 2012 – a 43 percent increase since 2007, and a 250 percent increase since 1999.

Rail's primary purpose places it within the Safety Outcome Area in the 10-Year Plan for Oregon, as such, the program strives to ensure safe workplaces for railroad workers through a combination of workplace and equipment inspections, enforcements and education. These actions increase railroad worker safety levels and help to minimize derailments, thus reducing the possibility of accidental releases of hazardous waste materials. The Crossing Safety program maximizes safety for Oregon citizens through regular inspections of public, at-grade and grade-separated crossings and enforcement of all state and federal safety requirements regarding those crossings.

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. It 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 \$36.3 million total funds which includes \$17.6 million Other Funds and \$18.7 million Federal Funds, and 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.

Transportation Safety, as part of the Safety Outcome Area, provides resources to communities to prevent both physical harm and property damage from automobile and motorcycle accidents, through focusing on behaviors that contribute to such accidents. These programs lead directly to Oregonians being safer on its roads and highways. The number of traffic fatalities per 100 million vehicle miles traveled has steadily declined from 1.24 in 2008 to 1.02 in 2012.

Debt Service

The Debt Service program consists of principal and interest payments related to debt and loan activities. Other Funds debt service consists of payments on the following activities:

- Revenue Bonds sold for OTIA I, II, and III, and the Jobs and Transportation Act
- Certificates of Participation issued for the DMV Building Refunding and the State Radio Project

- Article XI-Q General Obligation Bonds sold for the State Radio Project and the Transportation Building

Lottery Bond debt service consists of payments on Lottery Bonds sold for the following projects:

- Short Line Infrastructure Assistance
- Industrial Rail Spur Infrastructure
- South Metro Commuter Rail
- Southeast Metro Milwaukie Extension
- *ConnectOregon* I, II, III, IV and V (projected amount for *ConnectOregon* V)
- Oregon Street Car
- Coos Bay Rail Link (projected amount)
- Salem-Keizer Transit (projected amount)

General Fund debt service is for the projected amount (8 million) of debt related to the issuance of Article XI-Q General Obligation bonds for the State Radio Project in the 2013-15 biennium.

The Governor's Budget for the Debt Service program is \$595.5 million total funds which includes \$18.0 million General Fund, \$113.8 million Lottery Funds, \$442.1 million Other Funds, and \$21.6 million Nonlimited Federal Funds.

In 2011-13, the Legislature decreased the amount of General Fund debt service intended for repayment of portions of the State Radio Project that are not considered State Highway assets. The State Radio Project is a joint project between ODOT and the Oregon State Police. The project is run by ODOT. It is expected that future debt service will be partially paid by the General Fund to cover the portions of the project that are not considered State Highway assets. This budget provides \$10 million General Fund to begin reimbursing the State Highway Fund for debt service payments the Department made for State Radio Project assets that were acquired for the Oregon State Police's portion of the project.

Central Services

The Central Services program has two administrative support divisions. The Agency Support Division, provides the following services across the agency – audit services, business services, facilities, financial services, human resources, information systems, and the procurement office. The ODOT Headquarters Division includes the ODOT Director, Deputy Director for Central Services, budget services, the Office of Civil Rights, and the Office of the Director (including the Assistant Director, Government Relations, Communications, and Business Management).

The Governor's Budget for Central Services is \$201.2 million total funds which includes \$200.9 million Other Funds and \$0.3 million Federal Funds) and 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.

As part of the Improving Government Outcome Area within the 10-Year Plan for Oregon, the Central Services program supports the mission of ODOT by providing centralized administrative, support, and

managerial services to the department, the Oregon Transportation Commission, and external partners and stakeholders. These services are critical to the efficient management of agency resources and also provide vital services and accountability to the Department's partners and the general public.

CONSUMER AND BUSINESS SERVICES

Program Area and Agency Information

SECTION H



CONSUMER AND BUSINESS SERVICES AGENCIES

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<i>Board of Licensed Professional Counselors and Therapists</i>	<i>H-260</i>
<i>Oregon Board of Dentistry</i>	<i>H-262</i>
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<i>Oregon State Board of Licensed Social Workers</i>	<i>H-289</i>
<i>State Board of Tax Practitioners</i>	<i>H-291</i>

Consumer and Business Services Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	11,007,503	11,846,552	12,309,578
Lottery Funds	0	0	0
Other Funds	283,077,108	341,340,024	353,389,340
Federal Funds	7,171,628	9,794,514	5,472,924
Other Funds (Nonlimited)	275,765,440	280,036,950	265,142,373
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$577,021,679	\$643,018,040	\$636,314,215
Positions	1,467	1,453	1,426
FTE	1,446.54	1,418.57	1,410.80

OVERVIEW

Consumer and Business Services agencies work to protect consumers and workers, and to promote a positive business climate in the state. Agencies within the Consumer and Business Services Program Area include:

- Department of Consumer and Business Services – Protects consumers and workers in matters of workers compensation, occupational safety and health, financial services, insurance and state building codes, while supporting a positive business climate.
- Bureau of Labor and Industries – Protects people’s rights in workplaces, career schools, housing and public accommodations; enforces wage and hour laws; promotes the development of a skilled workforce; and provides training to employers.
- Public Utility Commission – Works to ensure that safe and reliable utility services are provided to consumers at equitable and reasonable rates through regulation and promoting the development of competitive markets; 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; ensure that only qualified people are licensed or bonded; and set and ensure standards of conduct.

All agencies and programs within this program area link to the 10-Year Plan Safety Outcome Area; specifically cases of consumer fraud are reduced. The Bureau of Labor and Industries and the Construction Contractors Board also link to the 10-Year Plan Jobs and Innovation Outcome Area, including the state actively growing new jobs at a healthy rate.

GOVERNOR’S BUDGET AND KEY INVESTMENTS

The Governor’s Budget contributes to the physical and financial well-being of consumers by funding strategic legislative modifications designed to adapt to changes in the business environment across a variety of fields. It also invests in consumer protection by adding investigative staff to ensure the quality and timeliness of complaint investigations. The budget also supports quality customer service, increased transparency, and the timely processing of license applications by including targeted increases in administrative staff and information technology improvements.

The Governor’s Budget for the Consumer and Business Services Program Area agencies is \$636.3 million total funds. This is a 1.0 percent decrease from the 2013-15 Legislatively Approved Budget. The decrease results from aligning Public Utility Commission revenues and expenditures based on experience, and the conclusion of the federal American Recover and Reinvestment Act broadband funding and an insurance rate-setting grant. Nonlimited Other Funds expenditures are reduced by 5.3 percent.

Other Funds provide almost 97 percent of the budget for this program area. Just two percent of the program area’s budget is General Fund. The General Fund is \$12.3 million, all within the Bureau of Labor and Industries, and is an increase of 3.9 percent from 2013-15 Legislatively Approved Budget. All regulatory boards are funded entirely with Other Funds, derived primarily from licensing fees.

Oregon Board of Accountancy

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,833,249	2,104,122	2,469,720
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,833,249	\$2,104,122	\$2,469,720
Positions	7	8	8
FTE	7.00	8.00	8.00

OVERVIEW

The Oregon Board of Accountancy regulates the practice and performance of services provided by licensed accountants. The Board evaluates the qualifications of candidates, manages the exam applications and grades, issues and renews licenses, and investigates complaints. Approximately 9,000 certified public accountants, municipal auditors, public accountants, and accounting firms are overseen by the Board.

GOVERNOR'S BUDGET

The Governor's Budget is \$2.5 million Other Funds. This is a 17.4 percent increase from the 2013-15 Legislatively Approved Budget. The Board of Accountancy supports the Safety Outcome Area by enhancing professional competency and implementing high professional standards in licensed accountants and accounting firms. The budget continues a second investigator position and increases contract funding for special expertise.

REVENUE SUMMARY

The Board is funded entirely with Other Funds revenues, primarily from licensing fees.

Board of Chiropractic Examiners

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,345,507	1,480,033	1,905,258
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,345,507	\$1,480,033	\$1,905,258
Positions	5	6	6
FTE	4.50	4.88	5.10

OVERVIEW

The Board of Chiropractic Examiners' mission is to serve the public, regulate the practice of chiropractic, promote quality, and ensure competent ethical health care. To ensure public safety, the Board establishes practice guidelines, conducts rulemaking, sets requirements for the issuance and renewal of licenses, ensures licensees complete continuing education requirements, reviews investigative cases, and takes disciplinary or other action where appropriate.

The Governor appoints the seven-member board that includes five chiropractic physicians and two public members. The Board's staff performs background checks on applicants for licensure, issues and renews licenses, investigates complaints, and monitors disciplined licensees. The Board's program is part of the Public Safety Outcome Area because it keeps Oregonians safe by providing access to consumer protection and setting high standards for licensure designed to help ensure clients receive quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Chiropractic Examiners is \$1.9 million Other Funds. This is a 28.7 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes six positions, which represents an increase of one part-time position from the 2013-15 LAB.

The budget continues programs at the current level, including licensing over 1,900 Doctors of Chiropractic and 1,400 Chiropractic Assistants. The budget also includes funding for increasing Attorney General and Office of Administrative Hearings costs as well as costs associated with providing online licensing. It also invests in qualified staff by providing funds for a pay differential for the new Executive Director and to make permanent a part-time investigator to investigate approximately 130 complaints in the 2015-17 biennium.

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 approximately 95 percent of its revenue from fees for licensure and the remaining revenues are from sales of lists, mailing labels, and various fines. The 2015-17 budget increases fees for license applications, initial licenses, and renewal licenses for Doctors of Chiropractic, resulting in an increase of approximately \$290,000 Other Funds revenue.

Construction Contractors Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	12,623,574	16,287,732	14,540,074
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$12,623,574	\$16,287,732	\$14,540,074
Positions	75	75	62
FTE	75.00	74.50	62.00

OVERVIEW

The Construction Contractors Board encourages competition and growth in the construction contracting industry, focuses on contractor accountability and protects the public interest relating to improvements to real property. Agency programs regulate construction contractors and promote a competitive business environment through testing and licensing contractors, investigating complaints, adjudicating claims, and educating customers and contractors. The Board consists of nine members appointed by the Governor, including six contractors, one elected representative of local government and two public members. The Board has oversight of roughly 35,000 licensed contractors and holds contractors accountable for their business activities, which increases consumer confidence in the construction industry.

GOVERNOR'S BUDGET

The Governor's Budget for the Construction Contractors Board is \$14.5 million total funds. This is a 10.7 percent decrease from the 2013-15 Legislatively Approved Budget. The decrease in the budget is a result of actions taken to align expenditures with a reduced level of licensing revenues. Currently, the agency has roughly 35,000 licensees, which is a significant reduction from approximately 39,000 in 2011. Although revenues have declined since 2011, licensee numbers and revenues are expected to climb at a gradual rate over the 2015-17 biennium. The Governor's Budget supports 62 positions.

The Construction Contractors Board supports the 10-Year Plan by focusing on contractor accountability, consumer protection, a level playing field for contractors, education, and enforcement. These efforts increase consumer confidence, which stimulates demand and increases growth in the economy.

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 at \$1.0 million for the 2015-17 biennium.

Department of Consumer and Business Services

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	174,809,628	215,686,144	225,138,942
Federal Funds	2,800,470	5,636,901	3,292,312
Other Funds (Nonlimited)	199,295,655	199,565,185	197,626,507
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$376,905,753	\$420,888,230	\$426,057,761
Positions	933	918	934
FTE	924.50	911.97	926.72

OVERVIEW

The Department of Consumer and Business Services (DCBS) is Oregon's largest business regulatory and consumer protection agency. The agency administers programs that protect consumers and workers while supporting a positive business climate in the state. The Department's five main areas of regulation are:

- Workers Compensation
- Occupational Health and Safety (OSHA)
- Financial Services
- Insurance Companies and Agents
- Building Codes

GOVERNOR'S BUDGET

The Governor's Budget for DCBS is \$426.1 million total funds. This is a 1.2 percent increase from the 2013-15 Legislatively Approved Budget. The budget supports all current agency programs and makes targeted staffing investments to enhance the review of disability disputes, increase workplace safety, heighten the oversight of insurance product and market regulation, and support the needs of Oregon's manufacturing and construction industry.

The budget also supports proposed legislation which would address challenges associated with the regulation of debt collectors, require loan servicers to be licensed by DCBS when the borrower or the subject property is located within Oregon, and to require "buy here/pay here" used auto dealers to be licensed by DCBS when they charge interest on loans and require the customer to make six or more payments.

REVENUE SUMMARY

DCBS receives its revenues from over 500 dedicated fees, assessments, and charges. The Department receives some Federal Funds, but no General Fund or Lottery Funds. Although DCBS does not receive General Fund, its Insurance Division collects retaliatory taxes from out-of-state insurance companies, which it transfers to the General Fund. Additional General Fund transfers include fines collected by the Insurance Division and the Mortgage Lending Program.

The agency's two largest revenue sources are the Workers' Benefit Fund and the Workers' Compensation Premium Assessment Operating Account. For the Workers' Benefit Fund, employers and employees each contribute half of the cents-per-hour assessment; the assessment is set annually by the DCBS director, based on anticipated revenues, expenditures and cash balances. For the Workers' Compensation Premium Assessment Operating Account, employers pay an assessment on workers' compensation premiums. Statute requires the director of DCBS to use an administrative hearings process to set the assessment rate.

AGENCY PROGRAMS

Workers' Compensation Accounts (Nonlimited)

DCBS administers the Self-insured Employer Adjustment Reserve account and the Self-insured Employer Group Adjustment Reserve account. These accounts are intended to protect injured workers who work for employers that choose to self-insure their workers' compensation liability. More than 10 percent of Oregon workers are employed by self-insured employers. If one of these employers becomes insolvent or otherwise defaults on its workers' compensation obligations, workers' compensation benefits for the employer's injured workers and their beneficiaries are paid out of the applicable reserve account. The Governor's Budget for this program is \$1.5 million Other Funds. This funding level is equal to the 2013-15 Legislatively Approved Budget. Funding for these accounts comes from an additional 0.2 percent premium assessment from the respective employers. The program does not include positions. These self-insured reserve funds are part of the regulatory framework that ensures the safety, soundness, and availability of the labor market.

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 workers, and pay incentives to employers to keep injured workers at work and return workers to physically appropriate work. The Governor's Budget for this program is \$193.3 million Other Funds. This funding level is equal to the 2013-15 Legislatively Approved Budget. The programs of the Workers' Benefit Fund are funded by a cents-per-hour assessment paid half by the employer and half by the employee, investment income, and civil penalties. The program operates with 11 positions. By focusing on injury and disability prevention and remediation, the Workers' Benefit Fund helps prevent further disability and income loss through re-employment assistance, assisting disabled workers to become self-sufficient, and replacing income, which provides a financial and capital safety net for workers and employers.

Workers' Compensation Board

The Workers' Compensation Board is an independent adjudicatory agency within DCBS which ensures that 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 Governor's Budget for this program is \$23.1 million Other Funds. This is a 3.5 percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations. The program is supported by an assessment paid by employers on the premiums they pay to their insurer for workers' compensation coverage. The program operates with 83 positions. Board proceedings support the 10-Year Plan by ensuring Oregon workers, employers and insurers have an efficient, effective and expeditious mechanism to resolve disputes. Removing disputes from the court system and into an administrative forum, allows for quick dispute resolution, and reduces prolonged and costly litigation. During the biennium, the Board is anticipating roughly 13,000 hearings and review requests.

Workers' Compensation Division

The Workers' Compensation Division administers, regulates, and enforces requirements to protect workers, provide medical care for injuries and diseases, and provide timely and accurate wage-replacement benefits when workers are harmed. The Governor's Budget for this program is \$42.3 million Other Funds. This is a 1.9 percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations. The program is supported by a combination of assessments paid by employers on the premiums they pay to their insurer for workers' compensation coverage, investment income, civil penalties, and the cents-per-hour assessment. The program operates with 185 positions. The Governor's Budget will add resources to address an increasing level of complexity of disputes and to respond to an increasing number of complaints. Many of the administrative level dispute processes help prevent future litigation and reduce claim costs by quickly resolving issues. The Workers' Compensation Division is aligned with the 10-Year Plan by providing a structured system designed to ensure that employers provide workers' compensation coverage for their employees, treatment and benefits to help injured workers return to work and to resolve disputes quickly, fairly, and with as little litigation as possible. For fiscal year 2013 Oregon employers paid, on average, the 12th lowest workers' compensation premium rates in the nation.

Oregon Occupational Safety and Health Division

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 \$49.2 million Other Funds. This is a 3.5 percent increase from the 2013-15 Legislatively Approved Budget, which restores program capacity. The program receives its funding through an assessment paid by employers on the premiums they pay to their insurer for workers' compensation coverage, grants from the U.S. Department of Labor OSHA, investment income and civil penalties issued for violations of the Oregon Safe Employment Act. The program operates with 197 positions. The Governor's Budget restores program capacity to conduct safety enforcement visits, field consultations, and to streamline and consolidate general industry and construction rules. In support of the 10-Year Plan, the division's top priority is to achieve the lowest possible occupational injury, illness, and fatality rates through a full range of services and regulation, all

of which are designed to encourage and enable employers and their workers to pursue safe and healthy workplaces.

Insurance Division

The Insurance Division works to ensure financially strong insurance companies, legal and competitive insurance products, and savvy customers. It also works towards the affordability and availability of insurance products and the fair treatment of policy holders and claimants. The Governor's Budget for this program is \$28.0 million Other Funds. This is a 3.2 percent decrease from the 2013-15 Legislatively Approved Budget, which is the result of phase out of Federal Grant funds. The program receives its funding from assessments paid by insurance companies, licensing fees, testing fees, a grant from the U.S. Centers for Medicare and Medicaid for Senior Health Insurance Benefit Assistance, investment income and civil penalties. The program operates with 105 positions. The Governor's Budget will add resources to enhance the oversight of insurance products and market regulation. A strong consumer protection and compliance focus creates a stronger, more competitive, and more effective marketplace, targeting job creation, innovation, and capital investment. These efforts align the Insurance Division with the 10-Year Plan by protecting citizens from abuse, fraud, and deception in the marketplace. During 2013, the Insurance Division regulated 1,418 companies authorized to do business within Oregon.

Division of Finance and Corporate Securities

The Division of Finance and Corporate Securities ensures that a wide range of financial services and products are provided in a safe, sound, equitable, and fraud-free manner while promoting a favorable business climate. The Governor's Budget for this program is \$19.6 million Other Funds. This is a 4.4 percent increase from the 2013-15 Legislatively Approved Budget, driven by the expanding regulatory oversight of the program. The program is funded through license and examination fees assessed to state-chartered banks and credit unions, license fees charged to securities brokers, and license fees charged to mortgage brokers and bankers. The program operates with 82 positions. The Governor's Budget supports proposed legislation to: address challenges associated with the regulation of debt collectors; require loan servicers to be licensed by DCBS when the borrower or the subject property is located within Oregon; and require "buy here/pay here" used auto dealers to be licensed by DCBS when they charge interest on loans and require the customer to make six or more payments. Through the program's efforts, Oregonians are able to rely upon the safety and soundness of the financial institutions they regulate. For fiscal year 2013, 81 percent of Oregon's financial entities were rated satisfactory or higher, an increase from fiscal year 2011 when this number was 65 percent.

Shared Services Division

The Shared Services Division includes the Director's Office, Central Services, Employee Services, and the Communications Section. Having these functions centralized is cost effective, increases accountability, and enables all programs to share resources and expertise. The Governor's Budget for this program is \$35.5 million Other Funds. This is a 0.6 percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations. The division is funded by revenue transfers from other areas within DCBS and also receives a grant from the U.S. Department of Labor to conduct an annual survey of work-related injuries and illnesses and to collect data for the census on fatal occupational injuries. The program operates with 148 positions. The Shared Services program

supports the 10-Year Plan by supporting other agency programs with expertise and efficiencies at an effective cost.

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. The Governor's Budget for this program is \$33.6 million Other Funds. This is a 5.5 percent increase from the 2013-15 Legislatively Approved Budget, driven by investments to respond to customer needs. The program is funded from building permits, licensing and inspection fees, and surcharges on permits. The program operates with 123 positions. The Governor's Budget adds resources to allow the division to respond timely to the increasing needs of its customers. With the passage of Senate Bill 582 (2013) the Building Codes Division is now the service provider for Harney County, Grant County, the Umatilla Indian Tribe, and parts of Curry and Union Counties. Contractors, designers, and inspectors working in a statewide, uniform regulatory environment support public safety and a stronger, more competitive construction market.

Board of Licensed Professional Counselors and Therapists

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	877,340	1,128,319	1,517,167
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$877,340	\$1,128,319	\$1,517,167
Positions	4	4	6
FTE	3.50	3.50	4.50

OVERVIEW

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 Board's activities protect the public through licensing and rulemaking. The Governor appoints the eight-member board including three licensed professional counselors, two licensed marriage and family therapists, one university graduate school faculty member, and two public members.

The Board sets requirements for voluntary licensure, establishes Board policies, investigates complaints against licensees, and takes disciplinary or other action where appropriate. It also appoints and reviews the work of the Executive Director. Staff perform background checks on applicants for licensure, issue and renew licenses, investigate complaints, and monitor disciplined licensees. The Board's programs are part of the Public Safety Outcome Area because they keep Oregonians safe by ensuring 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 counselors and therapists will also contribute towards better outcomes in the mental health system.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Licensed Counselors and Therapists is \$1.5 million Other Funds. This is a 34.5 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes six positions, which represents an increase of two positions from the 2013-15 LAB.

The Governor's Budget invests in additional investigative staff to address a 53 percent increase in the number of complaints received by the Board and provide resources to address a backlog of 57 investigative cases. The budget also invests in improved customer service and transparency for both licensees and complainants by investing in additional administrative staff. The additional staff will ensure the Board is able to submit disciplinary reports to the National Practitioner Data Bank, post disciplinary decisions online, and process an estimated 8,984 applications for the 2015-17 biennium in a timely manner.

The Governor's Budget also supports interagency collaboration with the Oregon Board of Psychologist Examiners (OBPE). The OBPE and the OBLCT are currently operating under an intergovernmental agreement to facilitate collaboration between the two Boards and to share resources, including an Executive Director and a full-time operations and policy analyst position. The Governor's Budget supports extending this agreement beyond its current expiration date of June 30, 2015. During the 2015-17 biennium, the Boards will continue to work towards increased collaboration and are expected to have a proposal for merging staff and resources by the 2017-19 biennium.

REVENUE SUMMARY

The Oregon Board of Licensed Counselors and Therapists is supported by Other Funds revenues primarily generated from annual licensing and renewal application fees charged to professional counselors, marriage and family therapists, and registered interns. The Board also collects revenues for criminal background checks as they are conducted, once every five years, which are passed through to the Oregon State Police.

The Governor's Budget increases license application and initial license fees for professional counselors and marriage and family therapists, effective July 1, 2015. Specifically, the Board will increase license application fees from \$125 to \$175 and initial license fees from \$100 to \$125. The additional revenue funds investments in investigative and administrative staff.

Oregon Board of Dentistry

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	2,314,426	2,606,916	3,052,614
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$2,314,426	\$2,606,916	\$3,052,614
Positions	7	7	8
FTE	7.00	7.00	8.00

OVERVIEW

The mission of the Oregon Board of Dentistry is to assure the citizens of the state receive the highest possible quality of oral health care. The Board of Dentistry is charged with the regulation of the practice of dentistry and dental hygiene through the setting of standards for entry to practice, examination of applicants, issuance and renewal of licenses, and enforcement of the standards of practice. The Governor appoints the nine-member board including six dentists, two dental hygienists, and one public member. The Board's programs are part of the Public Safety Outcome Area and keep Oregonians safe by ensuring patients receive quality dental services by setting high standards for license requirements.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Board of Dentistry is \$3.1 million Other Funds. This is a 17.1 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes eight positions, which represents an increase of one position from the 2013-15 LAB. The Governor's Budget invests in public safety and quality customer service by adding investigative staff, which will decrease the average duration of investigations from 10 months to three and one-half months. The budget also supports the licensing of approximately 4,100 dentists and 4,200 dental hygienists during the 2015-17 biennium.

REVENUE SUMMARY

The Oregon Board of Dentistry is supported by Other Funds revenue generated primarily from examination fees and licensing and renewal application fees charged to dentists and dental hygienists. Less than nine percent of the Board's revenue is from miscellaneous revenues generated from the sale of documents and records, late fees, interest, and civil penalties. The Governor's Budget increases new and renewal license fees for both dentists and dental hygienists each by \$75, providing an increase of \$586,260 Other Funds revenue. This fee increase is projected to support the Board through the 2017-19 biennium.

Health-Related Licensing Boards

<i>Board of Medical Imaging</i>	<i>H-246</i>
<i>Oregon Mortuary and Cemetery Board.....</i>	<i>H-248</i>
<i>Board of Naturopathic Medicine</i>	<i>H-249</i>
<i>Oregon Occupational Therapy Board</i>	<i>H-250</i>
<i>Board of Examiners for Speech-Language Pathology and Audiology</i>	<i>H-251</i>
<i>Oregon State Veterinary Medical Examining Board.....</i>	<i>H-252</i>

Board of Medical Imaging

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	649,139	856,351	915,791
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$649,139	\$856,351	\$915,791
Positions	4	3	3
FTE	3.25	3.00	3.00

OVERVIEW

The mission of the Board of Medical Imaging is to promote, preserve and protect the public health, safety and welfare of Oregonians while undergoing medical imaging studies performed by licensees for the purpose of medical diagnosis and therapy. On July 1, 2010, the Board also began licensing nuclear medicine technologists, sonographers, and MRI technologists. The Governor appoints the 12-member board, including four licensed physicians who represent 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 program is aligned with the Public Safety Outcome Area because it keeps Oregonians safe by ensuring patients receive high quality services while undergoing medical imaging studies by setting high standards for license requirements. Highly qualified health care providers also contribute towards better health care outcomes.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Medical Imaging is \$915,791 Other Funds. This is a 6.9 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes three positions, which represents no change from the 2013-15 LAB. The budget supports existing services, including the licensing of over 6,000 individuals in permanent and temporary medical imaging positions and as

limited x-ray machine operators. The budget also provides limitation necessary for conducting criminal background checks on licensees and issuing fluoroscopy permits to physician assistants.

REVENUE SUMMARY

The Board is funded by Other Funds primarily from revenues for limited scope examinations, as well as initial licensing and renewal application fees. The budget includes revenues for a criminal background check fee for first-time applicants, established, in rule, in July 2014. The budget also includes revenues related to issuing fluoroscopy permits to qualified physician assistants.

Oregon Mortuary and Cemetery Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,170,556	1,446,342	1,554,010
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,170,556	\$1,446,342	\$1,554,010
Positions	6	6	6
FTE	5.71	5.71	6.00

OVERVIEW

The Oregon Mortuary and Cemetery Board's mission is to protect public health, safety, and welfare by fairly and efficiently performing its licensing, inspection, and enforcement duties; promoting behavior and standards in all facets of the Oregon death care industry; and maintaining constructive relationships with licensees, those they serve, and others with an interest in the Board's activities. The 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's program is part of the Public Safety Outcome Area because it keeps people safe by providing consumer protection for potentially vulnerable, grieving individuals, protecting them from deceptive practices or unsafe services. The Board also fosters a culture of disaster preparedness and resiliency by coordinating with local and federal agencies for emergency preparedness.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Mortuary and Cemetery Board is \$1.6 million Other Funds. This is a 7.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes six positions, an increase of one half-time position to full-time from the 2013-15 LAB. The budget supports existing services, including licensing approximately 2,400 practitioners and facilities and processing an estimated 225 investigative cases. It also provides for the administration of the Indigent Disposition Fund and performance of auditing and document review necessary to protect pre-need death care consumers.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue from license and examination fees and a \$14 portion of the \$20 death registration filing fee. There was an increase in 2009 of the death certificate initial filing fee; this revenue is projected to sustain the Board through the 2017-19 biennium.

Board of Naturopathic Medicine

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	554,932	653,339	704,543
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$554,932	\$653,339	\$704,543
Positions	3	3	3
FTE	2.50	2.50	2.50

OVERVIEW

The mission of the Board of Naturopathic Medicine is to protect the public by licensing and regulating naturopathic physicians, including certifying practitioners qualified to perform natural childbirth. The Governor appoints the seven-member board, including 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. The Board's program is aligned with the Public Safety Outcome Area because it keeps Oregonians safe by providing access to consumer protection and setting high standards for licensure designed to ensure patients receive quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Board of Naturopathic Medicine is \$704,543 Other Funds. This is a 7.8 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes three positions, which represents no change from the 2013-15 LAB. The budget funds existing operations, including licensing approximately 1,130 naturopathic physicians and investigating an estimated 40 complaints.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue primarily from license, certification, and examination fees.

Oregon Occupational Therapy Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	289,761	380,132	453,824
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$289,761	\$380,132	\$453,824
Positions	1	2	2
FTE	1.25	1.25	1.50

OVERVIEW

The Board's mission is to protect the public by supervising 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 program is aligned with the Public Safety Outcome Area and keeps people safe, including children, senior citizens, and people with disabilities, by providing access to consumer protection and setting high standards for licensure designed to ensure clients receive high quality services.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon Occupational Therapy Board is \$453,824 Other Funds. This is a 19.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes two positions, which represents an increase of one position to half-time from the 2013-15 LAB. The budget funds current operations and includes a minor increase of administrative staff time to ensure the Board is able to continue processing the growing number of license applications and renewals, estimated at 2,200 licenses for the 2015-17 biennium, on a timely basis.

REVENUE SUMMARY

The Board is funded solely by Other Funds revenue primarily from license application and renewal fees. Approximately 16 percent of the Board's revenue is from interest income and miscellaneous revenues generated from the sale of documents and records, late fees, and civil penalties.

Board of Examiners for Speech-Language Pathology and Audiology

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	372,427	544,232	690,471
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$372,427	\$544,232	\$690,471
Positions	2	2	3
FTE	1.40	2.00	2.50

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 Board regulates the professional practice of speech-language pathology and audiology through ongoing monitoring of licensees, including investigating professional competence and conduct. The Governor appoints the seven member board, including 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 program is aligned with the Public Safety Outcome Area and keeps people safe, including children, senior citizens, and people with disabilities, by providing access to consumer protection and setting high standards for licensure designed to help 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 \$690,471 Other Funds. This is a 26.9 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes three positions, which includes the addition of one part-time position. The budget supports existing services, including processing an estimated 2,200 license applications and renewals, and invests in ensuring investigative cases are addressed in a timely manner. To that end, the budget adds investigative staff that will allow the Board to work through a backlog of 19 investigative cases, conduct criminal background checks, and address increases in investigative workload that will likely result from eliminating the exemption from licensure by the Board of Speech-Language Pathology and Audiology for speech-language pathologists initially licensed by the Teacher Standards and Practice Commission.

REVENUE SUMMARY

The Board of Examiners for Speech-Language Pathology and Audiology is funded solely by Other Funds revenues, primarily from application, initial license, and renewal fees. The remaining revenue is generated through delinquent fees, civil penalties, interest income, and sales of mailing lists. Although licensee volume has grown over the last several biennia, the Board projects an overall decline in the number of speech-language pathologists and speech-language pathology assistants in Oregon; therefore, the Board's revenue projections for the 2015-17 biennium assume no change in the total number of licensees.

Oregon State Veterinary Medical Examining Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	579,583	756,229	933,465
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$579,583	\$756,229	\$933,465
Positions	3	3	4
FTE	2.75	2.75	3.75

OVERVIEW

The Oregon State Veterinary Medical Examining Board regulates the veterinary professions in Oregon through enforcement of the Veterinary Practice Act. The Board was established in 1903 to test, license, monitor, and regulate practitioners of veterinary medicine in the state. The Governor appoints the eight-member board, including five members licensed to practice veterinary medicine, surgery and dentistry in Oregon, two public members, and one certified veterinary technician. The Board's mission is to protect animal health and welfare, public health, and consumers of veterinary services. The Board establishes licensing requirements and monitors the professional conduct of veterinarians, veterinary technicians, euthanasia shelters, and euthanasia technicians. The Board also investigates consumer complaints and takes appropriate remedial or disciplinary action. The Board's program is part of the Public Safety Outcome Area because it provides access to consumer protection designed to ensure veterinary care conforms to current medical standards and practices and is consistent with the best interests of the public and ensure 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 \$933,465 Other Funds. This is a 23.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes four positions, which represents an increase of one full-time position from the 2013-15 LAB. The budget supports existing services, including the licensure of approximately 2,100 veterinarians, registration of 80 veterinary interns, certification of 1,300 certified veterinary technicians, and the licensure of 125 euthanasia technicians. It also provides investigative staff for the regulation and inspection of approximately 1,000 registered veterinary facilities.

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. The Governor's Budget includes establishing statutory authority for the Board to impose a fine not to exceed \$100 for administrative or clerical violations of the Veterinary Practice Act. It also includes the establishment of a \$125 veterinary facility registration to fund the regulation, registration, and inspection of veterinary facilities.

Bureau of Labor and Industries

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	11,007,503	11,846,552	12,309,578
Lottery Funds	0	0	0
Other Funds	8,151,754	10,550,519	10,905,889
Federal Funds	1,253,026	1,683,613	1,481,005
Other Funds (Nonlimited)	1,191,801	1,200,000	1,236,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$21,604,084	\$25,280,684	\$25,932,472
Positions	102	101	102
FTE	100.50	98.38	100.67

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 jobs by: developing a highly skilled, competitive workforce in Oregon through partnerships with government, labor, business and education; protecting the rights of workers and citizens to equal, nondiscriminatory treatment; encouraging and enforcing compliance with state laws relating to wages, hours, terms and conditions of employment; and advocating for policies that balance the demands of the workplace and employers with the protections of workers and their families.

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 (including prevailing wage rates on public works contracts) 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 \$25.9 million total funds. It includes \$12.3 million General Fund, \$12.1 million Other Funds and \$1.5 million Federal Funds. This is a 2.6 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 102 positions and supports current agency programs.

REVENUE SUMMARY

Core agency functions are funded predominately with General Fund and Other Funds. Other Funds make up just under 50 percent of the agency's 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; civil rights actions, the Workers' Benefit Fund, Wage Security Fund, and Prevailing Wage and Oregon Occupational Safety and Health Administration contracts. General Fund revenue supports the demand for services from the agency's outreach efforts.

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. In addition, the agency publishes a monthly newsletter, handbooks, and workplace posters. The unit fields approximately 17,000 telephone and website inquiries and conducts an average of 165 public and customized seminars each year.
- 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 unlawfully discriminated against.
- The Administrative Prosecution unit provides adjudication and alternative dispute resolution of contested wage and hour and civil rights cases. In the past biennium, the unit reduced the time to schedule hearings by 82 percent, from an average of 33 days to six days. This results in a docket of no more than four to six months ensuring claimants, complainants and respondents are able to obtain legal case conclusions more quickly.

The Commissioner's Office is within the Economy and Jobs Outcome Area of the 10-Year Plan for Oregon and contributes by streamlining efforts to attract, grow and support businesses, and develop a dynamic, resilient workforce.

The Governor's Budget for this program is \$7.4 million total funds, including \$4.1 million General Fund, \$3.1 million Other Funds and \$233,355 Federal Funds. This is a 9.0 percent increase from the 2013-15 Legislatively Approved Budget. The program includes 28 positions. Enhancements to the Technical Assistance for Employers unit are expected to provide additional services including an additional 65 workshops or seminars focusing on rural employer participation.

Civil Rights Division

The Civil Rights Division protects Oregonians from unlawful discrimination, investigating allegations of civil rights violations in workplaces, career schools, housing and public accommodations. In addition to enforcing Oregon laws prohibiting discrimination, the unit has contracts for processing civil rights cases with the U.S. Equal Employment Opportunity Commission, the U.S. Department of Housing and Urban Development and the Oregon Occupational Safety and Health Administration.

The division is within the Economy and Jobs Outcomes Area of the 10-Year Plan for Oregon. It responds to more than 35,000 civil rights inquiries each year. Ninety percent of the complaints received are employment-related and the remaining 10 percent involve housing, public accommodations and career schools. The enforcement of civil rights laws affords Oregonians the opportunity to become a part of a resilient economy and virtuous circle of prosperity by ensuring equal access to jobs, promotions, and work environments free from discrimination and harassment. The program contributes to streamlining government services by fostering collaboration; improving government engagement, transparency and accountability; and utilizing and accelerating best practices and partnerships.

The Governor's Budget for this program is \$5.1 million total funds, including \$2.9 million General Fund, \$1.1 million Other Funds, and \$1.2 million Federal Funds. This is a 8.4 percent decrease from the 2013-15 Legislatively Approved Budget. The division has 29 positions.

Wage and Hour Division

The Wage and Hour Division is responsible for the administration and enforcement of the state laws regarding minimum wage; overtime and wage collection, child labor; farm, forest and construction labor; and prevailing wages. 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 1.6 million workers employed in Oregon. Approximately 2,100 wage claims are filed each year. Government enforcement of wage and hour laws is an integral part of creating prosperity and opportunity for Oregonians.

The population served is largely made up of unrepresented, low-income "at risk" employees who are vulnerable to exploitation, including children, migrant farm workers, and non-English speakers, who lack the ability and resources to defend themselves against unscrupulous employers. Among the classes of workers who routinely seek the division's services are terminated and unpaid workers who assign their wage claims to the state; teenagers and working minors who are protected under child labor laws; and farm workers, through the regulation of farm/forest labor contractors and camps.

The division is within the Economy and Jobs Outcomes Area of the 10-Year Plan for Oregon. The division's enforcement efforts assist disadvantaged workers to strive and break barriers in emerging

industry sectors. This, in turn, helps reduce the income inequality gap, and offers businesses the workforce needed to expand in international markets. The program offers support to minority and women-owned businesses to win a larger portion of state contracts and to help move this demographic group closer to Oregon's middle-class in the next 10 years.

The Governor's Budget for this program is \$8.0 million total funds, including \$2.5 million General Fund, and \$5.4 million Other Funds. This is a 3.1 percent increase from the 2013-15 Legislatively Approved Budget. The division has 29 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 apprenticeship. The division works with local apprenticeship committees statewide to ensure quality training and equal employment opportunities, particularly for veterans, women and minorities engaged in technical and craft occupations. The program supports the Economy and Jobs Outcomes Area by:

- reducing the income inequality gap;
- assisting with wages exceeding the per capita national average;
- promoting Oregon's middle-class growth and inclusiveness;
- promoting minority and women-owned businesses to win a larger portion of state contracts.

As of June 2014, there were 5,929 active apprentices and 4,561 employers participating in 146 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 \$2.1 million interagency agreement between the Bureau of Labor and Industries and the Oregon Department of Transportation for the Heavy Highway Supportive Services program 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 \$5.4 million total funds, including \$2.8 million General Fund, \$2.6 million Other Funds and \$87,941 Federal Funds. This is a 5.2 percent increase from the 2013-15 Legislatively Approved Budget. The division has 16 positions.

Oregon Medical Board

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	8,989,112	10,729,843	11,548,994
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$8,989,112	\$10,729,843	\$11,548,994
Positions	40	39	40
FTE	38.79	38.33	39.79

OVERVIEW

The mission of the Oregon Medical Board 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 medical doctors, doctors of osteopathic medicine, podiatric physicians, physician assistants, and licensed acupuncturists. The Governor appoints the 12-member board including seven medical doctors, two doctors of osteopathy, one doctor of podiatry, and two 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. As part of the Public Safety Outcome Area, 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 \$11.5 million Other Funds. This is a 7.6 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes 40 positions, which is an increase of one position from the 2013-15 LAB. The budget continues programs at the current level, including the licensing and registration of approximately 16,500 medical doctors and doctors of osteopathic medicine, 200 podiatric physicians, 1,500 physician assistants, and 1,500 licensed acupuncturists. The budget also invests in the security of the Board and its staff by funding improved office space to comply with fire marshal capacity requirements and ensure access to emergency exits. To support transparency and communication, the budget adds a position to streamline the management and communication of agency administrative rules and provide timely responses to increasingly complex public information requests. Additionally, the budget adds one position to ensure the Board continues to receive high quality investigative information upon which it bases disciplinary decisions.

REVENUE SUMMARY

The Oregon Medical Board is solely funded by Other Funds revenues. The Board receives approximately 98 percent of its revenue from fees for licensure and registration of the following groups: medical doctors, doctors of osteopathy, podiatrists, physician assistants and acupuncturists. Eighty-six percent of agency revenue comes from licensure and renewal of medical and osteopathic physicians. The growth rate for this license group is approximately two percent per year. Approximately two 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	12,452,336	14,493,701	14,810,185
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$12,452,336	\$14,493,701	\$14,810,185
Positions	48	48	48
FTE	47.38	47.80	47.80

OVERVIEW

The Oregon State Board of Nursing safeguards the public's health and well-being by regulating the practice of nurses and nursing assistants. The Board sets standards for the nursing practice, guidelines for education programs, and minimum competency levels 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 (RN), one Licensed Practical Nurse (LPN), one Certified Nursing Assistant (CNA) and one Nurse Practitioner. The four RN members represent the following areas of nursing practice: one nurse educator, one nurse administrator, and two direct-care non-supervisory nurses. The Board's program is aligned with the Public Safety Outcome Area because it keeps Oregonians safe by helping to ensure patients receive quality health care services by setting high standards for license requirements. Highly qualified health care providers also contribute towards better health care outcomes.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Board of Nursing is \$14.8 million Other Funds. This is a 2.2 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes 48 positions, which represents no change from the 2013-15 LAB. The Governor's Budget funds Board operations at the current level and invests in information technology enhancements to improve customer service and operational effectiveness through improved system processing speeds and reduced downtime. The budget supports the licensing and registration of approximately 56,800 registered and practical nurses, 3,800 advanced practice nurses, and 19,000 Certified Nursing Assistants.

REVENUE SUMMARY

The Oregon State Board of Nursing is primarily supported by Other Funds revenues generated from examination, licensing and renewal application fees charged to Registered Nurses, Licensed Practical Nurse, Nurse Practitioners, Certified Registered Nurse Anesthetists, Clinical Nurse Specialists, Certified Nurse Assistants, and Certified Medication Aides. Additional Other Funds revenue sources include the sale of documents, employer subscription fees, and civil penalties.

Oregon Board of Pharmacy

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	4,684,935	5,957,609	6,872,049
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$4,684,935	\$5,957,609	\$6,872,049
Positions	18	19	20
FTE	17.75	19.00	20.00

OVERVIEW

The Board of Pharmacy’s mission is to promote, preserve, and protect the public health, safety and welfare by establishing high standards in the practice of pharmacy and in the 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 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.

As part of the Public Safety Outcome Area, the Board protects Oregon consumers by regulating the practice of pharmacy and the commerce of drugs from manufacturer to the end user. Ensuring Oregon has an adequate and safe drug supply and only highly qualified persons engage in the practice of pharmacy also contributes towards better health care outcomes.

GOVERNOR’S BUDGET

The Governor’s Budget for the Board of Pharmacy is \$6.9 million Other Funds. This is a 15.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes 20 positions, which represents an increase of one position from the 2013-15 LAB. The budget adds this position to improve licensing procedures for the processing of approximately 28,000 professional licenses during the 2015-17 biennium. It also includes upgrades to the Board’s information technology to enhance online licensing and provides funding to complete an ongoing transition to a paperless environment.

REVENUE SUMMARY

The Board of Pharmacy is primarily supported by Other Funds revenues 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, photo copying, civil penalties, re-inspection fees and interest income.

During the 2013-15 biennium, the Board implemented temporary fee reductions. The Governor's Budget includes this temporary fee reduction, which will remain in place during the 2015-17 biennium. The Governor's Budget also includes transitioning Pharmacists and Certified Pharmacy Technicians from annual to biennial licensure at a reduced fee rate, resulting in a reduction of approximately \$800,000 Other Funds revenue.

Oregon Board of Psychologist Examiners

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	939,957	1,038,215	1,198,540
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$939,957	\$1,038,215	\$1,198,540
Positions	4	4	4
FTE	3.50	3.50	4.00

OVERVIEW

The mission of the Oregon Board of Psychologist Examiners (OBPE) is to promote, preserve, and protect the public health and welfare by ensuring the ethical and legal practice of psychology. The practice of psychology includes rendering or offering to render supervision, consultation, evaluation or therapy services to individuals, groups or organizations for the purpose of diagnosing or treating behavioral, emotional or mental disorders. The Governor appoints the nine-member board including six psychologists and three public members.

The Board sets requirements for licensure, establishes Board practices, reviews investigative cases and takes disciplinary or other action when appropriate. Board staff issue and renew licenses, review continuing education standards and compliance, investigate complaints and monitor disciplined licensees. The Board's programs are part of the Public Safety Outcome Area because they keep Oregonians safe by ensuring 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 will also contribute towards better outcomes in the mental health system.

GOVERNOR'S BUDGET

The Governor's Budget for OBPE is \$1.2 million Other Funds. This is a 15.4 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes four positions, which represents an increase of a half-time position to full-time from the 2013-15 LAB. This budget funds OBPE programs at the current level and invests in improving the timeliness of application processing by adding administrative staff. The budget supports the licensing of approximately 1,700 psychologists and psychologist associates and the investigation of approximately 50 complaints per year during the 2015-17 biennium.

The Governor's Budget also supports interagency collaboration with the Oregon Board of Licensed Professional Counselors and Therapists (OBLCT). OBLCT and OBPE are currently operating under an intergovernmental agreement to facilitate collaboration between the two Boards and to share resources,

including an Executive Director and a full-time operations and policy analyst position. The Governor's Budget supports extending this agreement beyond its current expiration date of June 30, 2015. During the 2015-17 biennium, the Boards will continue to work towards increased collaboration and are expected to have a proposal for merging the staff and resources by the 2017-19 biennium.

REVENUE SUMMARY

OBPE is supported by Other Funds revenues generated from licensing fees, examinations, and other miscellaneous sources, including civil penalties and sales of publications. Due to an unexpected surplus in revenues during the 2013-15 biennium, the Governor's Budget includes a one-time 66 percent reduction in license renewal fees. This reduction becomes effective January 1, 2014 and will continue through December 31, 2016. These fee reductions are estimated to result in a \$541,613 decrease in Other Funds revenue for the 2015-17 biennium.

Public Utility Commission

	2011-13 Actuals	2013-1 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	35,001,412	40,901,178	44,399,768
Federal Funds	3,118,132	2,474,000	699,607
Other Funds (Nonlimited)	75,277,984	79,271,765	66,279,866
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$113,397,528	\$122,646,943	\$111,379,241
Positions	131	130	128
FTE	127.51	127.25	125.97

OVERVIEW

The Public Utility Commission's (PUC) mission is to ensure consumers are provided access to safe and reliable utility services at equitable and reasonable rates through regulatory activities and the promotion of competitive markets. The Commission regulates customer rates and services of 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. There are nearly 3.2 million customers of utilities regulated by the Commission.

The Commission's responsibilities include:

- Setting utility rates charged to Oregon homes and businesses;
- Resolving customer complaints about utility service;
- Ensuring Oregon's electricity and natural gas systems operate safely and reliably;
- Ensuring Oregon's private energy utilities meet their customers' needs at the lowest possible cost and electric utilities meet the State's Renewable Portfolio Standards (RPS) and address the need to reduce greenhouse gas emissions;
- Managing a program to provide affordable phone service in high-cost areas of the state;
- Administering Oregon's telephone assistance programs that serve low-income and citizens with disabilities; and
- Advocating for Oregon's customer interests in regional and federal forums on energy and telecommunications; and
- Setting and enforcing rules for fair, effective competition in Oregon's electricity, natural gas and telecommunications industries.
- The Commission is supported by the following divisions:
 - Energy Division – Ensures investor-owned or commission-regulated private electric and natural gas utilities offer safe and reliable energy at reasonable rates.

- Telecommunications and Water Division – Focuses on promoting competition in Oregon’s telecommunications market while maintaining strong regulatory oversight where necessary to achieve the state’s goals for telecommunications service to Oregonians.
- Safety, Reliability and Security Division – Works on overseeing safe, reliable and secure operation of electric power and natural gas supply networks and telecommunication lines throughout Oregon.
- Administrative Hearings Division – Conducts rulemaking and contested case hearings on issues concerning utility services.
- Central Services Division – Includes the Residential Service Protection Fund (RSPF), and the Information System and Business Services sections.

GOVERNOR’S BUDGET

The Governor’s Budget is \$111.4 million total funds. This is just over a nine percent decrease from the 2013-15 Legislatively Approved Budget (LAB). It funds 128 positions, a net decrease of two positions from the 2013-15 LAB. It also enables the Board of Maritime Pilots to increase its Executive Director position to full-time, enabling the Board to institutionalize plans, processes and programs that ensure continuing compliance with new standards, document conditions existing in the field and assess current and emerging risks to Oregon Pilotage grounds.

REVENUE SUMMARY

The Commission is funded primarily by Other Funds from Utility Fees, the Residential Service Protection Fund (RSPF), 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.

AGENCY PROGRAMS

Utility Regulation

The Utility Regulation Program links to the Safety Outcome Area and is responsible for conducting research and analysis and providing the Commission with technical support. It ensures private electricity, natural gas, telecommunications and water utilities provide consumers with safe, reliable and high-quality service at reasonable rates and promotes effective competition. Staff review program financing and budgeting issues, conduct fiscal and general audits and monitor utility safety practices. There are approximately 3.19 million customers of utilities regulated by the Commission. Total revenue collected by Oregon investor-owned utilities is approximately \$4.81 billion per year, and investor-owned electric utilities (Portland General Electric, PacifiCorp, and Idaho Power) account for 67.4 percent of electricity sold in the state and 73.8 percent of electric customers in Oregon.

The Consumer Section responds to questions from consumers about the utility industry and assists in resolving consumer complaints. A consumer inquiry results in an investigation but involves an issue not regulated by the Commission. The section undertakes numerous inquiries from consumers regarding problems with their VoIP telephone service, cable and satellite TV and internet service—services over which the Commission has no regulatory authority. While overall consumer division activity and the number of complaints is down across all utilities after peaking in 2005, the last several years have seen

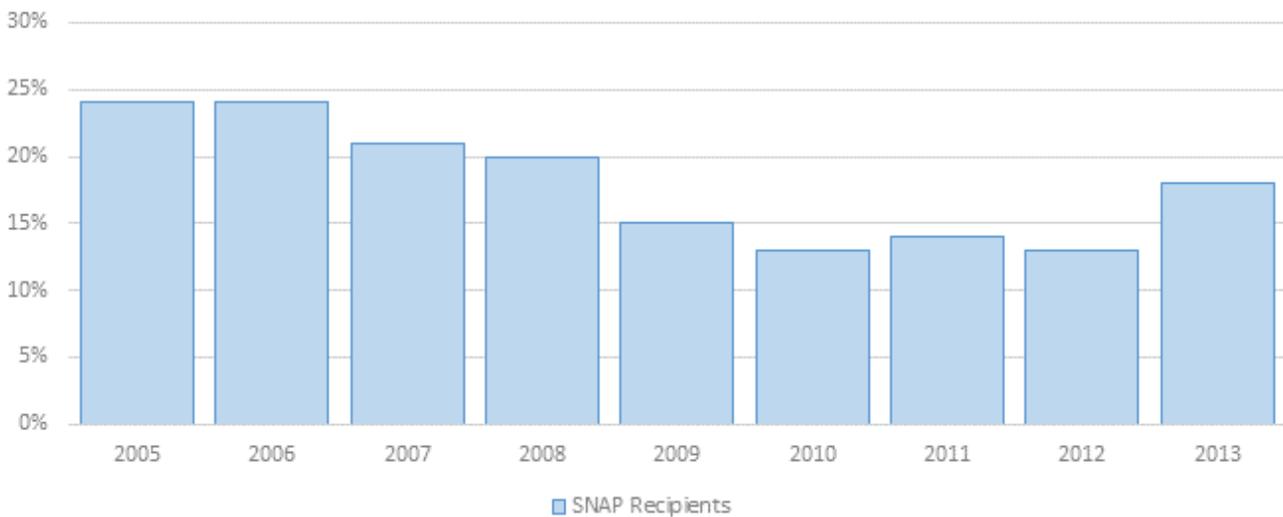
substantial growth in the number of inquiries related to cellular and telecommunication services. In 2013, cellular and communications inquiries accounted for nearly 30 percent of all customer contacts.

Residential Service Protection

The Residential Service Protection Fund (RSPF) links to the Healthy People Outcome Area and consists of four programs aimed at ensuring accessible and affordable basic phone service for all Oregonians. The programs provide telecommunications services for low-income individuals and people with disabilities, including the hearing- and speech-impaired. The services are funded through a surcharge assessed against each paying retail subscriber who has telephone or cellular service with access to the Oregon Telecommunications Relay Service. The surcharge is currently 11 cents per month and statute stipulates this rate cannot exceed 35 cents per month. Each month, the RSPF surcharge is assessed on approximately 4.3 million customers of landline and wireless services.

The Oregon Telephone Assistance Program (OTAP) is the state-mandated counterpart to the federal Lifeline program, serving approximately 92,000 eligible low-income customers by reducing the monthly cost of local residential or cellular phone service by \$12.75 (\$3.50 from OTAP and \$9.25 from Lifeline). All recipients of Supplemental Nutritional Assistance Program (SNAP) are eligible for the program. Until recently OTAP assistance was restricted to landlines and program participation had been in decline since the mid-2000s. However, the availability of OTAP assistance for wireless phones beginning in 2010 and pre-paid wireless in 2012, resulted in a period of unprecedented growth in OTAP participation. Among SNAP recipients the participation rate has increased to 18 percent.

Percentage of SNAP Recipients Receiving OTAP Assistance



Policy and Administration

The Policy and Administration Program links to the Safety Outcome Area and encompasses the office of the Chief Operating Officer, the Commission, Commission Services, Administrative Hearings, Central Services (which includes Consumer Protection Services), and Human Resources. The Commission is an

independent policy-making body that makes final determinations on utility rates and service matters and provides direction to the agency and regulated utilities. It is comprised of three members, including a Commission Chair, all of whom are appointed by the Governor.

Board of Maritime Pilots

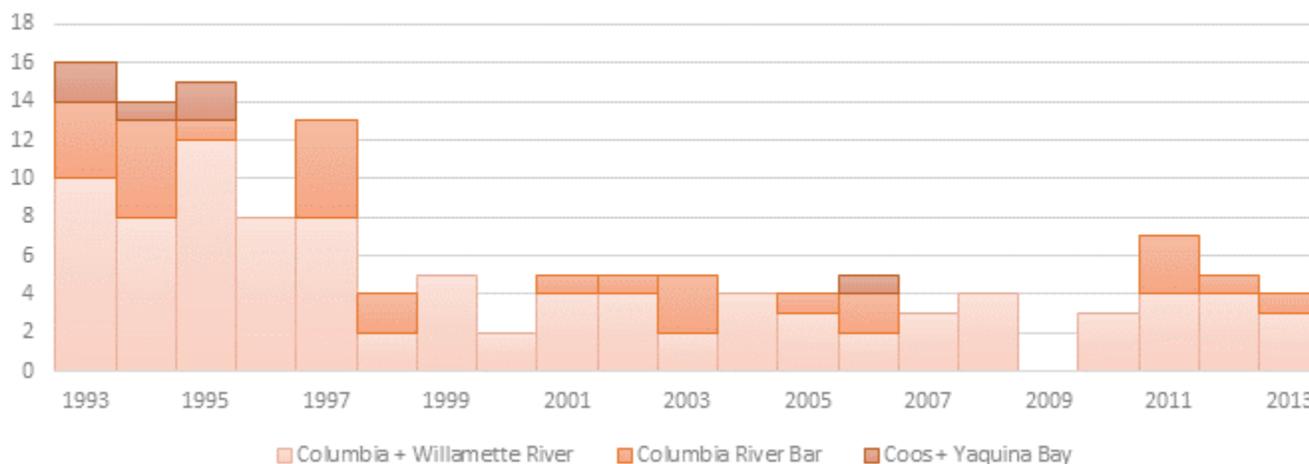
The Oregon Board of Maritime Pilots links to the Safety Outcome Area and is an independent occupational licensing and regulatory agency for state maritime pilots, whose mission is to protect public health, safety, and welfare by ensuring that only the best-qualified persons are licensed to pilot vessels 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.

The Board qualifies pilot applicants and selects pilot trainees and apprentices. It also sets licensing and training standards for newly appointed pilots. 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 also sets pilot rates, which by law can be set no less than every two years, and is one of only two authorities (the Commission being the other) in the state that administers rate setting. Rate hearings are conducted by an Administrative Law Judge from the Commission. The Board was transferred from the Department of Transportation to PUC by the 2007 Legislature, in order to better accommodate its rate setting abilities.

Since 1997, there has been a substantial reduction in the number of maritime incidents. Over the last 10 years, there has been an average of four maritime incidents per year. The vast majority of these incidents occurred within the Columbia and Willamette River—nearly 73 percent of all incidents over the last twenty years occurred there.

Martime Incidents and Total Transits



Oregon Real Estate Agency

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	6,198,690	7,277,657	7,123,799
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$6,198,690	\$7,277,657	\$7,123,799
Positions	31	30	29
FTE	30.25	29.75	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. With approximately 19,000 individual licensees, the agency is responsible for licensing, continuing education and the enforcement of Oregon's real estate laws applicable to brokers, property managers, and real estate firms. The agency also provides oversight for escrow agents, campground contract brokers, subdivisions, timeshares, 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.

The agency's activities link to the Safety Outcome Area and encompass efforts to prevent financial losses among consumers and real estate purchasers. With the implementation of an electronic licensing system (eLicense), the agency has realigned its organizational structure and endeavored to prioritize compliance and oversight. Going forward, the agency intends to increase the number of audits of Clients' Trust Accounts from 100 per quarter to 150 per quarter and increase the percentage of brokers who have undergone a compliance review. Additionally, the agency is providing increased oversight in continuing education requirements through periodic audits.

GOVERNOR'S BUDGET

The Governor's Budget is \$7.1 million total funds. This is just over a two percent decrease from the 2013-15 Legislatively Approved Budget (LAB). The budget enables the Commission to continue existing levels of service and funds 29 positions, a net decrease of one position from the 2013-15 LAB.

REVENUE SUMMARY

The agency's revenues are exclusively Other Funds and principally derived from annual licensing and business registration fees. License (new and renewal), application and exam fees comprise upwards of 97 percent of all revenue collected by the agency. The remaining revenue is derived from charges for service and fines and forfeitures—a portion of which is transferred to the General Fund.

Oregon State Board of Licensed Social Workers

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,244,783	1,395,325	1,411,153
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,244,783	\$1,395,325	\$1,411,153
Positions	6	6	6
FTE	5.50	6.00	6.00

OVERVIEW

The mission of the Oregon State Board of Licensed Social Workers (BLSW) 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 that includes four Licensed Clinical Social Workers (LCSW) and three public members. Beginning on January 1, 2015, the Board will consist of three LCSWs, 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 renewal process.

The Board has the authority to discipline licensees and to deny, suspend, revoke, or refuse to renew a certificate or license. Staff is responsible for issuing and renewing licenses, investigating complaints, and monitoring disciplined licensees. As part of the Public Safety Outcome Area, the Board keeps Oregonians safe by ensuring patients receive high quality services and appropriate treatment of dysfunctional behavior by setting high standards for license requirements. Highly qualified social workers will also contribute towards better outcomes in the mental health system.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Board of Licensed Social Workers is \$1.4 million Other Funds. This is a 1.1 percent increase from the 2013-15 Legislatively Approved Budget (LAB). The budget includes six positions, which represents no change from the 2013-15 LAB. The budget supports existing services and the licensing of approximately 5,200 individuals.

REVENUE SUMMARY

The Board is funded solely by Other Funds, primarily from fees paid for professional licenses. The Board's licensee base has continued to grow steadily over the past several years and saw an increased rate of growth following the implementation of Senate Bill 177 (2009), which significantly expanded the Board's authority as of January 1, 2011 by mandating licensure of those practicing clinical social work and adding two new licenses: Registered Bachelors of Social Work certification and Licensed Masters of Social Work licensure.

Though the growth of the BLSW's licensee base has been stable, the rate of growth will not be sufficient to support agency operations at the current level. To ensure the agency continues its operations at the current level while retaining a sufficient ending balance, the budget increases selected license renewal fees by 10 percent for all license types for the 2015-17 biennium.

State Board of Tax Practitioners

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,045,923	1,183,845	1,243,084
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,045,923	\$1,183,845	\$1,243,084
Positions	4	4	4
FTE	4.00	4.00	4.00

OVERVIEW

The Board of Tax Practitioners protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities. The Board carries out its mission through three primary programs, Licensing, Examination and Education, and Compliance Enforcement. The Licensing program provides licenses to people who have demonstrated their competence and ethical standards established by the Board. The Examination and Education program coordinates the administration of competency examinations to new applicants to ensure their comprehension of the state and federal tax code prior to being issued a license. The program also monitors the continuing education requirements by reviewing and approving courses that will enhance the licensee's knowledge of the tax law. The Compliance Enforcement program researches all complaints and possible violations of the laws and rules governing tax preparation.

GOVERNOR'S BUDGET

The Governor's Budget is \$1.2 million total funds. This is nearly a five percent increase from the 2013-15 Legislatively Approved Budget. The budget enables the Board to continue existing levels of service and funds four positions.

The Board is linked to the Safety Outcome Area Program. It regulates 3,782 individual licensees and 1,093 business licensees. 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 action—90 percent of complaints are resolved through mediation. Close coordination with the Oregon Department of Revenue and Oregon Department of Justice has facilitated complaint investigations, identification of suspicious tax returns, joint legal actions under the Unlawful Trade Practices Act and increased consumer awareness. Consumer awareness activities include issuance of fraud alerts online and in local media as well as the development of tax form booklets aimed at increasing tax compliance within communities of interest.

REVENUE SUMMARY

The Board's revenues are exclusively Other Funds and principally derived from annual licensing and business registration fees. Fees are also charged for the administration of licensing examinations. License (new and renewal), application and exam fees comprise nearly 95 percent of all revenue collected by the Board. The remaining revenue is derived from civil penalties and interest.

ADMINISTRATION

Program Area and Agency Information

SECTION I



ADMINISTRATION AGENCIES

<i>Department of Administrative Services</i>	<i>I-297</i>
<i>Oregon Advocacy Commissions Office</i>	<i>I-305</i>
<i>Employment Relations Board</i>	<i>I-307</i>
<i>Oregon Government Ethics Commission</i>	<i>I-310</i>
<i>Office of the Governor</i>	<i>I-312</i>
<i>Oregon Liquor Control Commission</i>	<i>I-314</i>
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<i>Oregon Racing Commission</i>	<i>I-325</i>
<i>Department of Revenue</i>	<i>I-327</i>
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<i>Oregon State Library</i>	<i>I-335</i>
<i>Oregon State Treasury</i>	<i>I-338</i>

Administration Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	223,696,478	202,538,434	244,941,275
Lottery Funds	13,610,407	15,937,985	24,081,692
Other Funds	1,228,263,660	1,325,632,690	1,464,348,512
Federal Funds	11,374,967	7,523,313	11,698,838
Other Funds (Nonlimited)	7,951,600,693	9,400,427,277	9,704,210,884
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$9,428,546,205	\$10,952,059,699	\$11,449,281,201
Positions	2,909	2,913	3,166
FTE	2,814.35	2,805.70	3,080.37

OVERVIEW

The Administration Program Area includes statewide elected officials, commissions, and state agencies. They provide policy direction and core central services to agencies, including:

- Directing state operations and ensuring accountability of public officials and agencies.
- Providing central support services for some state agencies.
- Managing elections and tax collections activities.
- Regulating the sale of alcoholic beverages.
- Working to eliminate barriers due to race and gender.

All of the agencies and programs within this program area link to the 10-Year Plan Improving Government Outcome Area vision that, “government is responsive, accountable and trustworthy in meeting the needs of Oregonians.” To realize this vision of a more engaged, responsive and inclusive state government, the focus is on three key strategies:

- Streamline government services to foster collaboration
- Improve government engagement, transparency and accountability
- Utilize and accelerate best practices and partnerships

GOVERNOR'S BUDGET AND KEY INVESTMENTS

The Governor's Budget for the Administration Program Area agencies is \$11,449.3 million total funds. This is a 4.5 percent increase from the 2013-15 Legislatively Approved Budget. The majority of this budget is Nonlimited Other Funds expenditures which cannot be avoided, stopped, or reduced by agency action – for example, employee retirement benefits. The remaining, limited, expenditures equal a total of \$1,745.1 million – a 12.4 percent increase from the 2013-15 Legislatively Approved Budget. These expenditures are primarily Other Funds (84.0 percent), supported by assessment and fee revenue.

Significant changes/investments in this program area include:

- *A new Marijuana Regulation program.* Carrying out the provisions of the Control, Regulation, and Taxation of Marijuana and Industrial Hemp act. This new program will develop and adopt administrative rules no later than January 1, 2014 and will begin accepting applications no later than January 4, 2016.
- *Funding for a new Human Resource Information System.* Improving HR and budget decision making, provide consistent HR data, create efficiencies through streamlined processes and electronic document storage, reduce or eliminate a large number of redundant systems, and improve the state's ability to maintain system compliance with regulations and related statutes.
- *Department of Revenue's Core Systems Replacement project.* Continuing with the roll-out of functionality for the personal income tax program, withholding program, self-employment tax program, transit tax program, estate tax program, and the other agency account collections programs and other small programs.
- *The Public Employees Retirement System.* Completing transition of the Individual Account Program from administration by a third-party administrator to having the program completely administered in-house by PERS.
- *The Oregon Advocacy Commission.* Expanding the office from two positions to five positions in order to more effectively promote economic, social, legal and political equity in Oregon.

Department of Administrative Services

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	9,008,749	11,714,443	26,887,625
Lottery Funds	11,852,384	12,561,770	20,330,821
Other Funds	887,423,459	908,666,882	1,006,585,025
Federal Funds	0	0	0
Other Funds (Nonlimited)	167,960,108	122,552,277	139,239,465
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,076,244,700	\$1,055,495,372	\$1,193,042,936
Positions	815	810	982
FTE	801.67	793.90	972.23

OVERVIEW

The Department of Administrative Services (DAS) operates as the central administrative agency for Oregon state government. The Department's mission is to lead the pursuit of excellence in state government by providing management oversight and technical and administrative support to state government. DAS accomplishes its mission by maintaining effective processes and providing accurate information to make state government accountable; by creating and maintaining a consistent management framework and holding agencies responsible for managing within this framework; and by providing a strong stable infrastructure through delivering support services that can most efficiently be provided by a central government agency. DAS works to effectively implement policy and financial decisions made by the Governor and the Oregon Legislature.

In July 2012, DAS restructured to implement Entrepreneurial Management, a customer-focused business model that uses customer choice and competition to increase service satisfaction. It also ensures that policy-related functions are distinct from the delivery of services. For DAS' service delivery functions, this customer involvement is achieved through four Customer Utility Boards (CUBs) that govern each enterprise service. The CUBs exist to provide DAS' customers with a meaningful voice in the cost, type, quality and quantity of services delivered and to keep the information flowing between customers and DAS. The CUBs' primary responsibilities are to approve rate-setting methodologies and resulting rates, approve general service level agreements, review business plans and annual financial statements, and resolve any service complaints.

The DAS budget houses the Economic Development Fund, the Education Stability Fund, the Parks and Natural

Department of Administrative Services Entrepreneurial Management



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.

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.

The Department contributes directly to the outcomes and strategies for the Improving Government Outcome Area within the 10-Year Plan for Oregon. The Office of the Chief Operating Office leads the effort to operate as a single entity with cooperation among departments, agencies, boards, and other partners inside and outside of state government. It works to implement strategies to transform how government operates, streamlining services, fostering collaboration, and improving transparency and accountability.

GOVERNOR'S BUDGET

The Governor's Budget for DAS is \$1,193.0 million total funds. This is a 13 percent increase from the 2013-15 Legislatively Approved Budget, which is mostly due to the increase in additional bonding authority, funding to acquire a new statewide Human Resource Information System and increasing staff across the service delivery functions to enhance the Department's ability to respond to increased workload associated with customer demand for services.

Within the DAS budget, the Governor provides \$500,000 General Fund to Oregon Public Broadcasting for operations; \$750,000 General Fund to the Oregon Historical Society; \$2.6 million General Fund for Regional Solutions; \$3.7 million General Fund for Oregon Innovative Infrastructure Development Fund; and \$1.1 million General Fund for Public Infrastructure Commission.

The Department will distribute \$169.3 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-Q pension obligation bonds. Funding for the payments is provided by state agencies. The budget includes Lottery Funds distributions to county fairs from the County Fair Account, and continues lottery debt service on outstanding bonds for Oregon Public Broadcasting and Southern Oregon Public Broadcasting.

During development of this budget, a group of agencies began exploring ways in which the sharing of administrative functions between agencies has the potential to improve service delivery with existing resources. DAS will continue to convene multi-agency workgroups to explore shared Human Resources, Geographic Information Systems and other services, and will report their recommendations during the 2015 Legislative Session.

REVENUE SUMMARY

The Department is financed primarily through two sources of Other Funds: proportional assessments on state agencies and fees for service charged to state agencies for program usage. Agency assessments rely on several variables, ranging from full-time equivalent positions, dollar volume, funding limitation, square footage of office space occupied, or utilization of resources. The source of Other Funds received by DAS from assessed agencies is a combination of General Fund, Other Funds and Federal Funds.

Capital Improvement and Capital Construction projects are financed out of the Capital Projects Fund. The Fund receives the majority of its funding from the “depreciation” component of Uniform Rent and Service Agreements. Certificates of Participation are usually used for larger construction projects.

General Fund supports a portion of corrections population forecasting activities in the Office of Economic Analysis. A General Fund appropriation will also support payments to the Federal government for charges related to pension rates.

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 that cross jurisdictional and agency boundaries with a goal of achieving transformative, long-term change and developing an agile organization that is able to meet current and future challenges. The Office of Economic Analysis, which is run by the State Economist, resides in this office.

The COO plays a crucial role in developing statewide solutions and providing policy leadership to move the entire state towards achievement of 10-Year Plan outcomes. 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. 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 \$8.6 million total funds, including \$279,942 General Fund and \$8.3 million Other Funds. This is a 1.1 percent increase from the 2013-15 Legislatively Approved Budget. The division has 23 positions. The Governor’s Budget maintains the operations of this program.

Chief Financial Office

The Chief Financial Office (CFO) provides direct oversight of agencies’ fiscal performance and is an integral part of assisting the Governor and the Chief Operating Officer manage state government. Much of the work performed by the Office provides context for the Governor as he develops his long-term objectives. The Office also provides oversight and guidance to state agencies, aligning them with the Governor’s vision.

The Governor’s Budget for this program is \$15.2 million Other Funds. This is a 5.7 percent increase from the 2013-15 Legislatively Approved Budget. The division has 42 positions. The CFO is continuing the process of establishing a long-term facility plan to guide the development and operation of the state’s physical infrastructure. The budget provides funding to work with agencies to develop a long range capital and facility management plan.

Chief Information Office

The Chief Information Office (CIO) provides enterprise policy leadership, planning and oversight to state government in enterprise information resource management. Working with various state agencies and the Enterprise Leadership Team, the CIO reviews and assesses information technology initiatives that have the potential for generating significant program related operating efficiencies and/or cost reductions on a statewide basis. The CIO also works to facilitate the development of a future-facing, shared vision for the use of information technology in state government operations.

The Governor's Budget for this program is \$14.0 million Other Funds. This is a 45.4 percent increase from the 2013-15 Legislatively Approved Budget. The division has 34 positions. The Governor's Budget enhances the operations of this program.

Chief Human Resource Office

The Chief Human Resources Office 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 Governor's Budget for this program is \$30.6 million Other Funds. This is a 199.5 percent increase from the 2013-15 Legislatively Approved Budget. The division has 51 positions. The budget includes funding for a new Human Resource Information System which will improve Human Resource and budget decision making, provide consistent Human Resource data, create efficiencies through streamlined processes and electronic document storage, reduce or eliminate a large number of redundant systems, and improve the state's ability to maintain system compliance with regulations and related statutes.

Office of Administrative Hearings

The mission of the Office of Administrative Hearings (OAH) is to serve the public with courtesy and to act with integrity, providing an impartial forum in which to resolve administrative disputes. OAH holds contested case hearings referred by over 80 Oregon agencies, boards and commissions. These hearings are constitutionally required to give citizens and businesses a chance to dispute action taken against them by the state. The Office of Administrative Hearings Administrative Law Judges conduct the hearings and make decisions separately from the agencies which took the initiating action. The Attorney General writes the rules of procedure and also represents state agencies in contested case hearings. The Office of Administrative Hearings Oversight Committee reviews OAH's effectiveness, fairness, and efficiency. Costs are driven by the volume of hearings referred by agencies and the complexity of the issues involved.

The Governor's Budget for this program is \$27.9 million Other Funds. The division has 111 positions. The transfer of this program to DAS from the Oregon Employment Department will be introduced by a legislative concept submitted by the Employment Department.

Enterprise Technology Services

Enterprise Technology Services (ETS) focuses on maximizing the value of the state technology investments so the business of government runs efficiently, securely, and reliably. Modern, reliable and standardized technology enables numerous business operations within and across government. This facilitates the reuse of new and existing IT assets to quickly leverage standard solutions and services, providing alternatives for the state to obtain multiple returns on each dollar invested.

Enterprise Technology Services is the leading supplier and expert in managed computing technology for Oregon state government. ETS provides secure and reliable connection to the people, computers and data necessary to conduct business in or with state government. These services offer flexibility and choice aimed at meeting the varying needs and sizes of government customers. Over 140 agencies, boards, commissions and local governments purchase technology services. All services use best practice standards, meet federal and state requirements, and are maintained and monitored to ensure the technology supporting the government's business is secure and reliable.

The Governor's Budget for this program is \$236.9 million Other Funds. This is a 19.8 percent increase from the 2013-15 Legislatively Approved Budget. The division has 247 positions. The budget provides the funding required to support growth in customer service requests, customer projects, eGovernment support, and security and to mitigate risk associated with the replacement of aging equipment.

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 state government enterprise-wide to support agencies 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 49 DAS-owned buildings and services nine other state agency-owned buildings with 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 Executive Residence. The program also maintains a portfolio of 650 private sector leases covering 4.6 million square feet of office, storage, and special use facilities as well as 300 DAS-controlled state leases covering 2.4 million square feet of office and storage space. Additionally, Enterprise Asset Management owns and operates 4,000 vehicles used by 120 state agencies and local government customers. The program also manages 4,600 parking spaces located in Salem, Portland, and Eugene.

The Governor's Budget for this program is \$114.1 million total funds, including \$8.3 million General Fund and \$105.7 million Other Funds. This is a 19.2 percent increase from the 2013-15 Legislatively Approved Budget. The division has 199 positions. The budget provides funding to purchase approximately 152 additional vehicles and to cover the disposition costs of the North Campus of the former Oregon State Hospital.

Enterprise Goods and Services

Enterprise Goods and Services provides cost-effective services to state agencies and, in some cases, to local governments. These are value-added services that allow agencies to focus on their primary missions and core business. Specifically, 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 \$193.4 million total funds, including \$78.9 million Other Funds and \$114.5 million Other Funds Nonlimited. This is a 5.6 percent increase from the 2013-15 Legislatively Approved Budget. The division has 230 positions. The budget provides funding for additional staff resources and shifts \$13.7 million of Attorney General Charges for legal defense costs for litigation claims from Other Funds Limited to Other Funds Nonlimited.

Enterprise Human Resource Services

Enterprise Human Resource Services (EHRS) 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.

Enterprise Human Resource Services maintains the human resource database that contains personnel and position information for approximately 37,000 employees and over 41,000 positions in all three branches of state government, and historical employment records for state government going back over 50 years. Transactions in the system statewide average around 25,000 per month. EHRS also administers the iLearnOregon online learning management system and the eRecruit automated state employment recruitment system.

The Governor's Budget for this program is \$7.2 million Other Funds. This is a 12.5 percent increase from the 2013-15 Legislatively Approved Budget. The division has 25 positions. This funding level supports human resource management functions for 17 small agencies plus DAS, serving nearly 1,200 employees.

Business Services

Business Services provides budget, business continuity, performance management, and data analysis services for the agency. 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 Department of Administrative Services biennial budget.

The Governor's Budget for this program is \$7.4 million Other Funds. This is a 67.5 percent increase from the 2013-15 Legislatively Approved Budget. The division has 20 positions. This funding level provides additional staffing for this division.

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 \$4.4 million Other Funds; no positions are budgeted in this division.

Capital Construction

The Department of Administrative Services 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 \$1 million or more, as well as planning for proposed future Capital Construction projects.

The Governor's Budget for this program is \$83.6 million Other Funds.

Miscellaneous Distribution

In accordance with legislative directives, the Department of Administrative Services 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 the Department of Administrative Services. Payments are for Certificates of Participation, State Energy Loan Programs, and Article XI-Q Bonds. The Governor's Budget for this program is \$29.3 million total funds, including \$1.9 million General Fund and \$27.4 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 \$359 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 Southern Oregon Public Television, Oregon Historical Society, Mill Creek, and Go! Oregon. There is also \$3.6 million Lottery Funds to support county fair programs across the state.

The Governor's Budget for this program is \$36.8 million total funds, including \$16.4 million General Fund and \$20.3 million Lottery Funds. The budget includes \$500,000 General Fund for Oregon Public Broadcasting, 750,000 General Fund for the Oregon Historical Society and \$1.0 million General Fund for State Fairgrounds.

The Governor's Budget for the Department of Administrative Services includes \$3.7 million to analyze pricing life cycle operational costs and risks to reduce the state's long-term deferred maintenance burden. Results of this analysis will identify which infrastructure projects are good candidates for alternative financing. Alternative financing approaches are expected to cost more during the first few years of a projects operation, but will result in greater savings over the entire life cycle of the asset. The Governor intends to set aside \$10 million in General Fund supported available debt capacity for potential increased upfront project costs associated with accounting for not just upfront capital costs of new projects but their life cycle costs to operate and maintain the asset.

Oregon Advocacy Commissions Office

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	365,513	425,525	1,044,049
Lottery Funds	0	0	0
Other Funds	7,884	40,960	42,189
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$373,397	\$466,485	\$1,086,238
Positions	2	2	5
FTE	2.00	2.00	5.00

OVERVIEW

The mission of the Oregon Advocacy Commissions Office (OACO) is to promote equity, leadership and public policy by providing administrative support to the Oregon Commissions on Asian and Pacific Islander Affairs (OCAPIA), Black Affairs (OCBA), Hispanic Affairs (OCHA) and the Oregon Commission for Women (OCFW)—working to improve outcomes in employment, education, justice and health and increase access to services for Asian Pacific, Black and Hispanic Oregonians and women in Oregon.

The OACO was established in 2005 (Senate Bill 359) in order to jointly serve OCAPIA, OCBA, OCHA and OCFW. However, the four Commissions continue to function independently. The four Commissions were established by Oregon Statute between 1983 - 1995 and each is comprised of 11 commission members—including two legislators—for a combined total of 44 commissioners. The Commissions are charged by statute 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.

GOVERNOR'S BUDGET

The Governor's Budget is \$1,086,238 total funds. This is nearly a 133 percent increase from the 2013-15 Legislatively Approved Budget. The Commission's General Fund operating budget is just over 80 percent personnel costs and just under 20 percent services and supplies. It funds five positions, a net increase of three positions from the 2013-15 Legislatively Approved Budget.

At present, the OACO staffs approximately 58 commission meetings, four joint-commission meetings and 24 joint-leadership meetings and prepares and submits four annual reports for each of the Commissions to the Legislature. It assists the four Commissions in monitoring existing programs and legislation designed to meet the needs of minority populations and helps in identifying and researching problem areas and issues affecting minority communities. During the 2013 and 2014 Legislative Sessions, there were an increasing number of equity-oriented bills with bi-partisan support and leadership from the Governor's Office. Many of these passed and have added to the growing work

Oregon has done to address the policy roots of long-standing inequities. The four Commissions have been directly involved in supporting these initiatives, including:

- expansion of affordable health care to a broader spectrum of individuals and families;
- increased access to grants and loans for education;
- expansion of school lunch programs to cover summer and after school;
- implementation of racial impact statements for proposed legislation;
- the Department of Education’s work to reduce the disproportionate use of exclusionary discipline; and
- the Oregon Education Investment Board’s work with the Governor and Legislature to inject equity considerations into educational investments.

The increased emphasis on the evaluation of equity effects in law and policy implementation has both benefitted represented communities and placed additional workload demands on the OACO. The OACO has been increasingly called upon to take positions on equity-focused legislation.

The Governor’s proposed investment will infuse the OACO with the capacity to support increasingly active Commissions, seize opportunities for inter-agency collaboration, meet unmet demand for equity-focused policy research, increase legislative advocacy and address the challenges of a changing media landscape. First, it will provide continued high-level executive support for continuing the growth of the OACO’s inter-agency collaborations with state agencies, policymakers and community partners. Second, it will increase and enhance policy analytic support for the four Commissions’ legislative advocacy and joint policy research, providing capacity to research and track legislation of interest and work with the four Commissions, Governor’s Office and legislators to draft legislative concepts and support an equity-focused legislative agenda. Third, it will provide staff support for 10 policy committees established by the four Commissions along with the 100+ additional meetings called for by their strategic plans. Lastly, it will enable the four Commissions to develop and implement a communications plan, redesign their websites, enhance their presence in social and other media and improve the ability of the OACO and its Commissions to engage with constituents, partners and policymakers.

REVENUE

The OACO receives most of its budget from the General Fund. Other Funds revenue is derived from donation funds, however, these represent a small fraction of the OACO’s overall budget—typically less than five percent. Additionally, 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	1,903,465	2,061,040	2,407,843
Lottery Funds	0	0	0
Other Funds	1,723,240	2,140,264	2,043,485
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$3,626,705	\$4,201,304	\$4,451,328
Positions	13	13	13
FTE	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 four primary functions within its programs:

- Administers the collective bargaining law that covers 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 with which it partners by promoting workplace stability and reducing workplace disputes that may disrupt public services.

GOVERNOR'S BUDGET

The Governor's Budget for the Employment Relations Board is \$4.5 million total funds, a 6.0 percent increase from the 2013-15 Legislatively Approved Budget. The budget supports continuing 13 positions.

The Board will be developing an internal case management system that over time will be able to accept web-based electronic filings (e-filing). When completed, the new system will allow the agency to streamline their administrative support duties, while allowing complaints, exhibits and other pertinent case materials to be filed online, viewed internally and externally, throughout the process, by staff and other parties. This project contributes to the 10-Year Plan of Oregon vision to improve government engagement, transparency and accountability, and fosters streamlining government services.

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.

Approximately 40 percent of the agency's budget is funded through the state assessment. Senate Bill 270 (2013) reduced the amount of assessment revenue collected. Seven public universities are no longer considered to be state agencies as of July 1, 2015. Consequently, the agency will no longer receive funding through the state assessment for university employees. A shift to General Fund supports this change. The agency's mediation functions and contested cases are funded by fees from local government. General Fund is used to balance the costs.

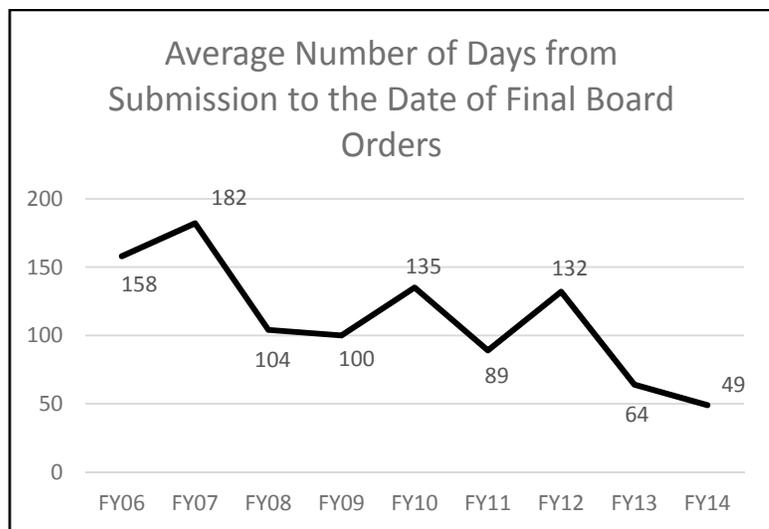
AGENCY PROGRAMS

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.

Since 2012, the composition of the Board has changed and new Board members have addressed time limit issues for issuance of recommendation and final orders. In past biennia, the average time from submission to the date of final board order had been 129 days. In the past two years, the Board averaged 57 days to give final orders. This represents a 56 percent reduction in average processing time.

The Governor's Budget for this program is \$2.2 million total funds; \$1.2 million General Fund and \$961,562 Other Funds. The division has five positions.



Conciliation Services Office (Mediation)

The Conciliation Service Office provides mediation and conciliation services to resolve the following:

- collective bargaining disputes,
- contract grievances,
- unfair labor practices, and
- state personnel relations law appeals.

Challenges faced by mediators in achieving settlements revolve around difficult economic situations within the state. The division provides training in the following areas:

- methods of alternative dispute resolution,
- interest-based collective bargaining,
- labor management cooperation,
- problem-solving techniques, and
- other similar programs designed for the specific needs of the parties.

These training programs contribute to the Improving Government Outcome of the 10-Year Plan for Oregon by working to streamline services to foster collaboration; improve government engagement, transparency and accountability; and by utilizing and accelerating best practice and partnerships where possible.

The Governor's Budget for this program is \$1.0 million total funds; \$526,586 General Fund and \$490,811 Other Funds. The division 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. Cases such as complaints involving back pay obligations are expedited as needed.

When possible, the division 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. All of these services support the 10-Year Plan by streamlining the delivery of services to Oregonians while improving government engagement, transparency and accountability.

The Governor's Budget for this program is \$1.2 million total funds; \$655,608 General Fund and \$591,112 Other Funds. The division has four positions.

Oregon Government Ethics Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	1,518,135	1,976,802	2,277,208
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,518,135	\$1,976,802	\$2,277,208
Positions	8	8	8
FTE	8.00	7.88	8.00

OVERVIEW

The mission of the Government Ethics Commission is to ensure public officials throughout the state adhere to the provisions of Oregon Ethics laws and the Executive Session provisions of public meeting laws. 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. Often, rather than trying to prohibit the inevitable conflicts of interest that emerge within the context of citizen-representation, Oregon's ethics laws seek to provide increased transparency and voter-accountability.

The Commission is responsible for:

- Conducting investigations into alleged violations of Oregon Ethics laws.
- Interpreting and applying Oregon Ethics law within adjudicatory proceedings.
- Providing education and training on Oregon Ethics law to public officials, public bodies and lobbyists.
- Managing mandatory filings, such as Statements of Economic Interests (SEIs).

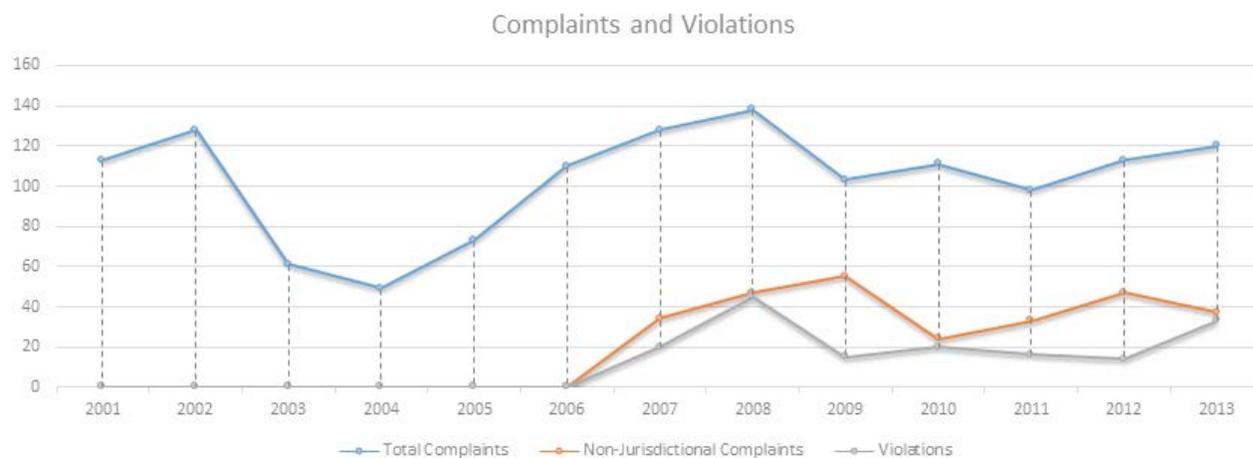
GOVERNOR'S BUDGET

The Governor's Budget is \$2.3 million total funds. This is just over a 15 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes continued funding for the implementation and operation of the Electronic Filing System (EFS). The Commission is required by Senate Bill 5522 (2013) to develop and implement an electronic filing system for its statements of economic interest, lobbying and legal expense trust reports. The EFS project had a statutory completion date of January 1, 2016. The budget funds eight positions.

The Commission's activities are linked to the 10-Year Plan Improving Government objective of enhancing transparency and increasing trust in Oregon's public officials. 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, moderate increases in the number of complaints

and continuing uncertainty regarding the proper conduct of executive sessions have contributed to the Commission’s workload. Rather than seeking formal written opinions, public officials and bodies have increasingly come to rely on informal staff advice for the interpretation of Oregon’s ethics laws. Prior to the 2007-09 biennium, there was no record of staff advice. Following the passage of Senate Bill 30 (2009), which provided additional protections for those who rely on staff advice, there has been a significant increase in requests. The number of requests for staff advice is set to exceed 800 for the 2013-15 biennium. According to the Commission, the provision of staff advice consumes the staff resources of nearly two positions.

As for complaints, the Commission received 120 complaints in calendar year 2013, with 37 (31 percent) outside its jurisdiction, 23 (19 percent) requiring additional information and 33 (27.5 percent) resulting in the finding of a violation. While the incidence of ethics complaints suggests an attentive public, the prevalence of non-jurisdictional and incomplete complaints underscores the need to increase public awareness regarding the scope and applicability of Oregon’s ethics laws. Continued uncertainty regarding the appropriate conduct of executive sessions has been a significant driver of violations. In 2013, 25 (over 75 percent) of the 33 violations incurred were related to the Executive Session portion of the Public Meetings Law. In response, the Commission is repositioning itself to take a more proactive approach through training and outreach. Increased understanding and awareness of Oregon’s ethics laws will reduce the incidence of inadvertent violations and filing of non-jurisdictional complaints. Continuing non-jurisdictional complaints underscore the need for increased public education and awareness. The relatively recent addition of a training position has increased opportunities for in-person training, facilitated the development of web-based training modules and enhanced capacity to provide staff advice on the interpretation of regulatory provisions governing public officials, lobbyists and public meetings.



REVENUE SUMMARY

The Commission was historically funded almost entirely by General Fund. With the passage of Senate Bill 10 (2007) and beginning in the 2009-11 biennium, the agency’s funding transitioned to an Other Funds assessment model. Its operating costs are equally shared between state agencies and local government entities, comprising approximately 1,700 jurisdictions. State agencies are assessed based upon their number of full-time equivalent positions. Consequently, a portion of the assessment revenue originates as General Fund. The agency bills state agencies and local government entities annually.

Office of the Governor

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	50,737,961	11,401,846	11,627,183
Lottery Funds	1,758,023	3,376,215	3,750,871
Other Funds	15,557,628	2,910,655	3,153,939
Federal Funds	2,744,411	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$70,798,023	\$17,688,716	\$18,531,993
Positions	76	57	58
FTE	70.47	56.50	57.50

OVERVIEW

The Governor is vested with the executive power of the state and charged with faithful execution of the laws. He provides Executive Branch agencies with leadership and direction—ensuring responsiveness to the needs of Oregonians, efficient and effective management and statutory compliance. His appointment power extends to most agency heads within the Executive Branch, and includes the membership of various boards, commissions, committees and task forces. As the superintendent of public education, the Governor works to ensure that Oregonians are equipped with the knowledge and skills for rewarding careers. The Governor also reviews all legislative enactments and proposes a statewide budget to the Legislative Assembly. He is supported by the Office of the Governor.

Policy advisors and policy staff within the Office of the Governor work within the following programs:

- Diversity and Inclusion
- Economic and Business Equity
- Education and Workforce Policy
- Intergovernmental and Regional Solutions
- Health and Human Services
- Jobs and Economy
- Natural Resources
- Transportation
- Veterans and Military

In addition to policy development, the Office of the Governor coordinates federal affairs for state agencies through the Federal Office, directs and monitors affirmative action efforts within state agencies, staffs the Arrest and Return program and maintains a Citizen Representative Office—ensuring Oregonians receive assistance in resolving outstanding 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 \$11.6 million General Fund, nearly \$3.8 million Lottery Funds and \$3.2 million Other Funds, for a total funds budget of \$18.5 million. This is a five percent increase from the 2013-15 the Legislatively Approved Budget. The budget funds 58 positions, a net increase of one position. A \$1.3 million investment in intergovernmental and regional solutions, will increase staff capacity in order to leverage existing resources, enhance multisectoral collaboration, build community capacity and identify regional priorities. An additional investment of \$144,039 enhances communications and support for the Governor's Natural Resources office.

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 Intergovernmental and Regional Solutions, formerly known as the Economic Revitalization Team. Other Funds includes revenue transfers from other agencies. These transfers finance the Diversity and Inclusion and Economic and Business Equity programs. The Diversity and Inclusion program is funded from the transfer of a Department of Administrative Services Chief Human Resources Office assessment. The Economic and Business Equity program is funded from assessments on agencies that have capital construction funded in their budgets and also receives funds from sponsoring conferences.

Oregon Liquor Control Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	137,037,933	151,875,699	164,006,339
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	11,048,357
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$137,037,933	\$151,875,699	\$175,054,696
Positions	236	230	258
FTE	231.00	225.13	246.00

OVERVIEW

The Oregon Liquor Control Commission (OLCC) administers Oregon's Liquor Control Act and promotes the public interest through the responsible sale and service of alcoholic beverages. Functionally, the OLCC manages the business of making packaged distilled spirits available to adults over the age of 21 and regulates individuals and businesses that manufacture, wholesale, retail, import, export or serve alcoholic beverages. The OLCC ensures compliance with state liquor laws, educates and trains liquor licenses, investigates and takes compliance action when necessary, and provides due process in contested cases.

Oregon is one of 17 control states (besides Maryland where control varies by county) where the state maintains the exclusive right to sell packaged distilled spirits. Private agents contract with OLCC to operate more than 248 liquor stores in the state.

On November 4, 2014, Oregon voters passed Ballot Measure 91, the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act. Under the newly passed measure the OLCC will license and regulate the distribution of marijuana.

GOVERNOR'S BUDGET

The Governor's Budget is \$175.1 million total funds. This is a 15.3 percent increase from the 2013-15 Legislatively Approved Budget. The major factors contributing to this increase are the newly established Marijuana Regulation Program as well as one-time investments for modernizing agency infrastructure and repairs to OLCC facilities. The Governor's Budget will support the following agency programs:

- Distilled Spirits – Centrally purchases, warehouses and distributes bottled distilled spirits in Oregon.
- Public Safety Services – Regulates the manufacture, distribution and sale of alcoholic beverages while encouraging the development of Oregon's economy.
- Administration and Support – Provides policy, management, financial, information technology, and communication services to the agency.

- Marijuana Regulation – A new program that will license and regulate the distribution of Marijuana.
- Store Operating Expense – Contains the funding to pay Oregon’s independent liquor agents who operate liquor stores for the state.
- Capital Improvement – Provides preventative maintenance, repairs and upgrades to OLCC-owned buildings and grounds.

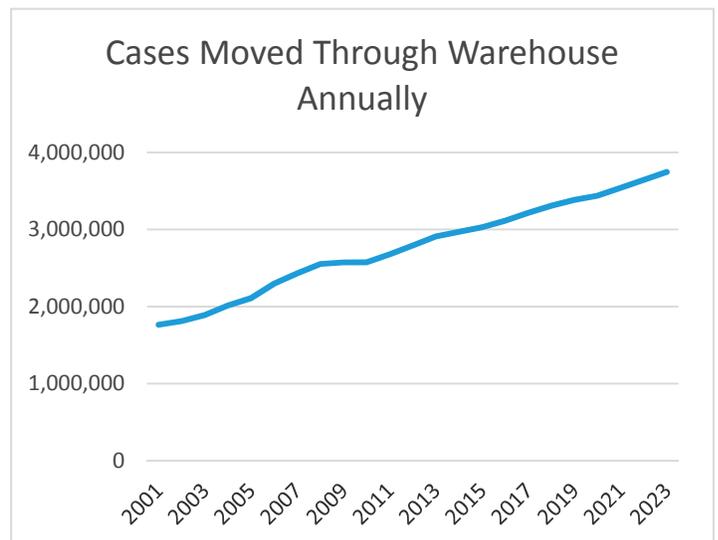
The Governor’s Budget establishes a new Marijuana Regulation program to carry out the provisions of the Control, Regulation, and Taxation of Marijuana and Industrial Hemp act. This new program will develop and adopt administrative rules no later than January 1, 2014 and will begin accepting applications no later than January 4, 2016.

One-time investments made in the Governor’s Budget will repair existing roof structures and modernize OLCC’s distilled spirits order fulfillment and shipping system at its Milwaukie warehouse. These investments will safeguard both the inventory stored at agency facilities and the revenue streams generated from sale of distilled spirits. OLCC’s main warehouse was built in 1954 and its conveyor configuration has not been updated since 1972. As sales of distilled spirits have continued to grow, the existing conveyor system has struggled to keep up in a cost effective manner. The Governor’s investment will modernize this shipping system and position the agency to meet Oregon’s demand for distilled spirits and accommodate future growth within its existing facility.

REVENUE SUMMARY

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 Department of Human Services 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 are allocated



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.

The OLCC took action in August 2014 to continue the 50-cent per bottle surcharge on distilled spirits through June 30, 2017. The Governor's Budget makes the assumption the Legislature will direct all the surcharge proceeds to the General Fund.

As a result of Ballot Measure 91, the OLCC will begin receiving privilege taxes associated with the sale of marijuana as well as license and application fee revenues. After subtracting the cost of expenditures incurred in relation to the newly established program, proceeds are allocated as follows:

- 40 percent to the Common School Fund,
- 20 percent to the Mental Health Alcoholism and Drug Services Account,
- 15 percent to the State Police Account,
- 10 percent to cities to assist local law enforcement,
- 10 percent to counties to assist local law enforcement,
- five percent to the Oregon Health Authority for alcohol drug abuse prevention and early intervention and treatment services.

AGENCY PROGRAMS

Distilled Spirits

The Distilled Spirits program operates a Milwaukie Distribution Center that safeguards \$40 million worth of vendor-owned spirits inventory. The program centrally purchases, warehouses and distributes bottled distilled spirits to more than 248 liquor stores, making more than 1,900 distilled spirit items available through the state at a uniform pricing. As designed by the Oregon Liquor Control Act, the state controlled system generates significant revenue but avoids practices that would promote excessive consumption. The Governor's Budget for this program is \$26.7 million Other Funds. This is a 25.9 percent increase from the 2013-15 Legislatively Approved Budget, driven by investments. Investments in the Governor's Budget will modernize the order fulfillment and order shipping system and enable the program to meet its shipping needs and safeguard the revenue generated from the sale of distilled spirits. The program operates with 69 positions.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Distilled Spirits program plays a linchpin role in the alcoholic beverage industry by providing jobs through the entire supply chain. The program also boosts the general level of distilled spirits production and related employment in Oregon by providing shelf space to Oregon distillers that otherwise may have difficulty gaining a market presence.

Public Safety Services

The Public Safety Services program regulates the manufacture, distribution and sale of alcoholic beverages while encouraging the development of Oregon's economy. The program focuses on ensuring the legal sale and service of alcohol to responsible adults and minimizing alcohol-related risks to society. The Governor's Budget for this program is \$17.9 million Other Funds. This is a 2.3 percent increase from the 2013-15 Legislatively Approved Budget, which continues current program operations

and makes an investment to ensure OLCC's inspectors and investigators appropriately meet peace officer certification requirements. The program operates with 93 positions.

The Public Safety program aligns with the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon by supporting healthy businesses and employment for tens of thousands of people in Oregon's hospitality and alcoholic beverage industries. During the 2015-17 biennium, the program will provide oversight of more than 17,600 licensees, including 11,900 restaurants, bars, grocery and convenience stores, plus 248 liquor stores and 34,100 service permitted throughout the state.

Administration and Support

The Administration and Support program provides policy, management, financial, information technology, and communications services to the agency. The Governor's Budget for this program is \$18.8 million Other Funds. This is a 5.8 percent increase above the 2013-15 Legislatively Approved Budget, driven by an investment to enhance agency operations with online e-commerce licensing and to upgrade the agency's outdated phone system. The program operates with 68 positions.

The Administration and Support program supports the 10-Year Plan for Oregon by supporting other agency programs in a cost effective manner, developing and maintaining regulatory rules, and enabling programs to efficiently supply and support local businesses.

Marijuana Regulation

Marijuana Regulation is a new program within OLCC resulting from the passage of Ballot Measure 91. OLCC is tasked with licensing, regulating and taxing marijuana producers, processors, wholesalers and retailers. OLCC will begin implementing the measure during fiscal year 2015 and is required to adopt administrative rules on or before January 1, 2016. The measure requires OLCC to begin accepting applications by January 5, 2016 and to issue licenses without unreasonable delay. The Governor's Budget for this program is \$6.8 million Other Funds. The Governor's Budget provides the OLCC with the resources necessary for initial start-up costs of about \$2.5 million in fiscal year 2016, \$1.0 million in fiscal year 2017 and operating expenditures for fiscal year 2017. The program will operate with 28 positions.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Marijuana Regulation program will support Oregon's emerging recreational marijuana industry.

Store Operating Expense

The OLCC appoints liquor agents, who are independent business people or businesses, to operate liquor stores for the state; the Store Operating Expense program contains the funding to pay these agents for their service. The Governor's Budget for this program is \$102.0 million Other Funds. This is a 7.1 percent increase from the 2013-15 Legislatively Approved budget, which maintains an average payout percentage to liquor agents of 8.88 percent. Compensation paid to liquor agents includes the agents' take-home pay and funding to operate the stores, including paying their employees. This program does not include positions.

As part of the Economy and Jobs Outcome Area in the 10-Year Plan for Oregon, the Store Operating Expense program supports retail sales agent entrepreneurs (liquor agents) and the jobs they create throughout the distilled spirits supply chain. Liquor agents are an important component to the success of Oregon’s tourism, restaurant, bar, and hospitality industries.

Capital Improvements

The Capital Improvements program provides effective stewardship of OLCC-owned buildings and grounds, including its Milwaukie Distribution Center warehouse. The program provides preventative maintenance, repairs and upgrades to its facilities, mainly through contracting services with private sector businesses. The Governor’s Budget for this program is \$2.9 million Other Funds. This is a significant increase from the 2013-15 Legislatively Approved Budget, which provides resources to repair existing roof structures and safeguards inventory stored at OLCC facilities. These facilities serve the public, host monthly commission meetings, and house the operational needs of the OLCC’s Distilled Spirits and Public Safety programs. This program does not include positions.

The program aligns with Economy and Jobs Outcome Area in the 10-Year Plan for Oregon by supporting OLCC facilities.

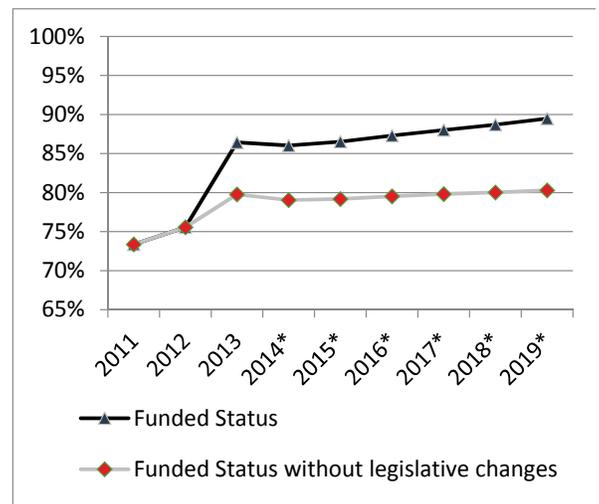
Public Employees Retirement System

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	75,017,618	88,153,980	96,272,152
Federal Funds	0	0	0
Other Funds (Nonlimited)	7,779,837,107	9,277,875,000	9,553,923,062
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$7,854,854,725	\$9,366,028,980	\$9,650,195,214
Positions	369	369	380
FTE	363.99	367.23	380.00

OVERVIEW

The Public Employees Retirement System (PERS) is responsible for administering retirement programs for public employees, including state, school, and local government workers. PERS distributes \$3.8 billion in retirement benefits annually. The agency manages a number of programs, including the Tier One-Tier Two Retirement programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities, and a deferred compensation program.

During the 2013 Legislative Session, the Governor and Legislature made the long-term sustainability of PERS a key priority. These efforts culminated in the enactment of Senate Bill 822 and Senate Bill 861, which eliminated approximately \$5.0 billion in systemwide accrued liabilities. In general, these measures reduced the cost-of-living adjustment for all retirees, eliminated tax remedy payments for benefit recipients who are not subject to Oregon state income taxes because they do not reside in Oregon, mitigated July 2013 contribution increases and lowered projected contribution rates in subsequent budgets. As can be seen in the chart to the right, these changes have significantly improved the long-term funding status of PERS.



* 2014 - 2019 data is projected assuming a 7.75 percent rate of return.

GOVERNOR'S BUDGET

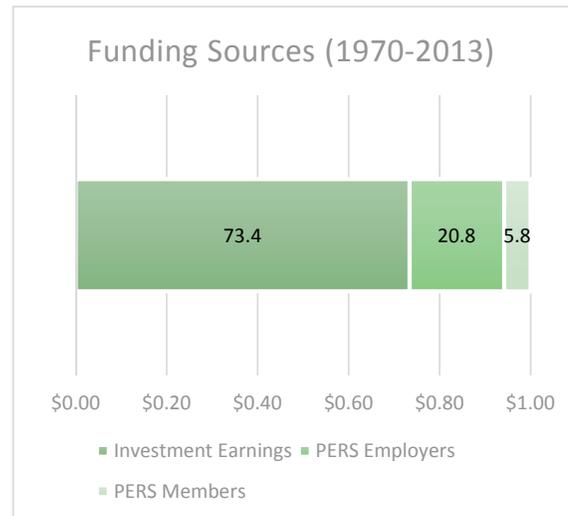
The budget represents a three percent total funds increase from the 2013-15 Legislatively Approved Budget (LAB). It includes a 9.4 percent increase in Limited Other Funds, related to operations, and a three percent increase in Nonlimited Other Funds benefit payments. The Governor's Budget has 11 more positions than the 2013-15 LAB. Most of the new positions have been added to address the data verification workload, with the goal of reducing the backlog and keeping up with demand. Other budget

increases address workload issues in other programs, complete the transition of the Individual Account Program to internal administration and upgrade agency technology.

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.

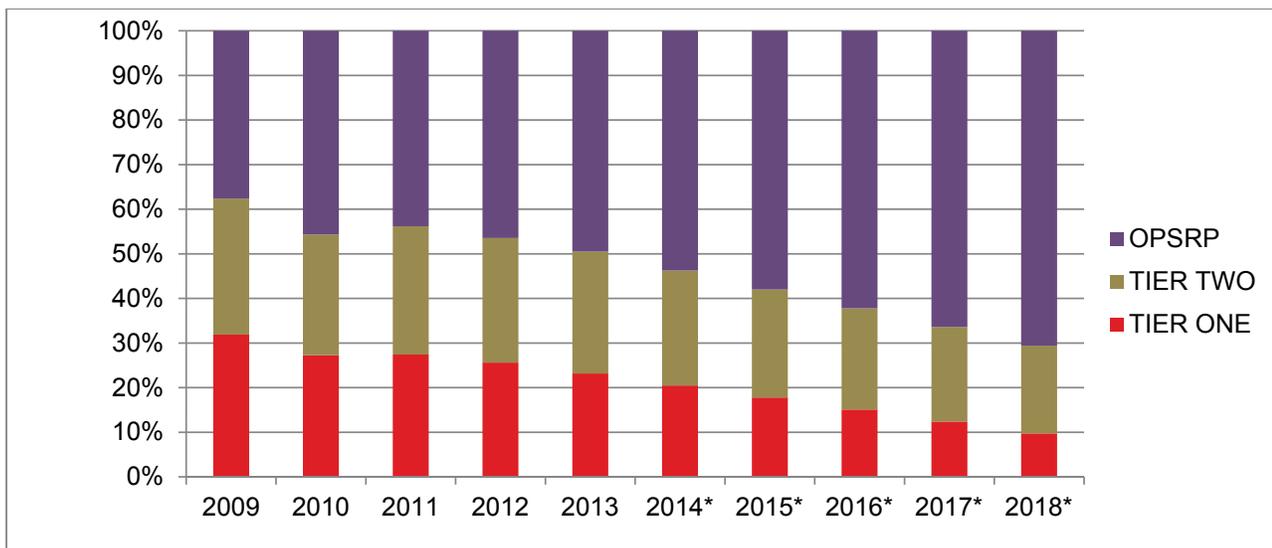
The majority of the agency’s revenue (73.4 cents out of every dollar) is generated from investment earnings. Employers provide 20.8 cents and PERS members contribute 5.8 cents.



AGENCY PROGRAMS

Tier One and Tier Two

Active Tier One-Tier Two membership totals approximately 115,000 non-retired members and 127,000 retirees and beneficiaries receiving monthly retirement benefits. This plan was closed to new members August 29, 2003. Over time, the number of Tier One and Tier Two active members has and will continue to represent a smaller share of the total active PERS membership, as shown in the following graph:



* Projected

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. Revenues in this program unit no longer include employee contributions as those are directed to the IAP unit. Funds are transferred from plan assets included in this program unit

to various other program units to pay for agency administrative activities and to the Debt Service program unit to pay for debt on outstanding Certificates of Participation. This program unit is made up entirely of Nonlimited Other Funds expenditures. It aligns to the goals and strategies of the Improving Government Outcome Area of the Governor's 10-Year Plan by delivering \$8.1 billion in benefits for more than 900 public employers through the lowest cost administrative structure.

Health Insurance

PERS serves as a group sponsor providing health insurance services to more than 58,000 retired members and dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, 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 like the Centers for Medicare and Medicaid Services. This program unit is made up entirely of Nonlimited Other Funds expenditures. The \$558.1 million in premium payments and administration deliver benefits efficiently, consistent with the goals of the 10-Year Plan for Oregon.

Oregon Public Service Retirement Pension

The Oregon Public Service Retirement Program (OPSRP) is designed to provide a benefit that approximates 45 percent of a member's final average salary for a 30-year public service career (general services). It is funded solely by employer contributions and investment earnings. As of December 31, 2013, there were approximately 88,000 active and inactive members in the OPSRP program. This program unit is made up entirely of Nonlimited Other Funds expenditures. It aligns to the goals and strategies of the Improving Government Outcome Area of the Governor's 10-Year Plan by delivering \$26.8 million in benefits for more than 900 public employers through the lowest cost administrative structure.

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 return. The IAP requires PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. At retirement, members will receive the balance of this account, including accrued earnings. As of December 31, 2013, there were 238,625 active IAP accounts. Funds are transferred from plan assets included in this program unit to various other program units to pay for agency administrative activities and to the Debt Service program unit to pay for debt on outstanding Certificates of Participation. This program unit is made up entirely of Nonlimited Other Funds expenditures. It aligns to the goals and strategies of the Improving Government area of the Governor's 10-Year Plan by delivering \$873.5 million in benefits for more than 900 public employers through the lowest cost administrative structure.

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, Internal Audits and Social Security program. The Governor's Budget continues the current program level. It totals \$3.7 million Other Funds. As a combined benefit plan administrator, the Central Administration

program, along with the other five operations functions described below, provide public employers' benefit plans using a highly accountable, low cost administrative framework, consistent with the Governor's 10-Year Plan for Improving Government.

Benefits Payment Division

The Benefit Payments Division houses the Benefit Application and Intake and Processing section, as well as the Retirement Services and Specialty Services sections. The division is responsible for processing all incoming benefit applications and related documents, as well as calculating and establishing service retirement, disability, and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees, and validating beneficiaries. The budget for this division adds one additional Retirement Counselor position to handle the increasing numbers of retirements. The total budget for the Benefits Payment Division is \$13.5 million Other Funds and 80 positions.

Financial and Administrative Service Division

The Financial and Administrative Services Division provides comprehensive financial and administrative services to the agency. This includes financial accounting, reporting, and tax services for all PERS' Trust and agency fund activities, including the Retirement Fund, Deferred Compensation funds, Benefit Equalization Fund, health insurance programs, and Social Security program. The division is responsible for agency fiscal operations duties, including the receipt, posting, and deposit of over \$1.7 billion annually in member and employer contributions and the disbursement of approximately \$3.8 billion annually, in member and beneficiary benefits.

Other fiscal activities include preparation, maintenance, and reporting of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, accounts payable, contracts, and procurement. Financial and Administrative Services also contains the Facilities Services section which manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks. Human Resources, Retiree Health Insurance and Deferred Compensation programs are also located within the division. The budget for this unit moves the daytime custodial position for the PERS building from the Department of Administrative Services' budget to the PERS budget. The total budget for Financial and Administrative Services Division is \$21.7 million Other Funds and 62 positions.

Information Services Division

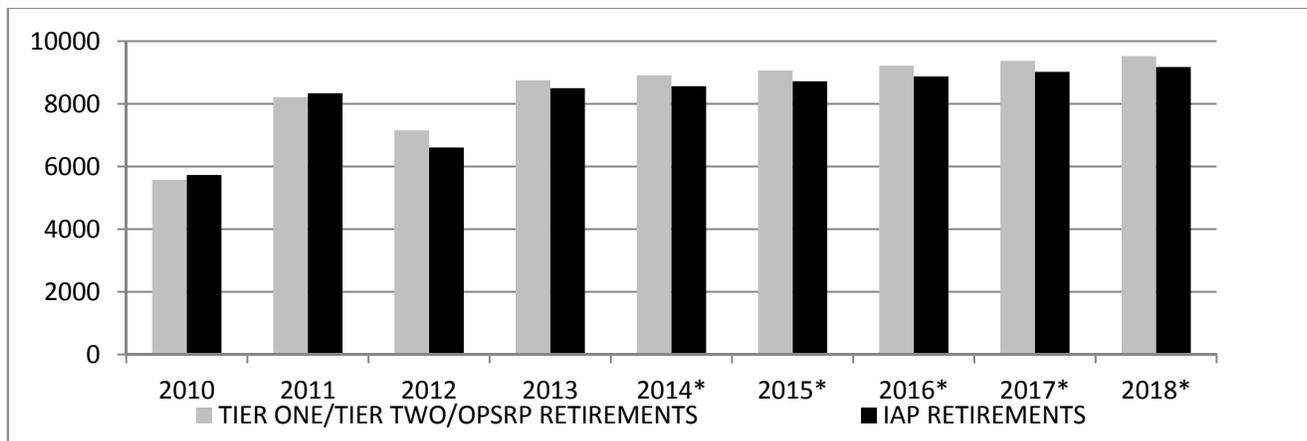
The Information Services Division provides technical support to all divisions of the agency. Information Services ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers, and other stakeholders. The division supervises the development and operation of PERS' complex IT systems and supports the many desktop computers used by staff. 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. The Governor's Budget for this division includes three initiatives: (1) Complete the transition of the Individual Account Program from administration by a third-party administrator to having the program

completely administered in-house by PERS, (2) Analyze and implement architectural updates and maintenance to the technology platform PERS has been using to administer its benefit programs, (3) Upgrade elements of the data center infrastructure and establish a virtual desktop environment to facilitate improved disaster recovery ability. The total budget for the Information Services Division is \$28.5 million Other Funds and 75 positions.

Customer Services Division

The Customer Services Division provides the window for member, employer, and public interaction with PERS. One of the larger PERS divisions, Customer Services answers member queries from the Online Member Services (OMS) internet tool, an in-house phone team, and in person where it conducts group and individual counseling through various retirement planning sessions. The division is also responsible for producing benefit estimates and member account statements. Additionally, it houses the Membership and Employer Relations section. This section enrolls and manages member data and accounts and also handles employer reporting, training, outreach and communication including the annual reconciliation process. The budget for this division transitions four limited duration call center staff to permanent status. It also expands the data verification team to reduce the backlog of verification requests and to complete new verification requests within a reasonable time. The total budget for the Customer Services Division is \$20.8 million Other Funds and 127 positions.

With a substantial percentage of members currently eligible to retire (33 percent of current non-retired members, or about 68,000 people), service volumes are expected to increase in coming years. The following chart shows the volume of retirements over the last several years and estimated retirements projected out to 2018 based on current average growth rates.



* Projected

Policy, Planning and Communications Division

The Policy, Planning, and Communications Division provides services related to legislative policy, rulemaking, legal counsel coordination, legal services, agency determination review and contested case activities including compliance with state and federal statutes, rules, and court decisions. This division also includes all strategic operational planning for both short and long range goals, enterprise-wide project management, and process improvement initiatives. Communication of all events and activities are provided to internal staff, PERS members and the local media through a variety of sources. The

Governor's Budget continues the current program level. It totals \$6.8 million Other Funds and 26 positions.

Debt Service

This program accounts for debt service payments on Certificates of Participation issued to finance the PERS headquarters building construction. The debt will be fully paid by May 2017.

Oregon Racing Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	4,923,397	5,905,502	6,022,524
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$4,923,397	\$5,905,502	\$6,022,524
Positions	15	15	15
FTE	13.27	13.27	13.27

OVERVIEW

Established in 1933 as part of the Pari-Mutuel Wagering Act, the mission of the Oregon Racing Commission is to regulate all aspects of the pari-mutuel industry in Oregon—for the benefit of citizens, licensees, participants and the State of Oregon. The Commission oversees horse racing at Portland Meadows Racetrack and at five county fair race sites, including: Union, Grants Pass, Prineville, Tillamook and Burns. In order to provide a safe and fair racing environment, the Commission oversees licensing of race participants (jockeys, trainers and owners), pari-mutuel wagering operations, and specific rules on horse racing.

Pari-mutuel wagering is a system of betting through which winners divide the total amount bet for that specific type of wager after management expenses have been deducted. The Commission regulates all aspects of on-track and off-site wagering operations, including the simulcast of races and Multi-jurisdictional Simulcasting and Interactive Wagering Totalizer Hubs (hubs). These hubs provide simulcasting of race meets conducted across the country. Currently, there are approximately 3,700 licensed race meet participants, nine multi-jurisdictional hubs and at least 15 off-track betting locations in Oregon.

GOVERNOR'S BUDGET

The Governor's Budget is \$6.0 million total funds. This is nearly a two percent increase from the 2013-15 Legislatively Approved Budget. The budget enables the Commission to continue existing levels of service and funds 15 positions.

The Commission is linked both to the Economy and Jobs and the Safety Outcome Areas. In terms of economic impact, a 2013 study by ECONorthwest found the horseracing industry contributed more than \$202.6 million to the Oregon economy. While the majority of the economic impact is localized within the Portland metro region, the benefits also extend to rural economies, generating employment related to horse-breeding and throughout the supply chain. Additionally, the Commission distributes a portion of racing proceeds through the Racing Development fund—these proceeds support facility investments and support local community summer fair race meets in Union, Grants Pass, Prineville,

Tillamook and Burns. Disbursements from the Fund are anticipated to increase to \$2,363,000 during the 2013-15 biennium.

The Commission contributes to improved Safety outcomes by providing a safe and fair racing environment. Stewards provide onsite monitoring of race meets and ensure fair competition, while veterinarian staff work to ensure that equine athletes are “racing sound” and not exposed to unnecessary risk of injury. Besides monitoring equine athletes, the Commission may sanction licensees, including jockeys, for alcohol or controlled substance violations.

REVENUE

The Commission is funded entirely with Other Funds, with revenues derived from its share of wagering receipts, license fees and licensee fines. Under current statute, one-third of the funds that come to the Commission from pari-mutuel wagering of the multi-jurisdictional hubs are allocated to the state General Fund. The remaining two-thirds of the proceeds are distributed to the racing industry participants to support the commercial race meet in Portland and the local community summer fair race meets throughout the state.

Department of Revenue

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	146,312,349	166,641,759	190,359,651
Lottery Funds	0	0	0
Other Funds	28,771,284	64,202,113	66,308,855
Federal Funds	0	0	0
Other Funds (Nonlimited)	261,337	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$175,344,970	\$230,843,872	\$256,668,506
Positions	1,050	1,074	1,078
FTE	990.52	1,016.66	1,021.34

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 95 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 the state's two tax relief programs for the elderly and persons with disabilities who rent or own their homes. These are the Elderly Rental Assistance Program and the Senior Citizens and Disabled Citizens Property Tax Deferral Program.

GOVERNOR'S BUDGET

The Governor's Budget total funds expenditures for 2015-17 are 11.2 percent higher than the 2013-15 Legislatively Approved Budget. The budget supports all current agency programs. It also provides more staffing to facilitate collection of the 9-1-1 emergency communications tax on prepaid services subscribers and for increased Senior/Disabled Citizens Property Tax Deferral workload. The limited amount of Other Funds revenue supporting industrial appraisal activity is being supplemented by additional General Fund. In addition, three technology improvements, including the Core Systems Replacement project, are included in the Governor's Budget.

DOR delivers its services through the following programs:

- Property Tax Division
- Personal Tax and Compliance Division
- Business Division
- Multistate Tax Commission
- Elderly Rental Assistance Program
- Senior Property Tax Deferral
- Core System Replacement
- Executive Division

- Program Management Office/General Services Division
- Administrative Services
- Debt Service

REVENUE SUMMARY

DOR is dependent upon General Fund to support its main programs and functions. The Other Funds revenue in the agency's budget is derived from administrative charges to various tax, fee, assessment, collections, and other programs. Time and activity studies are used to determine each program's administrative costs and corresponding charges. A statewide grant program (County Assessment Function Funding Assistance) also helps pay for local property tax assessment and taxation costs, providing revenue to the Department and to counties. The grant funding comes from interest paid on delinquent property taxes and from a document recording fee. A portion of each recording fee (\$1) is dedicated to the development of a statewide digital base map to improve the administration of the property tax system. Article XI-Q bonds issued by the state are used to pay for the cost of replacing the agency's core information technology applications and updating its business processes.

AGENCY PROGRAMS

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, (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. Document recording fees, plus a portion of the interest collected on delinquent property tax payments support the Department's appraisal of about 900 industrial sites and approximately 525 utility and transportation companies, as well as the department administration of the county grant process.

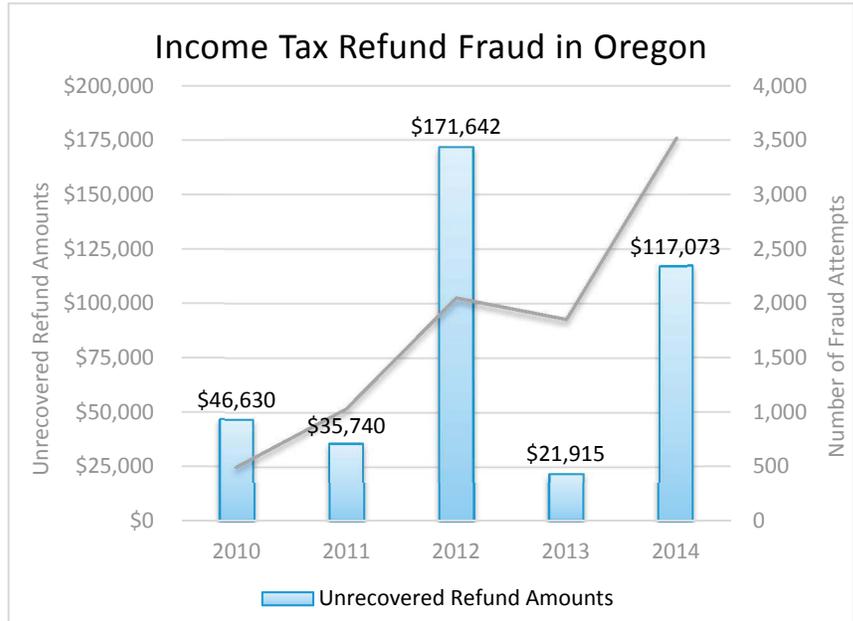
The Property Tax Division supports the Improving Government 10-Year Plan vision that "government is responsive, accountable and trustworthy in meeting the needs of Oregonians." The Governor's Budget is \$14.5 million General Fund; \$24.7 million total funds and 105 positions. This is 16.2 percent above the 2013-15 Legislatively Approved Budget. It includes investment in a Computer Assisted Mass Appraisal system to provide more accurate and timely property valuations. Also, additional positions will help the division meet increased workload demands for the Senior/Disabled Citizens Property Tax Deferral program. Finally, industrial appraisal activity is receiving more General Fund revenue in recognition of the fact that County Assessment Function Funding Assistance revenue is not meeting program needs.

Personal Tax and Compliance Division

The Personal Tax and Compliance Division accounts for about 30 percent of the Department's operating budget. The division has program responsibility for the Personal Income Tax and Elderly Rental Assistance 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. In addition, the Department's Other Funds programs are charged for a share of the Department's administrative costs. Personal Tax and Compliance Other

Funds expenditures are primarily for the administration of Tri-Met and Lane County Transit Self-Employment Tax programs.

Since the personal income tax is the state's primary revenue source for discretionary spending, the amount of personal income tax dollars collected is directly related to the ability of the state to achieve its 10-Year outcome goals for virtually every program area in the Governor's Budget. The 2015-17 Governor's Budget is \$67.1 million General Fund; \$68.6 million total funds and 430 positions. This is 4.8 percent above the 2013-15 Legislatively Approved Budget.



Attempted personal income tax refund fraud is increasing.

While many attempts are stopped before a payment is made, the amount of loss due to unrecoverable payments to fraudulent tax return filers will continue to grow without aggressive intervention by DOR.

The Governor's Budget includes investment in two new tools to reduce the amount of personal income tax fraud: (1) integration of a third-party data analytics and identity theft quiz and (2) real-time matching of state income tax withholding claimed on the tax return against that reported by employers.

Business Division

The Business Division administers several tax programs. These programs include Corporation Income and Excise taxes, Employer Income Tax Withholdings, Transit Payroll Taxes, Fiduciary, Inheritance, Other Agency Accounts, Cigarette Tax and other Special Programs.

The Business Division's program responsibilities include collection of delinquent business taxes. These include income taxes withheld by employers and sent to the Department, corporation taxes, and local transit district taxes. Another activity of the Business Division is collecting debts owed to other agencies. The division also audits corporation income and excise tax returns, fiduciary returns, and transit self-employment tax returns. Audit activity is performed by staff located in Salem and in field offices around the state. A significant number of the audits are conducted on corporations doing business in more than one state. Corporation auditors travel to taxpayer's offices located throughout the country to conduct audits. The Business Division also administers the tobacco tax programs.

This section is supported by General Fund and by charges to Other Funds programs for their share of the Department's administrative expenses.

A healthy revenue system is essential to the public sector, creating the infrastructure required by the private sector to build the vibrant and innovative economy that is central to the 10-Year Plan for

Oregon. The Governor's Budget for the Business Division is \$20.0 million General Fund; \$34.8 million total funds and 214 positions. This is 2.7 percent above the 2013-15 Legislatively Approved Budget. It includes the establishment of two new positions to administer the changes to the 9-1-1 emergency communication tax that were approved in House Bill 4055 (2014).

Multistate Tax Commission

The Multistate Tax Commission is an organization composed of 17 states joined in an effort to promote uniformity in state taxation of corporate income. By adopting the Multistate Tax Compact, the member states attempt to eliminate double taxation, bring about full accountability, and reduce the risk of federal legislation restricting state taxation.

Member states are assessed operational expenses of the Multistate Tax Commission each year. Assessments are proportional to the total amount of all income tax revenue received by each state. A continuous Multistate Tax Commission revolving account provides for deposit of revenue received from Multistate Tax Commission audits and payments of the Multistate Tax Commission assessments. Account balances in excess of \$150,000 are transferred to the General Fund on June 30 of each year. The Governor's Budget for this activity is \$284,945 Other Funds.

Elderly Rental Assistance Program

The Elderly Rental Assistance Program provides annual payments to low income senior citizens who live in rental property. The Nonprofit Homes for the Elderly Program (which is also included in this budget unit) funds a property tax exemption for certain nonprofit homes for the elderly. This program reimburses counties for the tax exemption.

This program supports the 10-Year Plan for Oregon's Healthy People Outcome Area goal that more Oregonians have access to safe housing. The Governor's Budget is \$5.7 million General Fund.

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. There are no expenditures in this program unit. Revenues from property tax repayments are transferred directly to the counties to pay the property taxes for current participants.

Core System Replacement

The Core System Replacement is a staged project with the goal of replacing most of the agency's core IT systems with a modern integrated system. The agency's tax programs will be transitioned over to the new system in four phased roll-outs. The first roll-out, in November 2014, included the Corporation Tax program and the Tobacco Tax program. The other tax programs will be included in subsequent roll-outs in the fall of 2015, 2016 and 2017. The 2015-17 Governor's Budget is \$4.4 million General Fund; \$30.7 million total funds and 33 positions. The majority of the project costs are Other Funds, supported by

Article XI-Q bond revenue. The General Fund appropriation pays for Enterprise Technology Services fees and contract maintenance and non-bond fund eligible services and supplies.



Executive Division

The Executive Division staff provide overall leadership and direction for the agency's programs and divisions. They also coordinate the Department's legislative, rule-making and internal auditor activities. The Communications unit provides the means for the agency to educate and communicate with taxpayers, stakeholders and external partners. This unit creates forms and publications, such as the personal income tax booklets that are distributed to paper-filing Oregon taxpayers every year. In addition, the unit is responsible for maintaining the agency's Web site, which received over 7.5 million visitors between March 30, 2013 and April 1, 2014. Communications also handles all media contacts. The Human Resources unit provides general oversight of the agency's relationship with its more than 1,000 employees.

This division is supported primarily by General Fund revenues. In addition, the Department's Other Funds programs are charged for a share of the Department's administrative costs. These revenues are received by the Executive Division as Other Funds.

The Executive Division is linked to the Improving Government Outcome Area in the 10-Year Plan for Oregon. It provides the leadership and business support necessary to achieve the mission of the agency. The Governor's Budget is \$7.3 million General Fund; \$8.3 million total funds and 38 positions. This is 7.7 percent above the 2013-15 Legislatively Approved Budget.

Program Management Office/General Services Division

This program unit accounts for two functions:

- Certain agency-wide service expenditures and fees are managed centrally for operational efficiency. Such expenditures and fees include postage, Attorney General expenses, county property lien recording and release fees, private collection firm fees and merchant fees.
- The Program Management Office leads and facilitates the ongoing transformation of people, processes, and technology. The main functions in the PMO include project management, portfolio reporting, process improvement, and metrics.

The Governor's Budget is \$12.1 million General Fund; \$15.7 million total funds and 13 positions. This is 10.7 percent above the 2013-15 Legislatively Approved Budget.

Administrative Services

The Administrative Services Division provides a broad range of services through its four sections: Information Technology Services, the Processing Center, Finance, and Human Resources. This division is supported primarily by General Fund revenues. In addition, its Other Funds revenues represent expenses charged to various Other Funds programs for the agency's administrative costs.

The Administrative Services program is linked to the Improving Government Outcome Area in the 10-Year Plan for Oregon. It provides critical business supports necessary to achieve the mission of the agency. The 2015-17 Governor's Budget is \$46.2 million General Fund, \$54.1 million total funds and 245 positions. This is 6.5 percent over the 2013-15 Legislatively Approved Budget.

Debt Service

This program unit includes the total cost of all debt service for the agency. The \$13.8 million total funds Governor's Budget includes \$9.1 million in debt service payments on existing Core System Replacement bond debt. In addition, \$4.3 million has been added to pay the principal and interest on new debt related to the property valuation system and the next phase of the Core System Replacement project. The cost of issuance on new bonds includes \$441,682 Other Funds.

Secretary of State

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	12,500,138	8,663,845	11,132,679
Lottery Funds	0	0	0
Other Funds	36,900,243	50,265,885	54,294,731
Federal Funds	4,115,805	5,045,103	6,646,779
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$53,516,186	\$63,974,833	\$72,074,189
Positions	197	202	214
FTE	195.69	200.61	213.69

*The Governor makes no recommendation for this budget, as it is not under executive control. For statutory purposes, the Governor included \$8,894,589 million General Fund, \$54,190,915 Other Funds, and \$6,641,584 Federal Funds, for a total amount of \$69,727,088 million in his 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.
- 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 requested budget continues that effort.

REQUESTED BUDGET

The agency requested budget is \$72.1 million total funds. This is about 12.7 percent higher than the 2013-15 Legislatively Approved Budget. The requested budget funds position reclassifications and new positions in the Audits Division, as well as positions in the Administration, Elections and Corporation Divisions to improve agency system security and support public-facing applications. It also funds continued development and enhancement of the Oregon Centralized Voter Registration system in anticipation of the exhaustion of federal Help America Vote Act funds projected for the 2017-19 biennium.

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 implementing the Help America Vote Act. The Secretary of State estimates that HAVA funds will be exhausted in the 2017-19 biennium.

Oregon State Library

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	\$2,868,303	\$1,629,976	\$3,720,335
Lottery Funds	0	0	0
Other Funds	5,684,714	2,810,561	6,109,428
Federal Funds	4,514,751	2,478,210	5,057,254
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$13,067,768	\$6,918,747	\$14,887,017
Positions	43	41	41
FTE	41.26	19.63	39.26

OVERVIEW

The Oregon State Library's mission is to provide quality information services to Oregon state government; provide reading materials to blind and print-disabled Oregonians; and to provide leadership, grants, and other assistance to improve local library services for all Oregonians. To achieve this mission, the Library operates the following four programs:

- Library Development – Provides grants and assistance to help develop and improve local library services.
- Talking Books and Braille Services – Circulates library materials in audio and Braille formats to Oregonians who are blind or have disabilities preventing them from reading printed materials.
- Government Research and Electronic Services – Provides research and reference assistance to state government.
- Administration – Supports the Library Board and provides basic business services, such as budget.

GOVERNOR'S BUDGET

The Governor's Budget for the Oregon State Library is \$14.9 million total funds. This is a 115.2 percent increase from the 2013-15 Legislatively Approved Budget. The significant increase results from funding the 2013-15 biennium budget only one year; a second year of funding was added at a later date. The 2015-17 budget funds the Library for two years like other state agencies. The Governor's Budget includes 41 positions. The budget provides sufficient funding to continue existing operations with minor decreases for travel and vacancy savings. It invests in literacy programs by expanding library grants to include youth ages 15 to 17 years old.

REVENUE SUMMARY

Revenue includes General Fund, which provides 25 percent of the agency's funding. Assessments levied against state agencies provide 36 percent of the funding and support for the Government Research and Electronic Services and Administration programs. Federal Funds from the Library Services and

Technology Act provide about 35 percent of available resources. The remaining four percent of revenue comes from charges for services, donations, interest and sales income. General Fund increases over 100 percent from the 2013-15 Legislatively Approved Budget because two years are funded, rather than one year. Library assessment revenue decreases 2.8 percent from the 2013-15 Legislatively Approved Budget level.

AGENCY PROGRAMS

Administration

The Administration unit provides policy, fiscal, program, and management leadership and support for the agency. The unit also works with constituency groups and the Board of Trustees to assure responsive service delivery. The unit includes a biennial budget of \$1.8 million total funds and eight positions. This unit is supported by General Fund, Other Funds and Federal Funds. The Other Funds are primarily from the assessment of state agencies, but also include rent and sales income. Federal Funds come from the Library Services Technology Act. The 2015-17 budget moves three information technology positions to this program from the Government Research and Electronic Services program.

This program contributes to the Improving Government Outcome of the 10-Year Plan for Oregon. The program provides basic business services for the operations of the Library Development, Talking Books and Braille, and Government Research programs, which is more efficient than each program handling its own accounting, budgeting, leasing, procurement and human resource needs.

Library Development

The Library Development Services unit supports approximately 1,600 public, academic and school libraries throughout Oregon. The unit administers the state Ready to Read grant program to public libraries to address the benchmarks in the area of education and early childhood development. The unit also administers the federal Library Services and Technology Act grants to make all of Oregon's library resources available to every citizen and to demonstrate new and innovative services for citizens. The unit includes a biennial budget of \$7.3 million total funds and seven positions. The Ready to Read grant program is renamed the Ready for Success program and is expanded to provide services to 15 to 17 year olds with an investment of \$139,769 in accordance with proposed legislation.

This program contributes to the Education Outcome of the 10-Year Plan for Oregon. The program supports literacy efforts for early grades, and will support high school graduation with the investment in expanding literacy programs to youth ages 15 to 17 years.

Talking Books and Braille Services

The Talking Books and Braille Services program supplies reading material to Oregonians who are blind or have other disabilities preventing them from reading conventional printed materials. In the 2013-14 fiscal year, the program supplied materials to 5,163 individuals. Total circulation during the year was over 425,320 books and materials, an average of 1,636 per work day. Last year, volunteers contributed a total of 1,301 hours. The unit includes eight positions and a recommended biennial budget of \$1.7 million total funds. The budget sustains the program using state resources to backfill lost federal revenue. This program contributes to the Healthy People vision of the 10-Year Plan for Oregon.

Government Research and Electronic Services

The Government Research and Electronic Services program unit provides information services to Oregon state government. In the 2013-14 fiscal year, the Library responded to 5,158 requests for information from state agencies, served 26 percent of state employees who are registered users of the State Employee Information Center website, and served 570,668 users of the Library mailing list service. The program provides special information services to Oregonians in the areas of state government publications, Oregon history and genealogy, census information, and grant information. In the 2013-15 biennium, the program distributed 11,939 state government publications to designated state documents depository libraries throughout Oregon. The Governor's Budget is \$4.1 million total funds and 18 positions. Funding is by a state agency assessment. The 2015-17 budget moves three information technology positions from this program unit to the Administration program. This program contributes to the Improving Government Outcome of the 10-Year Plan for Oregon by providing information for state employees as they do their jobs.

Oregon State Treasury

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	0	0	0
Lottery Funds	0	0	0
Other Funds	33,698,125	46,683,387	57,404,286
Federal Funds	0	0	0
Other Funds (Nonlimited)	3,542,141	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$37,240,266	\$46,683,387	57,404,286
Positions	85	92	114
FTE	83.48	89.89	111.08

* The Governor makes no recommendation for this budget, as it is not under executive control.

OVERVIEW

The State Treasurer, a statewide elected constitutional official, is the chief financial officer for the state with responsibility for the sound management of the state’s financial resources. The Treasury is a multi-billion dollar cash, debt and investment management center and provides these services to all Oregon state agencies and hundreds of Oregon local government entities.

REQUESTED BUDGET

The budget for the State Treasurer is \$57.4 million total funds. This is a 22.9 percent increase over the 2013-2015 Legislatively Approved Budget. The budget continues all programs at their current level and provides for enhancements.

The Investment Division adds 19 positions. These new positions address the disparity of staffing levels and other operational resources when comparing Oregon’s model to other similarly sized pension funds. Objectives include providing better protection of Oregon’s investments and a reduction in overall investment costs paid to third-party service providers.

The Debt Management Division adds resources to pay for bond related costs for higher education related General Obligation bond programs. These funds will pay for bond counsel and financial advisor services for specific bond issuances and the on-going legal needs of the programs.

REVENUE SUMMARY

The Office of the State Treasurer is financed entirely with Other Funds. Some of the revenue comes from investment administrative fees. Other revenues come from the direct billing of customers for actual costs of banking services, bond and coupon redemption services, and bond issuance activities. Banks and credit unions pledging collateral for the protection of public fund deposits pay the cost of operating the Public Funds Collateralization Program. Program administrative fee revenues and network investment plan managers fund the College Savings Network.

AGENCY PROGRAMS

Treasury Services

This program area is made up of four operating divisions:

- The Investment Division manages, on behalf of Oregonians, a portfolio with a market value of nearly \$89 billion. The division manages the Oregon Public Employees Retirement Fund, the State Accident Insurance Fund, the Oregon Short Term Fund, and numerous smaller funds such as the Common School Fund and the Oregon Growth Account.
- The Cash Management Program, located within the Finance Division, provides cash management and investment operational support services to all state agencies and hundreds of local government entities, including cities, counties, schools, and special districts. The division manages over \$18.5 million financial transactions annually - including cash deposits, electronic fund transfers, and check issuances - with over \$166.5 billion flowing in and out of the division each year.
- The Public Funds Collateralization Program, located within the Finance Division, governs the collateralization of public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. The program is responsible for all public funds held by state agencies and all local government deposits.
- The Debt Management Division provides central coordination and issuance approval for all state-issued debt and authority bonds. It serves as the state's liaison to the major bond rating agencies working to improve Oregon's bond rating. Activities include coordinating the timing of various state agency bond sales, securing credit ratings, preparing documents, providing for the delivery of bonds, and assisting with the signing and closing of bond issues. The division also monitors local and national bond markets, as well as financial and economic trends impacting bond issuance structures and interest rates.

Oregon 529 College Savings Network

The Oregon 529 College Savings Network operates to increase the ability of Oregon families and individuals to save for qualified higher education expenses through flexible investment options that offer state and federal tax benefits.

LEGISLATIVE BRANCH

SECTION J



LEGISLATIVE BRANCH AGENCIES

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Legislative Branch Program Area Budget

	2011-13 Actuals	2013-15 Legislatively Approved	2015-17 Agency Request
General Fund	77,361,703	94,453,560	98,379,893
Lottery Funds	0	0	0
Other Funds	3,775,879	43,075,574	7,011,539
Federal Funds	0	0	0
Other Funds (Nonlimited)	970,753	1,254,288	1,220,428
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$82,108,335	\$138,783,422	\$106,611,680
Positions	652	650	650
FTE	426.91	428.52	428.52

OVERVIEW

The Legislative Assembly, including its members and their employees, the Commission on Indian Services and four 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 Fiscal Office and the Legislative Revenue Office.

REQUESTED BUDGET

The requested budgets for the six 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 a General Fund reduction to the legislative branch agencies in order to balance the state budget.

Legislative Administration Committee

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	28,217,422	34,719,500	36,972,843
Lottery Funds	0	0	0
Other Funds	2,422,050	37,929,526	1,860,416
Federal Funds	0	0	0
Other Funds (Nonlimited)	345,550	597,932	597,932
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$30,985,022	\$73,246,958	\$39,431,191
Positions	143	142	142
FTE	100.86	100.65	100.65

*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 \$36,134,726 General Fund, \$1,860,416 Other Funds and \$597,932 Other Funds Nonlimited for a total funds budget of \$38,773,074 million in his budget as a placeholder. All reductions to legislative branch agencies to balance the state budget were taken in this program.

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 substantive committees, 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 \$39.4 million total funds. This is a 46.2 percent reduction from the 2013-15 Legislatively Approved Budget. However, the reduction primarily reflects elimination of \$34.5 million Other Funds associated with the issuance of Article XI-Q bonds for implementation of the Capitol Master Plan during the previous biennium. The requested budget allows the Committee to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 93 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	33,225,889	42,111,410	42,987,670
Lottery Funds	0	0	0
Other Funds	61,617	278,847	285,390
Federal Funds	0	0	0
Other Funds (Nonlimited)	84,354	93,553	96,360
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$33,371,860	\$42,483,810	\$43,369,420
Positions	422	422	422
FTE	251.27	251.27	251.27

*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 \$42,222,489 General Fund, \$285,390 Other Funds and \$93,360 Other Funds Nonlimited for a total funds budget of \$42,601,239 million in his 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. Voters approved shorter annual sessions in November 2010 that meet during even-numbered years. During the interim, interim committees examine specific topics or program areas and a Joint Committee, the Emergency Board, is appointed to meet periodically to address certain fiscal issues that cannot be put off until the next regular session. The Emergency Board has limited authority, so there are fiscal circumstances that can require 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. The remainder of the budget which covers the costs of leadership offices and the Office of the Secretary of the Senate and the Office of the Chief Clerk of the House is provided for the normal biennial period.

REQUESTED BUDGET

The agency request budget is \$43.4 million total funds. This is just over a two percent increase from the

2013-15 Legislatively Approved Budget. The requested budget allows the Assembly to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 99 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	376,203	488,767	491,939
Lottery Funds	0	0	0
Other Funds	1,645	6,586	6,784
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$377,848	\$495,353	\$498,723
Positions	2	2	2
FTE	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 \$483,182 General Fund and \$6,784 Other Funds for a total funds budget of \$489,966 in his 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 could 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 13-member Commission is appointed by the President of the Senate and Speaker of the House of Representatives for two-year terms. In addition to one senator and one state representative, each of Oregon's nine federally recognized tribal groups is entitled to one member. The remaining two members are from the Portland area and Willamette Valley Indian communities. The Commission members select their own officers to serve one-year terms of office.

Various statutes require the Commission be consulted on matters related to the preservation and protection of Indian fish, wildlife, historic and archaeological resources. Senate Bill 770 (2001) requires state agencies to take Oregon's nine federally recognized tribal governments into account when developing policies and implementing programs that may affect tribal interests. The law also requires the Governor to convene an annual meeting of agency representatives and the tribes; the Department of Administrative Services to provide annual training to agency managers and employees that have regular contact with tribes; and state agencies to submit annual reports to the Governor and the Commission on their activities with tribes.

Staff salaries and Commission member travel are the primary costs in this budget. The Commission holds regular quarterly meetings, as well as special meetings at the call of the Chair. It advises the Legislative and Executive Branches on ways to improve communication and coordination with tribes in an effort to avoid unnecessary court disputes and highlight shared interests.

REQUESTED BUDGET

The agency request budget is \$498,723 total funds. This is less than a one percent increase from the 2013-15 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. Other Funds revenue is from registration and other fees derived from sponsorship of special meetings. The funds are used to cover costs associated with the events.

Legislative Counsel Committee

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	8,039,603	10,441,182	10,888,581
Lottery Funds	0	0	0
Other Funds	1,290,567	1,681,068	1,515,091
Federal Funds	0	0	0
Other Funds (Nonlimited)	540,849	562,803	526,136
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$9,871,019	\$12,685,053	\$12,929,808
Positions	57	55	55
FTE	45.28	45.60	45.60

*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 \$10,694,764 General Fund, \$1,515,091 Other Funds and \$526,136 Other Funds Nonlimited for a total funds budget of \$12,735,991 in his 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. It provides legal advice to legislators and legislative committees. It prepares indexes and tables for all measures introduced during legislative sessions and publishes and distributes the 21-volume Oregon Revised Statutes every two years. The Office also reviews all administrative rules adopted by state agencies to determine if they are consistent with the agencies' enabling statute. Due to the politically sensitive nature of drafting bills and writing legal opinions, the Office has always striven to avoid any appearance of political involvement, bias or policy preference.

REQUESTED BUDGET

The agency request budget is \$12.9 million total funds. This is just under a 1.9 percent increase from the 2013-15 Legislatively Approved Budget. The requested budget allows the Committee to continue at existing program levels.

REVENUE SUMMARY

The General Fund supports 84 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 small portion of the publication sales income is expended as limited Other Funds and 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 Officer

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	5,532,954	3,896,578	4,170,986
Lottery Funds	0	0	0
Other Funds	0	3,179,547	3,343,858
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$5,532,954	\$7,076,125	\$7,514,844
Positions	21	21	21
FTE	20.50	21.00	21.00

*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 \$4,096,742 General Fund and \$3,343,858 Other Funds for a total funds budget of \$7,440,600 million in his budget as a placeholder.

OVERVIEW

The Legislative Fiscal Office (LFO) is a permanent, nonpartisan legislative service agency. The Office provides research, analysis and evaluation of state expenditures, financial affairs, program administration and agency organization. It makes recommendations and works with the Legislative Assembly to balance the state’s biennial budget. The Office reports to the Joint Committee on Ways and Means during legislative sessions and to the Emergency Board and the Interim Joint Committee on Ways and Means between sessions. LFO determines the fiscal impact of all legislative measures and, when applicable, publishes fiscal impact statements that accompany bills through the legislative process.

As with other committee staff, the work of the Legislative Fiscal Office changes between legislative sessions and the interim. During sessions, budget analysis and the number of bill introductions and amendments is the primary driver of workload for the agency. LFO reviews all measures to determine if they have a fiscal impact and prepares fiscal impact statements. During the interim, workload is driven by the number, length, and complexity of special sessions necessary to rebalance the statewide budget; the number and complexity of Emergency Board requests; and the number of other program and fiscal issues that require analysis. 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.

REQUESTED BUDGET

The agency request budget is \$7.5 million total funds. This is a 6.2 percent increase from the 2013-15 Legislatively Approved Budget. The requested budget enables LFO to continue existing levels of service.

REVENUE SUMMARY

The General Fund supports 55 percent of the Legislative Fiscal Office'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 Revenue Officer

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	1,969,632	2,796,123	2,867,874
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,969,632	\$2,796,123	\$2,867,874
Positions	7	8	8
FTE	7.00	8.00	8.00

*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 \$2,816,644 General Fund in his budget as a placeholder.

OVERVIEW

The Legislative Revenue Office provides non-partisan analysis to the Oregon Legislature on tax policy and school finance issues. The agency provides staff assistance to the House and Senate Revenue Committees during legislative sessions and to interim revenue committees, task forces and work groups between sessions. Research for other members and committees is provided upon request. The Office prepares research reports and writes revenue impact statements on initiatives, proposed legislation affecting state or local public finance, personal and corporate income taxes, property taxes, consumption taxes, school finance and distribution of the State School Fund.

As with other committee staff, the work of the Legislative Revenue Officer 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 is 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

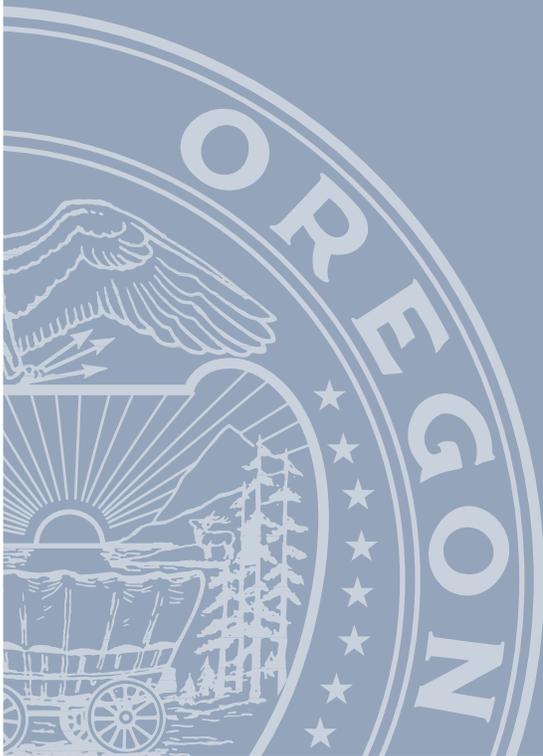
The agency request budget is \$2.9 million General Fund. This is a 2.6 percent increase from the 2013-15 Legislatively Approved Budget. The requested budget enables the Legislative Revenue Officer to continue existing levels of service.

REVENUE SUMMARY

The Legislative Revenue Officer is completely supported by General Fund.

JUDICIAL BRANCH

SECTION K



JUDICIAL BRANCH AGENCIES

Oregon Judicial DepartmentK-357
Commission on Judicial Fitness and Disability K-359
Public Defense Services CommissionK-360

Judicial Branch Program Area Budget

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request
General Fund	595,794,895	652,705,683	772,999,197
Lottery Funds	0	0	0
Other Funds	51,772,646	73,952,886	120,987,135
Federal Funds	1,198,808	1,233,153	1,598,284
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$648,766,349	\$727,891,722	\$895,584,616
Positions	1,946	1,966	2,053
FTE	1,818.68	1,839.89	1,910.45

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 recommended budget for the Judicial Department include:

- Continues a five-year funding plan for the implementation of the Oregon eCourt program
- Proposes a long-range plan to provide seismic and other upgrades to the Supreme Court building, improve circuit court facilities, and meet minimum security standards for all circuit courts
- Supports judge and staff compensation and benefit adjustments and increases resource levels to improve timely services to the public and increase access to justice
- Continues funding for court operations and the continuation of the drug, mental health and domestic violence courts

The Public Defense Services Commission’s requested budget continues a three-biennia strategy of investments toward its goals. Highlights include:

- Provides compensation for attorneys and administrative support staff on a salary schedule comparable to the salary schedules at the Department of Justice and other state agencies
- Provides for a rate increases for trial level defender attorneys
- Provides funding to improve representation in juvenile dependency cases, including caseload reductions
- Provides funding to cover increased mandated caseload costs
- Requests restoration of General Fund for declining Application Contribution program funds

The Commission on Judicial Fitness requests funding for staff compensation changes for the 2015-17 biennium.

Overall, the requested Judicial Branch budget is an 23.0 percent increase from the 2013-15 Legislatively Approved Budget. The General Fund request is a 18.4 percent increase from the 2013-15 Legislatively Approved Budget.

GOVERNOR’S ADJUSTMENTS

The Judicial Branch agencies are a separate and independent branch of state government. The Governor does not have budgetary authority over them. The law, however, requires the Governor to submit a balanced budget for the state. For this reason, the Governor’s Budget reduces the Judicial Branch’s requested budget to \$683.0 million General Fund, \$812.1 million total funds. This funding level represents a 4.7 percent increase in General Fund from the 2013-15 Legislatively Approved Budget and a 11.6 percent increase in total funds.

Oregon Judicial Department

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	365,417,114	402,814,725	456,586,184
Lottery Funds	0	0	0
Other Funds	47,973,194	69,478,242	123,611,545
Federal Funds	1,198,808	1,233,153	1,598,284
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$414,589,116	\$473,526,120	\$581,796,013
Positions	1,869	1,889	1,974
FTE	1,742.95	1,763.60	1,832.59

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$421,962,691 General Fund, \$123,611,545 Other Funds and \$1,598,284 Federal Funds for total funds of \$547,172,520 in his budget as a placeholder.

OVERVIEW

The Judicial Department's budget contains the resources necessary to operate a state-wide court system in 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 of the state. (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 operations, programs and functions. The Chief Justice appoints the State Court Administrator, who is responsible for assisting in administration and coordination. At the local judicial district level, the Chief Justice 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, Court of Appeals, the Tax Court and Office of the State Court Administrator.
- Operations of the 36 circuit courts organized into 27 judicial districts statewide. These are general jurisdiction trial courts located in every county that rule on a full range of criminal, civil, juvenile, domestic relations cases and other matters.
- Administration of mandated payments for the cost of jurors, transcript costs for certain indigents in civil appeals, Americans with Disabilities Act compliance, and interpreters for non-English-speaking and hearing-impaired persons in the courts.
- Administration of centralized management and support functions, such as statewide systems for technological 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 program that reviews permanency plans for children 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 \$581.8 million total funds. It includes \$456.6 million General Fund, \$123.6 million Other Funds and \$1.6 million Federal Funds. This requested budget includes all programs and all policy packages submitted for legislative consideration. The requested budget is a 22.9 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 1,974 positions.

The agency request budget proposes finishing implementation of a five-year plan to modernize the technology and business processes of the trial courts, known as Oregon eCourt. The request also supports a long-range plan to provide seismic and other upgrades to the Supreme Court building, improve circuit court facilities and meet minimum security standards in all circuit courts. 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 to improve timely services to the public and increase access to justice.

An increasing portion of the Judicial Department budget is passed through to other entities, primarily counties for court facility improvement, 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 for the Judicial Department and other entities 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 Department of Health and Human Services for the Juvenile Court Improvement Project.

Commission on Judicial Fitness and Disability

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	169,135	206,651	303,452
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	\$169,135	\$206,651	\$303,452
Positions	1	1	1
FTE	0.50	0.50	0.75

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$212,022 General Fund in his 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 and may censure, suspend, or remove a judge from the bench.

REQUESTED BUDGET

The requested budget for the Commission on Judicial Fitness and Disability is \$303,452 General Fund. This is 46.8 percent higher than the 2013-15 Legislatively Approved Budget. The increase is mostly attributable to requests for added administrative support for the Commission.

REVENUE SUMMARY

The Commission's entire budget is funded with General Fund.

Public Defense Services Commission

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Agency Request*
General Fund	230,208,646	249,684,307	318,059,416
Lottery Funds	0	0	0
Other Funds	3,799,452	4,474,644	3,841,565
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$234,008,098	\$254,158,951	\$321,900,981
Positions	76	76	78
FTE	75.23	75.79	77.11

*The Governor makes no recommendation for this budget, as it is a separate branch of government. For statutory purposes, the Governor included \$260,858,855 General Fund and \$3,841,565 Other Funds for a total amount of \$264,700,420 in his budget as a placeholder.

OVERVIEW

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 the 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 support for the office.

REQUESTED BUDGET

The requested budget for the Public Defense Service Commission is \$321.9 million total funds. It includes \$318.1 million General Fund and \$3.8 million Other Funds. This is a 26.7 percent increase from the 2013-15 Legislatively Approved Budget. The budget includes 78 positions.

The requested budget funds the following:

- Increased compensation for employees at the Office of Public Defense Services who currently receive compensation three to 18 percent below their counterparts at the Department of Justice and other state agencies
- Rate increases for trial level public defender attorneys
- Improved representation in juvenile dependency cases, including caseload reduction
- Additional office space to eliminate the need for attorney office-sharing and create client interview rooms, space for staff meetings, commission meetings, and training
- Increased costs for mandated caseload

- General Fund to support expenditures in the Professional Services Account. Funding normally collected from the Application Contribution program is not available to fund these expenditures.

REVENUE SUMMARY

The Commission is funded primarily with General Fund. Other Funds come from the Application and Contribution program, which is composed of application fees and contributions for services from people who can afford to pay for a portion of their defense services.

EMERGENCY BOARD

SECTION L



EMERGENCY BOARD

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
General Fund	0	76,906,819	157,315,141
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	\$76,906,819	\$157,315,141
Positions	0	0	0
FTE	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 \$157.3 million for the Emergency Fund. The components of this are described below.

GENERAL PURPOSE

The Governor's Budget proposes \$25 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 \$120 million in the Emergency Fund for state employee compensation changes. The funds will help cover cost increases for health and benefit plans and wages for all state employees. The \$120 million is made available because the state's efforts to reduce health care costs have been successful. Since moving to a self-insurance model in 2010, the Public Employees Benefits Board (PEBB) has experienced lower health care costs each year compared to premiums it has been collecting. As costs are effectively managed with health care transformation efforts, there has been a steady increase in the ending balance for the PEBB Stabilization Fund. For the 2015-17 biennium, this ending balance is well above target levels outlined by the Board's actuary. Excess funding of \$120 million from the PEBB stabilization fund is transferred to the General Fund to support the overall cost of compensation increases for state employees, thus offsetting the projected cost of the Special Purpose Appropriation for state employee compensation changes.

A Special Purpose Appropriation of \$2.2 million is included to cover the second fiscal year operations for the Oregon Department of Geology and Mineral Industries (DOGAMI). Allocation of these funds, as well as necessary Other Funds and Federal Funds expenditure limitation, is contingent on

the preparation of a plan to consolidate agency functions into one or more larger agencies. Agency consolidation will mitigate revenue instability, provide the Department with increased administrative support, reduce overhead and increase alignment between regulatory programs within the natural resource program area. DOGAMI will work to develop a plan and prepare a request to be presented to the Legislature during the February 2016 Session.

The Governor's Budget includes funding in the Department of Human Services to pay for the cost of 2015-17 nursing facility rate increases as prescribed in section 24, chapter 736, Oregon Laws 2003, and amended by House Bill 2216 (2013). However, \$4.9 million of this cost increase is being budgeted as a Special Purpose Appropriation in the Emergency Fund pending development of a plan to align nursing facility inflationary cost increases with Health Plan inflation rates to be used during development of the 2017-19 budget.

A Special Purpose Appropriation of \$125,000 is included to cover the second fiscal year funding for the Oregon Volunteers Commission. The Oregon Volunteers Commission is a newly created structure within the Oregon Housing and Community Services budget and was created to provide a more transparent budget structure for the Oregon Commission for Voluntary Action and Service. The intent is that the Commission will engage in a public process between the 2015 and 2016 Legislative Sessions to report back to the Legislature in 2016 with recommendations whether the Commission shall: (1) remain as an entity within the Housing and Community Services Department; (2) move to a different state agency; (3) be set up as a stand-alone small agency; or (4) move to Portland State University. The \$125,000 is expected to be added back in line with the February 2016 recommendations from the Commission.

Finally, there is a \$5.1 million Special Purpose Appropriation 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 and reimbursement for the agency's costs for seasonal aviation and ground-based emergency "initial attack" resources.

STATE AND LOCAL SHARED SERVICES

SECTION M



STATE AND LOCAL SHARED SERVICES

INTRODUCTION

Services provided by local governments, non-profits, and other organizations are essential to pursuing the 10-Year Plan vision of healthy and safe communities with diverse, dynamic, and sustainable economies. The Governor's approach to community and economic development recognizes the unique needs of each Oregon region and the importance of working locally to identify priorities, solve problems and seize opportunities. The Governor has pursued an innovative, collaborative approach to allocating state resources to encourage regionally-coordinated problem solving.

For example, Early Learning Hubs work across traditional programs and sectors to account for outcomes collectively and cost effectively. Under the community-based Early Learning Hubs, Oregon has begun bringing together public schools, early learning providers, health care, city and county social services and the private sector at the local level, around shared outcomes for families and children. The Early Learning Hub model exemplifies the state's ongoing efforts to build on existing community resources and assets, while also asking tough questions about what could be done differently to get better results.

Additionally, Regional Solutions works with Regional Committees to identify economic development priorities for each of the eleven economic development districts of the state. The Committees, in conjunction with state agencies, identify projects to address local priorities. These projects are supported by a fund established at the Oregon Business Development Department. In addition, Regional Solutions Teams comprised of state agencies address regional priorities through problem-solving efforts at the local level in conjunction with local governments, including regulatory streamlining.

On the whole, coordinated efforts to achieve shared goals include partnerships with local governments, non-profits, and other organizations. Some examples of these partnerships are:

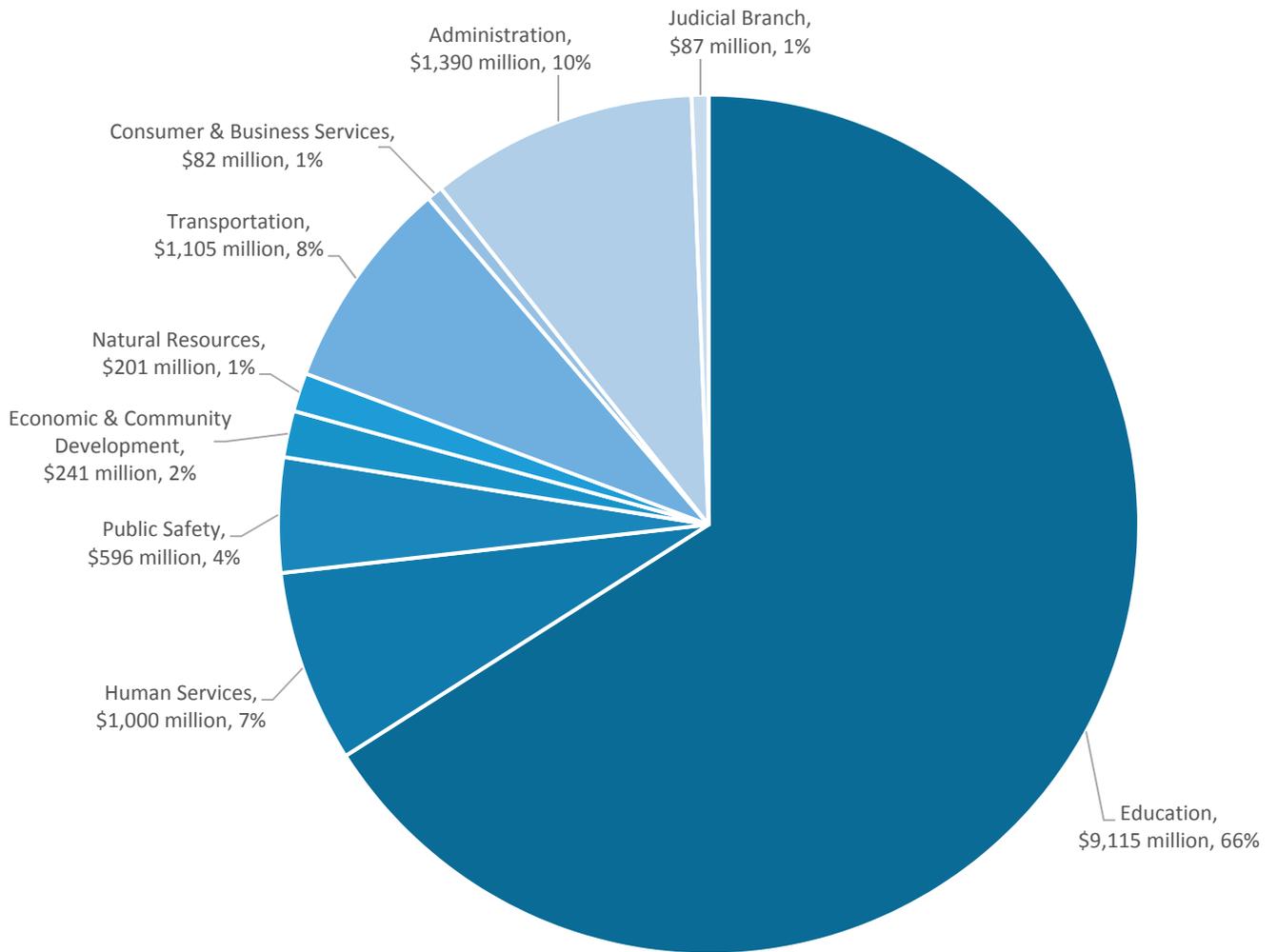
- Regional Solutions Centers and Teams
- Early Learning Hubs
- Community Corrections
- Mental Health and Substance Abuse Services
- Services to People with Developmental Disabilities
- Oregon Health Plan
- Local Public Health Departments
- Salmon Initiatives
- Gas Tax Revenue Sharing
- Local Workforce Investment Boards

STATE AND LOCAL GOVERNMENT SHARED SERVICES

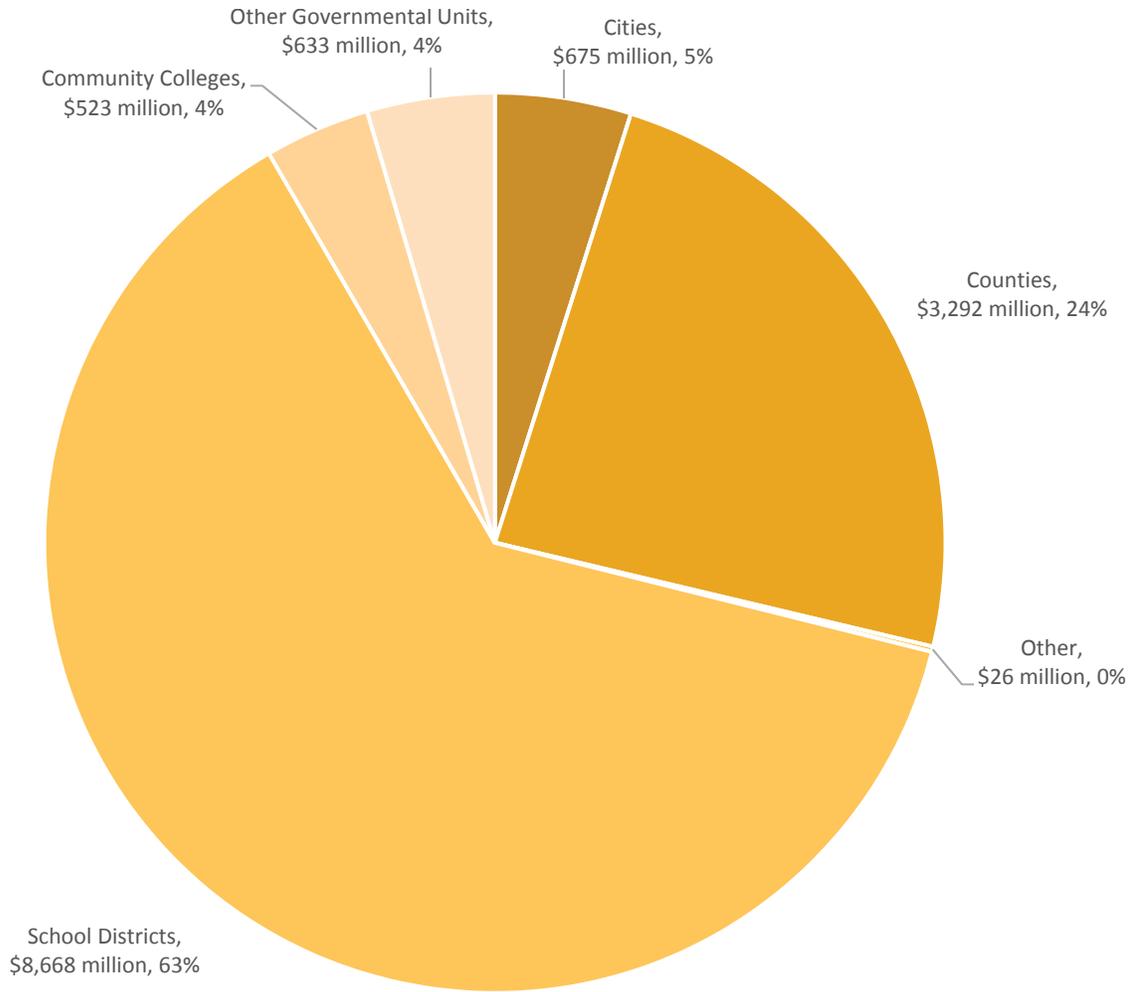
While the state is pursuing a collaborative, regional approach to allocating state resources, state services that benefit local governments and state funding of locally-administered programs remain vital connections. Funding for education is a dramatic example of the evolving and important link between state and local governments. Before the passage of Ballot Measure 5 in 1990 education was primarily funded locally with property taxes allocated to school districts. Now education is mostly funded by the income tax-driven state General Fund and has become the largest portion of the state budget.

The financial partnerships between state and local governments are especially critical given the characteristics of property taxes, on which local governments largely rely, and income taxes, on which the state heavily relies. Property taxes tend to be inelastic, contributing to their stability as a revenue source. Property tax revenue, however, may not grow fast enough to keep up with inflation and population growth, decreasing local governments' capacity to serve their constituents. On the other hand, income taxes tend to be elastic, meaning they respond to changes in the economy. As a result, the state's General Fund resources tend to be more volatile. Given the relatively slow growth of the property tax and the volatility of the General Fund, revenue sharing is critical to achieving a level of stability between state and local shared services.

2015-17 STATE AND LOCAL SHARED SERVICES BY PROGRAM AREA (\$13,817 MILLION)



2015-17 STATE AND LOCAL SHARED SERVICES BY RECIPIENT (\$13,817 MILLION)



The property tax initiatives of the 1990s reinforced the link between the financial health of local governments and the state's economy. Local governments provide basic services – such as police and fire protection, transportation, sewer, water, housing and educated workers – that businesses need to develop and thrive.

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 in this section.

The 2015-17 Governor's Budget contains \$13,817 million total funds in state and local shared services (see charts on previous pages for specific distributions). The following narrative provides a sampling of state and local shared services; this is not a complete documentation of state contributions to local government. Services are both direct and indirect. Indirect services are not directly reflected in state budgets. Individual agencies can be contacted for more information.

ADMINISTRATION PROGRAM AREA

The Administration Program Area represents 10 percent of total shared services. Agency budgets apportion \$1,390 million total funds to local government. Examples of aid to local government include:

- Department of Administrative Services (DAS). The Department administers a number of funds distributed to cities and counties in Oregon. In the 2015-17 biennium, transfers of revenue total more than \$406.0 million, excluding Lottery Funds. The support includes cigarette, tobacco and amusement tax revenues received from the Department of Revenue, as well as liquor, 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. Local governments also receive General Fund support in the amount of \$2.0 million for a Local Government Efficiency and Innovation Grant Program that provides financial assistance in the collaborative effort to achieve greater efficiencies and realize cost savings in the delivery of government services.
- Oregon Liquor Control Commission (OLCC). A portion of liquor sales revenue, privilege tax revenue, and license fee revenue is transferred to local governments. Specifically, cities receive 20 percent of net liquor revenues and 10 percent of net privilege tax revenues, while counties receive 10 percent of net liquor revenues and five percent of net privilege tax revenues. Fourteen percent of net liquor taxes and seven percent of net privilege tax revenues are transferred to city revenue sharing.
- Department of Revenue (DOR). The agency sends funds to counties from a variety of sources. A total of \$775 million will be distributed to counties during 2015-17. This includes local transit tax moneys. Also, funds for property tax assessors to help counties maintain their assessment and collection programs. The Department also collects and transfers revenues for programs such as the Electric Co-op, Emergency Phone, and Private Rail Car programs.

- Oregon State Library (OSL). The State Library provides resources to local governments in the form of Library Services and Technology Act (LSTA) competitive grants totaling \$2.6 million Federal Funds. These grants are distributed to city, county and other libraries across the state. In addition nearly \$1.0 million General Fund in Ready-for-Success grants are distributed to public libraries throughout Oregon.

ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

The Economic and Community Development Program Area represents two percent of total shared services and \$241 million total funds. Agencies in this area help provide economic and cultural enhancement. Examples of shared services include:

- Oregon Business Development Department (OBD). The Department supports local infrastructure projects through technical assistance, grants, loans and bond financing. 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). The Governor's Budget includes over \$181.6 million in Lottery Funds, Other Funds and Federal Funds in special payments to local government.
- Housing and Community Services Department (OHCS). The Department provides approximately \$54.6 million to local government. The agency collaborates with community development corporations, community action agencies, housing authorities, and local governments and school districts to expand affordable housing, revitalize rural and distressed communities and provide low-income utility assistance.
- Department of Veterans' Affairs (ODVA). The Department of Veterans Affairs budget includes approximately \$4.7 million General Fund for 34 county veterans' service organizations in a service-delivery partnership with counties.

EDUCATION PROGRAM AREA

The Education Program Area represents 66 percent, or \$9,115 million, of all 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 taxes and required the state to replace property tax revenues lost by schools. The phase-in of Measure 5, as well as the replacement requirement, ended after the 1995-96 fiscal year. Measure 50 (1997), however, continues to restrict the growth in property taxes, and the state has continued to provide increases in school funding. Some examples of shared services are:

- Department of Education (ODE). Almost 95 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, to local governments for programs previously administered by the State Commission on Children and Families (such as Healthy Start and Relief Nurseries).

- *Higher Education Coordinating Commission (HECC)*. Support for community colleges and local workforce programs is included in HECC. This includes Community College Support Fund payments to local community college districts; distribution of the federal Workforce Investment Act funds to regional, county, or community service delivery agents; 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 \$1,000 million total funds to local governments. Some examples of these services are:

- *Department of Human Services (DHS)*. 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 almost \$481.0 million for services to seniors and people with 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 mental health 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 \$359.0 million for addiction and mental health programs and \$149.0 million for public health services.

NATURAL RESOURCES PROGRAM AREA

The Natural Resources Program Area represents one percent of total shared services. Agencies apportion \$201.0 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 aid or shared services are:

- *Department of Agriculture (ODA)*. The Department coordinates with the Oregon Watershed Enhancement Board to award Lottery Funds grants for various cities, counties, and other local government entities for weed control and for activities to protect and improve water quality.
- *Department of Energy (ODOE)*. The Department assists local government through the State Home Oil Weatherization Program and various tax credit programs. ODOE will initiate a grant program to provide grants to non-public charge schools for energy efficiency projects for local schools. The Department also provides for the coordination of emergency response activities for the Hanford and Columbia Generating Station, and for assistance in evaluating energy facility

sitting applications. The budget includes approximately \$14.7 million in payments to local government.

- Department of Environmental Quality (DEQ). The agency 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.
- Forestry Department (ODF). 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 and local school districts. 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 Land Conservation and Development (DLCDD). Through its Grants program unit, the agency 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. For the 2015-17 biennium, distributions under this program will likely total \$3.0 million total funds.
- Department of State Lands (DSL). 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 (OSMB). The Marine Board supports local communities through programs that support boating within their jurisdictions. The Marine Law Enforcement program provides \$8.7 million of state boater funds to assist with providing law enforcement in Oregon's waterways and boating education in local schools. This money is matched with \$3.7 million in federal money to support these programs. The Boating Facilities program provides engineering, environmental, and contract services to support facility construction grants, and provides \$5.8 million in direct grant assistance for construction and maintenance. The Marine Board leverages boater money with another \$3.2 million in Federal Funds for these projects.
- Oregon Parks and Recreation Department (OPRD). 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-throughs 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 include:

- The County Opportunity Grant program (funding for recreational vehicle camping sites and funded through RV registration fees) distributes approximately \$1.4 million in grants.

- The All-Terrain Vehicle (ATV) program distributes about \$10.7 million in 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 provides approximately \$9.9 million, from the lottery-funded Parks and Natural Resources Fund, to local governments for the acquisition and development of outdoor park grounds and facilities.
- The federal Recreational Trail Grant Program distributes approximately \$3.1 million in grants. The majority of the 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. This program distributes approximately \$1.8 million in grants.
- Grants for veteran and war memorials are about \$150,000.
- Parks historic preservation grants. Grants for historic resource programs, archaeology, museums and historic cemeteries are about \$6.4 million.

PUBLIC SAFETY PROGRAM AREA

The Public Safety Program Area provides four percent of all shared services with local government, or \$596 million total funds. Community Corrections funds 41 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 militia and law enforcement. It also includes prosecution and incarceration of juvenile and adult offenders. Some examples of shared services are:

- Criminal Justice Commission (CJC). The Governor's Budget includes \$13.5 million General Fund for distribution to counties to fund drug court grants. The budget also includes \$58.5 million General Fund for the Justice Reinvestment Grant Program, which will distribute \$57.2 million in grants to local public safety agencies to fund proven strategies to reduce recidivism and save prison costs.
- Department of Corrections (DOC). The budget includes \$244.1 million total funds for grants to counties for supervision and treatment of state felony offenders on parole, probation, and post-prison supervision, and for management of felony offenders sentenced to incarceration for 12 or fewer months.
- Department of Justice (DOJ). The Department will transfer about \$16.1 million total funds to cities and counties for crime victim assistance and compensation. These funds come primarily from the Criminal Fine Account, penalties levied against defendants who were found guilty of committing certain crimes by the courts. Included in the total are \$5.0 million Federal Funds and \$0.8 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 Federal Violence Against Women Act. An additional \$5.5 million Federal Funds are expended, primarily to counties for High Intensity Drug Trafficking Area programs and drug enforcement coordination activities. The Department also distributes \$15.7 million Federal Funds and \$4.4 million Other Funds to counties to fund the District Attorney (DA) cost of the Child Support Program. For the 2015-17 biennium, DOJ

will also transfer \$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 (OMD). The Oregon Military Department provides a variety of services to local government during and after 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 is \$53.5 million for counties, \$75.2 million for cities, and \$84.1 million to other governmental units.
- Oregon Youth Authority (OYA). OYA 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 \$20.9 million General Fund.
- Department of Public Safety Standards and Training (DPSST). DPSST certifies and trains city and county police officers and state and local corrections, parole and probation, telecommunications and emergency medical dispatchers. The Department also certifies and provides training for volunteer and professional firefighters. The budget covers continued provision of these services, at no cost to the sending local governments or students.

TRANSPORTATION PROGRAM AREA

The Transportation Program Area distributions make up eight percent of total shared services, or \$1,105 million total funds. An example of these services to local government include:

- Department of Transportation (ODOT). Through ConnectOregon, the Department provides funding to local governments for multi-modal transportation projects. ODOT also provides local governments with public transportation funding for the transportation of elderly individuals and individuals 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.

CAPITAL BUDGETING

SECTION N



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 in excess of \$1 million and must receive approval by the Legislature before spending begins. Capital Improvements less than \$1 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. Subsequent to enactment of Senate Bill 242 (2011), individual higher education university capital construction projects no longer require separate approval by the Governor and Legislative Assembly. Expenditure limitations will no longer be established for higher education university capital construction projects; however, a portion of funding authorized for universities will support capital projects. Executive Order No. 12-17, signed on November 13, 2012, sets forth the Governor's expectation to finance approximately \$275 million per biennium going forward for higher education universities and community college projects (including information technology systems).

Projects may be funded with proceeds from bonds that are repaid over time or on a "pay-as-you-go" (i.e. without borrowing) basis. 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 moneys dedicated by Oregon Law or Constitution. Other Funds revenues are 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 this budget will:

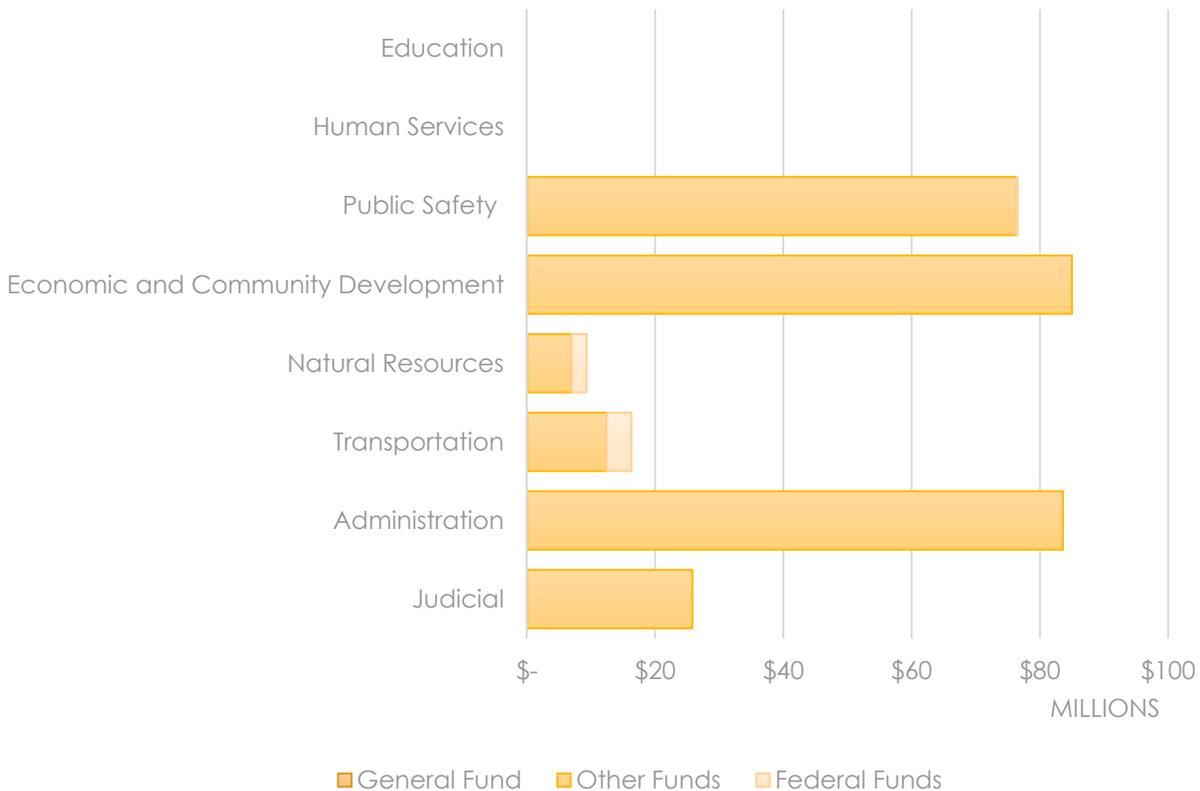
- Improve higher education university facilities.
- Provide construction funds for new Affordable Housing initiative to provide financial assistance to aid in the development, acquisition, renovation, or improvement of affordable housing for low-income and very low-income Oregonians.
- Make improvements to state office buildings and provide new funding for capital renewal and repair that will be available to address long outstanding deferred maintenance needs and promote best practices in facilities management.

The following tables show the major capital construction projects proposed by the Governor for the 2015-17 biennium. They also show estimated major capital construction project costs for the four years in the subsequent two biennia as submitted by each agency. This data on projected future project cost is referred to as the "six-year plan" and is a required component of the Governor's Budget under Oregon law (ORS 291.224).

Capital Construction & Acquisition Plans

2015-17 PROGRAM FUNDING REQUEST SUMMARY

Program Area	General Fund	Other Funds	Federal Funds	Total Funds
Education	-	-	-	-
Human Services	-	-	-	-
Public Safety	-	76,380,846	140,770	76,521,616
Economic and Community Development	-	85,000,000	-	85,000,000
Natural Resources	-	7,000,000	2,323,750	9,323,750
Transportation	-	12,427,779	3,850,000	16,277,779
Administration	-	83,585,035	-	83,585,035
Judicial	-	25,800,000	-	25,800,000
Total	\$ -	\$ 290,193,660	\$ 6,314,520	\$ 296,508,180



2015-2017 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS

Program Area/Agency	General Fund	Other Funds	Federal Funds	Total Funds
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM				
<i>Oregon Housing and Community Services Department</i>				
Family Affordable Housing	-	85,000,000	-	85,000,000
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM	-	85,000,000	-	85,000,000
PUBLIC SAFETY PROGRAM				
<i>Military Department (OMD)</i>				
Regional Training Institute Relocation	-	11,500,000	-	11,500,000
Youth Challenge Armory	-	4,977,000	-	4,977,000
Planning and Pre-design	-	136,281	140,770	277,051
OMD Total	-	16,613,281	140,770	16,754,051
<i>Oregon Youth Authority (OYA)</i>				
Rogue Valley Facility Improvements	-	8,266,000	-	8,266,000
MacLaren Facility Improvements	-	19,496,000	-	19,496,000
Oak Creek Facility Improvements	-	2,098,000	-	2,098,000
CCTV Cameras	-	1,147,435	-	1,147,435
Deferred Maintenance	-	2,293,000	-	2,293,000
OYA Total	-	33,300,435	-	33,300,435
<i>Department of Corrections (DOC)</i>				
Deferred Maintenance	-	14,220,432	-	14,220,432
Cable Infrastructure Replacement for VOIP Upgrade	-	12,246,698	-	12,246,698
DOC Total	-	26,467,130	-	26,467,130
TOTAL PUBLIC SAFETY PROGRAM	-	76,380,846	140,770	76,521,616
NATURAL RESOURCES PROGRAM				
<i>Department of Fish & Wildlife (ODFW)</i>				
Willamette Falls Fishway Repair	-	-	1,000,000	1,000,000
Lower Deschutes River Ranch Acquisition	-	-	1,323,750	1,323,750
ODFW Total	-	-	2,323,750	2,323,750
<i>Department of Forestry</i>				
State Forester's Building Renovation	-	7,000,000	-	7,000,000
ODF Total	-	7,000,000	-	7,000,000
TOTAL NATURAL RESOURCES PROGRAM	-	7,000,000	2,323,750	9,323,750
TRANSPORTATION PROGRAM				
<i>Department of Transportation</i>				
South Coast Maintenance Station	-	4,500,000	-	4,500,000
Meacham Maintenance Station	-	7,500,000	-	7,500,000
Maintenance Facilities Co-location	-	1	-	1
ODOT Total	-	12,000,001	-	12,000,001
<i>Oregon Department of Aviation (ODA)</i>				
Condon State Airport Renovations	-	226,111	2,035,000	2,261,111
McDermitt State Airport Rehabilitation	-	201,667	1,815,000	2,016,667
ODA Total	-	427,778	3,850,000	4,277,778
TOTAL TRANSPORTATION PROGRAM	-	12,427,779	3,850,000	16,277,779

**2015-2017 RECOMMENDED MAJOR CONSTRUCTION/ACQUISITION PROJECTS
(CONTINUED)**

Program Area/Agency	General Fund	Other Funds	Federal Funds	Total Funds
ADMINISTRATION PROGRAM				
<i>Department of Administrative Services (DAS)</i>				
Portland State Office Building Exterior Upgrades	-	1,500,000	-	1,500,000
Public Health Lab Emergency Generator Upgrade	-	2,926,140	-	2,926,140
Portland Crime Lab Upgrades	-	1,003,006	-	1,003,006
Employment Building Upgrades	-	2,217,398	-	2,217,398
Electrical Upgrades and Replacements	-	4,199,195	-	4,199,195
Building Automation Upgrades	-	1,000,000	-	1,000,000
Human Services Building Cooling Tower Replacement	-	1,701,702	-	1,701,702
General Services and Annex Building Upgrades	-	1,264,227	-	1,264,227
Central Point Package Air Conditioning Unit Replacement	-	1,423,367	-	1,423,367
Planning	-	350,000	-	350,000
Capital Renewal and Repair	-	30,000,000	-	30,000,000
Capital Investments/Acquisitions	-	17,000,000	-	17,000,000
Executive Building Renovation	-	19,000,000	-	19,000,000
TOTAL ADMINISTRATION PROGRAM	-	83,585,035	-	83,585,035
JUDICIAL PROGRAM				
<i>Judicial Department</i>				
Supreme Court Building Renovation & Seismic Retrofit	-	25,800,000	-	25,800,000
TOTAL JUDICIAL PROGRAM	-	25,800,000	-	25,800,000
GRAND TOTAL 2015-2017 BIENNIUM	-	290,193,660	6,314,520	296,508,180

2017-2019 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

Program Area/Agency	General Fund	Other Funds	Federal Funds	Total Funds
EDUCATION PROGRAM				
See Note 2				
TOTAL EDUCATION PROGRAM	-	-	-	-
PUBLIC SAFETY PROGRAM				
Military Department				
Boardman Multipurpose Machinegun Range	-	753,360	14,077,000	14,830,360
McMinnville Armory Service Life Extension	-	3,012,120	-	3,012,120
Jackson Armory Service Life Extension	-	4,178,520	-	4,178,520
Grants Pass Armory Service Life Extension	-	3,607,200	-	3,607,200
Planning and Pre-design	-	187,711	161,995	349,706
Total Military Department	-	11,738,911	14,238,995	25,977,906
Oregon Youth Authority				
Capital, Electronic and Physical Security Improvements	-	1,696,679		1,696,679
Total Oregon Youth Authority	-	1,696,679	-	1,696,679
TOTAL PUBLIC SAFETY PROGRAM	-	13,435,590	14,238,995	27,674,585
NATURAL RESOURCES PROGRAM				
Department of Fish & Wildlife				
North Canal Dam Fish Passage	1,000,000	-	-	1,000,000
TOTAL NATURAL RESOURCES PROGRAM	1,000,000	-	-	1,000,000
TRANSPORTATION PROGRAM				
Department of Transportation				
South Coast Maintenance Station	-	5,000,000	-	5,000,000
East Portland Maintenance Station	-	2,000,000	-	2,000,000
District 1 Consolidation	-	4,000,000	-	4,000,000
East Salem Consolidation	-	1,000,000	-	1,000,000
TOTAL TRANSPORTATION PROGRAM	-	12,000,000	-	12,000,000
ADMINISTRATION PROGRAM				
Department of Administrative Services				
Exterior Building Upgrades	-	8,877,541	-	8,877,541
Heating, Ventilation, Air Conditioning Systems Upgrades	-	1,857,474	-	1,857,474
Electrical Upgrades	-	1,963,217	-	1,963,217
Safety and Security Upgrades	-	740,816	-	740,816
Sidewalks and Parking Structure Repairs	-	1,471,346	-	1,471,346
TOTAL ADMINISTRATION PROGRAM	-	14,910,394	-	14,910,394
GRAND TOTAL 2017-2019 BIENNIUM	1,000,000	40,345,984	14,238,995	55,584,979

*Funding in the Governor's Budget includes only those items identified in capital construction bills. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2017-19; they are not yet recommended in capital construction bills.

Note 2: In the ten-year capital plan described in EO No. 12-17, the Governor has described his intention to authorize \$275 million per biennium for General Fund-supported and Lottery Bond financing to support education related capital investments.

2019-2021 ESTIMATED MAJOR CONSTRUCTION/ACQUISITION REQUIREMENTS

Program Area/Agency	General Fund	Other Funds	Federal Funds	Total Funds
EDUCATION PROGRAM				
See Note 2				
TOTAL EDUCATION PROGRAM	-	-	-	-
PUBLIC SAFETY PROGRAM				
<i>Military Department</i>				
Klamath Falls Readiness Center	-	991,680	13,978,000	14,969,680
Hillsboro Readiness Center	-	5,025,520	18,421,000	23,446,520
Salem Armory Service Life Extension	-	2,974,320	-	2,974,320
Warrenton Armory Service Life Extension	-	1,685,340	-	1,685,340
Ashland Armory Service Life Extension	-	2,681,640	-	2,681,640
Planning and Pre-design	-	122,110	150,466	272,576
Total Military Department	-	13,480,610	32,549,466	46,030,076
<i>Oregon Youth Authority</i>				
Capital, Electronic and Physical Security Improvements	-	1,696,679	-	1,696,679
Total Oregon Youth Authority	-	1,696,679	-	1,696,679
TOTAL PUBLIC SAFETY PROGRAM	-	15,177,289	32,549,466	47,726,755
TRANSPORTATION PROGRAM				
<i>Department of Transportation</i>				
District 1 Consolidation	-	4,000,000	-	4,000,000
Grants Pass Maintenance Station	-	6,000,000	-	6,000,000
Silver Lake Maintenance Station	-	2,000,000	-	2,000,000
TOTAL TRANSPORTATION PROGRAM	-	12,000,000	-	12,000,000
ADMINISTRATION PROGRAM				
<i>Department of Administrative Services</i>				
Exterior Building Upgrades	-	1,344,063	-	1,344,063
Heating, Ventilation, Air Conditioning Systems Upgrades	-	6,243,548	-	6,243,548
Carpet Replacements	-	706,351	-	706,351
Safety and Security Upgrades	-	214,259	-	214,259
Sidewalks and Parking Structure Repairs	-	145,472	-	145,472
TOTAL ADMINISTRATION PROGRAM	-	8,653,693	-	8,653,693
GRAND TOTAL 2019-2021 BIENNIUM	-	35,830,982	32,549,466	68,380,448

*Funding in the Governor's Budget includes only those items identified in capital construction bills. This table presents estimated biennial construction costs for projects that would be considered for recommendation in 2019-21; they are not yet recommended in capital construction bills.

Note 2: In the ten-year capital plan described in EO No. 12-17, the Governor has described his intention to authorize \$275 million per biennium for General Fund-supported and Lottery Bond financing to support education related capital investments.

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 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 of the state payable solely from funds appropriated or otherwise made available 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, 2013) certified statewide RMV is \$433.5 billion. The total outstanding general obligation debt at June 30, 2014 was approximately \$5.4 billion. Of the outstanding general obligation debt, 58 percent is structured to be self-supporting; that is, debt service is paid from various program revenues rather than from General Fund revenues. The remaining general obligation debt is General Fund supported.

Approximately 20 percent of the state's outstanding general obligation debt matures in five years, and 48 percent matures in 10 years. The entire debt matures within 35 years as shown in Table D, a schedule of aggregate debt service requirements for general obligation debt as of June 30, 2014. The maturity structure is affected most significantly by required principal payments for pension obligation bonds in 2017 through 2027.

Oregon's gross long-term debt at June 30, 2014 was \$10.8 billion, excluding conduit bonds. Compared to \$11.3 billion outstanding two years earlier, this represents a decrease of approximately five percent. This decline was primarily driven by the reduction in outstanding appropriation credits after final payment was made in September 2013 on the 2003 Appropriation Bonds issued to finance the 2001-03 budget deficit.

RECENT DEVELOPMENTS

As of July 1, 2014, three Oregon universities became independent public bodies, separate from the State of Oregon and the Oregon University System in accordance with the collective provisions of Senate Bill 270 (2013), Senate Bill 1525 (2014), and House Bill 4018 (2014). The three universities are Oregon State University, Portland State University, and the University of Oregon. These legislative changes also allow the remaining four universities (Western Oregon University, Eastern Oregon University, Southern Oregon University, and Oregon Institute of Technology) to become independent as of July 1, 2015, if they elect to have an independent governing board, which all have opted to do.

Under these new provisions, the independent universities may elect to remain eligible to receive proceeds of state bonds such as bonds authorized under Article XI-G, XI-F(1) or XI-Q of the Oregon Constitution, subject to certain conditions. Universities submit requests for projects to be funded with state bonds through the Higher Education Coordinating Commission, and those requests are acted upon during the legislative process. Projects approved by the Legislature will be included in the bond bill in the same manner as other state bonds. However, the independent universities have authority to issue their own revenue bonds without obtaining authority through the bond bill; any university who intends to issue revenue bonds and also receive the proceeds of state bonds is subject to review and oversight by the Oregon State Treasury.

CURRENT 2013-15 BIENNIUM ISSUANCE

The state is expected to sell approximately \$1.7 billion of bonds in the 2013-15 biennium, excluding pass through revenue bonds, COPs, and Other Financing Agreements. This is an increase of \$1.3 billion from 2011-13. The change is due to several factors which caused 2011-13 bond issuance to be significantly lower than recent historical levels. Declining revenues during the Great Recession reduced General Fund supported debt capacity to near zero; therefore, the 2011-13 budget included only the most critical projects, such as completion of the new State Hospital in Salem. Article XI-G projects for higher education universities and community colleges were greatly reduced from prior funding levels. The recession also impacted revenue bond programs tied to economic activity. As economic conditions improved coming out of the recession, this increased debt capacity for the 2013-15 biennium.

The program with the highest projected issuance in 2013-15 is the Article XI-Q general obligation bond program which is used to finance state-owned or state-operated capital assets. Significant projects include the Junction City campus of the State Hospital, state and higher education universities building needs, and several major information technology projects. The amount of bonds expected to be issued in 2013-15 by bond programs is shown in Table A.

HIGHLIGHTS OF RECOMMENDED 2015-17 BIENNIUM ISSUANCE AUTHORITY

The Governor's Budget takes into consideration debt capacity limits recommended by the State Treasurer's Office for both General Fund supported debt and Lottery Revenue bonds. In Executive Order No. 12-17, the Governor outlined a framework for allocating debt capacity in specific categories over a ten-year period. Recommended levels of authority for 2015-17 debt issuance have taken into consideration the ten-year capital plan to strategically focus investments and use debt capacity in a prudent and sustainable manner.

The state's capacity to issue General Fund supported debt is slightly higher than the prior biennium as a result of improving growth estimates for General Fund revenue, primarily personal income taxes. The Governor's Budget for 2015-17 includes authority for \$506.7 million in Article XI-Q bonds, of which \$460.9 million is General Fund supported debt. Significant investments include \$162.1 million for facility improvements at higher education universities, \$149.2 million for state-owned facility renovations, \$85.9 million for affordable housing needs, and \$61.7 million for replacement and implementation of various information technology systems such as core tax collection systems and funding for a K-20 Longitudinal database. In addition, \$100 million in general obligation bond authority is recommended to fund seismic rehabilitation grants for public education and emergency services buildings.

During the 2014 Legislative Session, a combination of general obligation and lottery bond funding was authorized for the Oregon Health and Science University (OHSU) Cancer Institute, subject to the requirement that OHSU raise \$800 million in gifts and pledges. The Governor's Budget assumes that the OHSU project will not be ready for bond issuance in the 2013-15 biennium. This project has been reauthorized in the 2015 bond bill to be funded entirely with \$199.8 million of Article XI-G bonds, which is a more cost effective method of financing this significant project and allows the lottery bond capacity to be redirected for other priorities.

The Governor intends to set aside \$10 million in General Fund supported available debt capacity for potential increased upfront project costs associated with accounting for not just upfront capital costs of new projects but their life cycle costs to operate and maintain the asset. The 2015-17 Governor's Budget for the Department of Administrative Services includes \$3.7 million to explore pricing life cycle operational costs and risks to reduce the state's long-term deferred maintenance burden; results of this analysis will be to identify which infrastructure projects are good candidates for alternative financing. It is expected that alternative financing approaches for funding a selected project's first two years of life cycle cost would likely cost more than funding a project's first two years of capital costs only with general obligation bond proceeds. Therefore, an estimated amount of capacity has been set aside to cover these increased costs because it is anticipated that, while not state-issued debt, such arrangements would be considered borrowing and would therefore count against debt capacity.

Lottery bond issuance will be limited in 2015-17 due to a multi-year effort to make significant capital outlays for replacement of aging gaming terminals as well as program revenue declines from earlier projected levels. The Governor's Budget includes \$219.3 million in Lottery Bonds to fund a variety of projects including: multi-modal transportation (Connect Oregon VI), grants for major water infrastructure projects, critical working farm and forest initiatives, public schools energy efficiency projects, and other significant infrastructure investments based on identified regional priorities. Funding provided for water infrastructure and working forests and farms is the initial investment in a multi-biennia strategy for which a like amount of Lottery Bond capacity is being reserved for the two future biennia, as shown in Table F.

In addition to the General Fund supported and Lottery Bond projects described above, the bond bill also includes amounts for self-supporting projects for higher education university facilities and community college projects approved in previous biennia but not yet issued. Other bonds that are not tax-supported are authorized for a variety of purposes including loans for water development projects, mortgage bonds for affordable housing, and projects promoting energy efficiency. All proposed Article XI-H Pollution Control bonds and Article XI-J bonds for Alternate Energy projects for 2015-17 are expected to be self-supporting.

CREDIT RATING CONSIDERATIONS

Most 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 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 Standard & Poor's, Moody's Investor Service, and Fitch Investors Service respectively. The Lottery Revenue

Bond program also continues to garner strong credit ratings of AAA and Aa2 by Standard & Poor's and Moody's Investors Services 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, high debt ratios, and uncertainty created by the initiative process.

INTEREST RATES

The Oregon 20-year bond index rose in mid-2013, but declined in the summer of 2014 back to rates seen during 2012. The 20-year Oregon Bond Index for Aa-rated debt issues averaged 2.64 percent in June 2012, increased to an average of 3.50 percent in September 2013, and fell to an average of 2.86 percent in June 2014. Oregon 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.

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 low during calendar year 2014. The state generally enjoyed the "right" measure of supply and demand during fiscal year 2014, for efficient and cost-effective new financings. Because the supply of bonds in the market generally has an impact on the prices paid, an oversupply results in additional compensation for investors through higher returns. Short-term rates continue to hover near historic lows, while longer term rates remain below their 20 year average. State agencies have taken advantage of this low rate environment to refinance existing debt at lower rates where permissible, achieving millions of dollars in debt service savings.

The consensus forecast among economists is for interest rates generally to remain at relatively low levels through mid to late 2015. Then, rates are expected to increase along the yield curve but more significantly in the shorter term of the curve which would flatten the yield curve through 2018.

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 general summary of each active authorization follows; inactive programs with no bonds outstanding and no new issuance recommended are not included. Refer to Table B for constitutional and statutory debt limits.

ACTIVE GENERAL OBLIGATION AUTHORIZATIONS – GENERAL FUND SUPPORTED

- Higher Education Institutions and Community Colleges – Article XI-G. The Oregon Constitution grants the state authority to issue General Obligation Bonds for the benefit of higher education universities and community colleges under two separate Articles: XI-G and XI-F(1). Article XI-G authorizes borrowing to acquire, construct, improve, repair, and furnish buildings, structures, and land that the Legislative Assembly determines will benefit higher education institutions or activities or community colleges. Bonds issued for these purposes are secured by appropriations from the state's General Fund and, in addition, by an unlimited ad valorem tax levied on all taxable property in the state. While this authorization applies to both Higher Education and Community Colleges, the Higher Education portion of XI-G debt (\$376.1 million) greatly exceeds the Community Colleges portion (\$116.1 million) as of June 30, 2014. The combined total of XI-G bonded debt outstanding at June 30, 2014 is \$492.2 million. Article XI-F(1) debt is discussed in the "Self-Supporting" section.
- 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 \$119.1 million as of June 30, 2014.
- 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, 2014, \$1.9 billion remains outstanding. Of this amount, \$1.3 billion (68 percent) is considered self-supporting debt and \$606.1 million (32 percent) is considered General Fund supported debt. The state does not currently anticipate issuing any additional XI-O Bonds.
- 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 fund. Because bond proceeds are used for a variety of different pollution abatement projects, including "orphan" sites clean up, an increasing amount of the state's Pollution Control debt may become General Fund supported. Clean Water State Revolving Fund

bonds are primarily Other Funds supported and Orphan Site bonds are primarily General Fund supported.

At June 30, 2014, \$38.6 million in Pollution Control bonded debt was outstanding; of this, \$16.2 million was General Fund backed. Under the Constitution, \$2.2 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.

- *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, 2014, \$17.0 million in XI-M (public education buildings) and \$10.0 million in XI-N (emergency services buildings) bonds were outstanding.
- *State Real and Personal Property – Article XI-Q.* In November 2010, voters approved Measure 72 which amended the constitution to add a general obligation bond program for financing state owned or operated real and personal property. XI-Q bonds may be issued to acquire, construct, remodel, repair, equip, or furnish real or personal property that is or will be owned or operated by the state, including infrastructure related to the property. Due to the superior credit of a general obligation bond over an appropriation credit, XI-Q bonds have essentially replaced COPs as the primary method of financing state owned or operated real/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. At June 30, 2014, \$906.0 million in Article XI-Q bonds were outstanding.

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, 2014, the Department of Veterans' Affairs had \$274.2 million in outstanding bonds.
- *Alternate Energy Projects – Article XI-J.* This article authorizes debt issuance to provide loans for development of small scale local energy projects. Approximately 72 percent of outstanding Article XI-J bonds are supported from project revenue streams, while the remaining 28 percent are General Fund supported. At June 30, 2014, outstanding bonds totaled \$240.1 million.
- *Higher Education – Article XI-F(1).* Article XI-F(1) allows the state to issue bonds for higher education building projects. 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, 2014, approximately \$1.3 billion or 38 percent of the available authorization was outstanding.
- *Elderly and Disabled Housing – Article XI-I(2).* The state may issue bonds to provide financing for multi-family housing for elderly low-income persons and for disabled persons. 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, 2014, approximately \$118.5 million 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. As of June 30, 2014, \$38.6 million of debt was outstanding. Of this amount, 58 percent is considered self-supporting debt and 42 percent is considered General Fund supported debt.
- 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, 2014, \$1.9 billion remains outstanding. Of this amount, \$1.3 billion (68 percent) is considered self-supporting debt and \$606.1 million (32 percent) is considered General Fund supported debt. The State does not currently anticipate issuing any additional XI-O Bonds.
- Water Development Projects – Article XI-I(1). This article allows the state to incur debt to provide financing for loans for construction of water development projects for irrigation, drainage, fish protection, watershed restoration, and municipal uses and for the acquisition of easements and rights of way for water development. No Water Development bonds were outstanding as of June 30, 2014. However the Governor's Budget authorizes the issuance of \$30.5 million in bonds in 2015-17.

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, 2014, the amount outstanding for OHCS is \$1.0 billion, or about 22 percent of all State of Oregon direct revenue-bonded debt.
- 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 367.670, 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. It also allows these revenues to be used for the retirement of bonds for which the revenues have been pledged.

The total statutory authorization for Highway User Tax bonds is approximately \$3.2 billion. At June 30, 2014, approximately \$2.4 billion of bonds was outstanding. This represents about 52 percent of all State of Oregon 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, improvements to facilities of higher education universities, development of affordable housing, and other purposes. The amount of outstanding Lottery Revenue bonds as of June 30, 2014 was \$1.1 billion.

- Business Development Department Bond Bank. The Oregon Business Development Department (OBDD) administers the Oregon Bond Bank which was created by the consolidation of the Special Public Works Fund (SPWF) program and the Water Fund Program. The SPWF program provides loans to municipalities for construction and improvement of water, wastewater, and other local infrastructure. Under the Water Fund program, loans are provided to municipalities for safe drinking water projects and wastewater systems improvement projects. Revenue bonds may be issued for the Oregon Bond Bank to finance loans for SPWF projects as authorized by ORS 285B.467 to 285B.479 and to finance Water Fund loans 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. For example, water project loans are typically repaid with water system revenues, and sewer projects are generally repaid with sewer system revenues. In addition to these sources of repayment, each of the loans is repayable from the borrower’s General Fund. The amount of bonds outstanding as of June 30, 2014 was \$90.1 million.
- Energy Revenue Bonds. Authorized under ORS 470.610, the Energy Revenue Bond program was established for a variety of energy related purposes including financing energy efficiency, conservation and sustainable technology projects. These revenue bonds are payable solely from revenues, moneys or other program assets. No bonds have been issued to date under this program. The Governor’s Budget includes \$20 million in issuance authority for Energy Revenue Bonds.

CONDUIT REVENUE BONDS

- Oregon Facilities Authority Bonds – ORS Chapter 289. The Oregon Facilities Authority (OFA) is empowered to issue bonds to assist with financing lands for health, housing, educational, and cultural uses and for construction and financing of facilities for such uses. 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. 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. As of June 30, 2014, \$1.6 billion in bonds were outstanding. The Governor’s Budget allows for

\$950 million in new issuance authority in the 2015-17 biennium. There is no recourse to the State for payment if any entities are unable to meet debt service requirements.

- *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. OBDD may also issue a composite IDB to finance several projects, each of which would benefit from issuance cost savings by pooling a series of smaller individual issues. The bonds are secured solely by payments from private businesses on whose behalf bonds are issued. In addition to federal requirements relating to issuance of tax-exempt bonds, OBDD considers whether individual projects are cost effective to ensure public benefits outweigh public costs. The Governor's Budget includes an authorization of \$200 million for 2015-17. As of June 30, 2014, \$469.0 million of bonds were outstanding.
- *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. This loan program was established by House Bill 2700 (2013) to provide loans to beginning farmers to finance various agricultural projects. The bonds are secured solely by revenues of the agricultural project. Since this program is relatively new, there are no bonds outstanding as of June 30, 2014. The Governor's Budget includes a \$10 million authorization for 2015-17.
- *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, should the borrower be unable to meet debt service requirements. Bonds outstanding were \$195.6 million as of June 30, 2014. The Governor's Budget allows for \$250 million in new issuance authority in the 2015-17 biennium.

APPROPRIATION CREDITS

ORS 283.085 to 283.092 allows the state to enter into financing agreements including lease-purchase agreements, installment sales agreements, and loan agreements to finance real or personal property and issue Certificates of Participation (COPs) evidencing these financing agreements, subject to Legislative approval. The principal amounts of such financing agreements are subject to maximum biennial issuance levels established by the Legislature. COPs are not debt and therefore cannot include a pledge of the state's full faith and credit. Instead, COPs are payable solely from funds appropriated or otherwise made available by the Legislative Assembly and therefore are considered an appropriation credit. The use of COPs has been greatly diminished with authorization of the Article XI-Q program previously discussed. As of June 30, 2014, \$675.6 million in COPs remained outstanding.

In addition to COPs, appropriation credits include the appropriation bonds that were authorized by Senate Bill 856 (2003) and issued to help balance the state's budget for the 2001-03 biennium. The 2003 Appropriation Bonds were completely repaid in September 2013 and are no longer outstanding.

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 of the State Treasury serves as staff to the PAB Committee. The volume-cap authorizations for calendar year 2016 and 2017 are based on \$100 per capita and the 2013 Oregon population estimates.

The budget recommends the following allocation of private activity volume cap for calendar years 2016 and 2017:

Allocation Type	CY 2016	CY 2017
Industrial Development Bonds (OBDD)	40,000,000	40,000,000
Beginning and Expanding Farmer Loan Program (OBDD)	5,000,000	5,000,000
Housing and Community Services Department	125,000,000	125,000,000
Department of Energy	5,000,000	5,000,000
Private Activity Bond Committee	218,006,500	218,006,500
Total	\$ 393,006,500	\$ 393,006,500

If an increase in the state’s population, a sufficient increase in the region’s Consumer Price Index, or a change in federal tax law result in an increase in the private activity bond limit above \$393,006,500, such excess shall be allocated to the Private Activity Bond Committee.

Table A. Recommended State Bond Issuance Authorization

Each biennium, the Governor must recommend the maximum amount of General Obligation and Revenue bonds, Certificates of Participation, and other financing agreements state agencies may issue (ORS 286A.035). The Governor must consider the prudent maximum amounts advised by the State Treasurer developed in accordance with ORS 286A.035(2). The Governor's recommendation for the 2015-17 biennium is shown below.

Program Designation	2011-13 Actual	2013-15 Estimated	Rec. 2015-17 Maximum Limit
GENERAL OBLIGATION BONDS (CONSTITUTIONAL AUTHORITY)			
<i>General Fund Obligations</i>			
Higher Education Coordinating Commission / OUS (Art. XI-G)	1,400,000	117,711,000	117,375,000
Oregon Health and Science University (Art. XI-G)	-	-	199,770,000
Community Colleges and Workforce Development (Art. XI-G)	7,745,000	60,000,000	79,321,600
Department of Environmental Quality Pollution Control (Art. XI-H) (60% of total for 2011-13; 40% for 2013-15; 0% for 2015-17)	8,994,000	1,998,000	-
Business Development Department			
Seismic Rehabilitation Bonds (Art. XI-M)	7,155,000	15,000,000	70,000,000
Seismic Rehabilitation Bonds (Art. XI-N)	-	15,000,000	30,000,000
Department of Administrative Services (Art. XI-Q)	151,760,000	459,618,000	506,690,000
Total General Fund Obligations	177,054,000	669,327,000	1,003,156,600
<i>Dedicated Fund Obligations</i>			
Department of Veterans' Affairs (Art. XI-A)	-	30,000,000	100,000,000
Higher Education Coordinating Commission / OUS (Art. XI-F(1))	35,835,000	185,545,000	67,900,000
Department of Environmental Quality Pollution Control (Art. XI-H) (40% of total for 2011-13; 60% for 2013-15; 100% for 2015-17)	5,996,000	2,997,000	10,000,000
Water Resources Department Water Development (Art. XI-I(1))	-	-	30,520,000
Housing and Community Services Department (Art. XI-I(2))	-	-	25,000,000
Department of Energy Alternate Energy (Art. XI-J)	32,960,000	60,000,000	100,000,000
Total Dedicated Fund Obligations	74,791,000	278,542,000	333,420,000
TOTAL ALL GENERAL OBLIGATION BONDS	\$ 251,845,000	\$ 947,869,000	\$ 1,336,576,600
REVENUE BONDS			
<i>Direct Revenue Bonds</i>			
Housing and Community Services Dept Sing./Multi-Fam. Housing	36,956,600	150,000,000	300,000,000
Department of Transportation Highway User Tax	-	409,775,000	393,160,000
Business Development Department Bond Bank	-	14,000,000	30,000,000
Department of Administrative Services Lottery Revenue Bonds	172,245,000	177,727,700	219,290,000
Department of Energy Revenue Bonds	-	20,000,000	20,000,000
Sub-total Direct Revenue Bonds	209,201,600	771,502,700	962,450,000
<i>Pass-Through Revenue Bonds</i>			
Business Development Department			
Industrial Development Bonds	11,000,000	98,000,000	200,000,000
Beginning and Expanding Farmer Loan Program	-	10,000,000	10,000,000
Oregon Facilities Authority	263,846,700	950,000,000	950,000,000
Housing and Community Services Department	40,659,700	150,000,000	250,000,000
Sub-total Pass-Through Revenue Bonds	315,506,400	1,208,000,000	1,410,000,000
TOTAL ALL REVENUE BONDS	\$ 524,708,000	\$ 1,979,502,700	\$ 2,372,450,000
Certificates of Participation & Other Financing Agreements			
Department of Administrative Services	\$ 7,523,065	\$ 55,600,000	\$ 40,000,000

*Amounts do not include refundings.

Table B. Outstanding Long-Term Obligations and Authorizations

AS OF JUNE 30, 2014

Purpose/Department	Constitutional or Statutory Provision	% Real Market Value ¹
GENERAL OBLIGATION BONDS		
General Fund Supported		
General Purpose Bonds ²	Article XI, Sec 7	0.0000%
State Power Development Bonds	Article XI-D	1.5000%
Forest Rehabilitation Bonds	Article XI-E	0.1875%
Higher Education Facility XI-G Bonds ⁴	Article XI-G	0.7500%
Community College Bonds	Article XI-G	-
Pollution Control Bonds ⁵ (42% of total)	Article XI-H/ORS 468.195	0.5000%
Alternate Energy Project Bonds ⁷ (28% of total)	Article XI-J	0.5000%
Oregon School Bond Guaranty	Article XI-K	0.5000%
OHSU/Department of Administrative Services ⁶	Article XI-L	0.5000%
Seismic Retrofit - Public Education Buildings	Article XI-M	0.2000%
Seismic Retrofit - Emergency Service Bldgs	Article XI-N	0.2000%
Pension Obligation Bonds (32% of total)	Article XI-O	1.0000%
School District Capital Costs	Article XI-P	0.5000%
State Real and Personal Property	Article XI-Q	1.0000%
Total General Fund Supported		
Self-Supporting		
State Highway Bonds	Article XI, Sec 7	1.0000%
Veterans' Welfare Bonds ⁴	Article XI-A	8.0000%
Higher Education Building projects XI-F Bonds ⁴	Article XI-F(1)	0.7500%
Pollution Control Bonds ⁵ (58% of total)	Article XI-H/ORS 468.195	0.5000%
Water Resources Bonds	Article XI-I(1)	1.5000%
Elderly & Disabled Housing Bonds	Article XI-I(2)	0.5000%
Alternate Energy Project Bonds ⁷ (72% of total)	Article XI-J	0.5000%
Pension Obligation Bonds (68% of total)	Article XI-O	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	
State Fair & Exposition Center	ORS 565.095	
Department of Energy	ORS 470.610	
TOTAL REVENUE BONDS		
CONDUIT REVENUE BONDS		
Oregon Facilities Authority	ORS Chapter 289	
Industrial Development Revenue Bonds (OBDD)	ORS Chapter 285B	
Conduit Multi-family Housing Programs	ORS Chapter 456.692	
TOTAL CONDUIT REVENUE BONDS		
APPROPRIATION CREDITS		
Certificates of Participation (COP)	ORS Chapter 283 & 286A	
Oregon Appropriation Bonds	SB 856 - 2003 Legislature	
TOTAL APPROPRIATION CREDITS		

NOTE: Totals may not agree with sum of components due to rounding. Authorization remaining is not applicable to all obligations.

- Percentages listed are of Real Market Value (RMV) of all taxable real property in the state; the January 1, 2013 RMV was \$433,473,027,209.
- The State of Oregon may not incur indebtedness exceeding \$50,000 without a constitutional amendment approved by the voters.
- Excludes refunded and defeased bonds.
- Outstanding Veterans' Welfare and Higher Education GO debt reflect the proceeds amount of original issue discount bonds.

5. Pollution Control debt is reported at 42% General Fund supported and 58% self-supporting.

6. Authorized to finance capital costs of Oregon Health and Science University biotechnology research efforts.

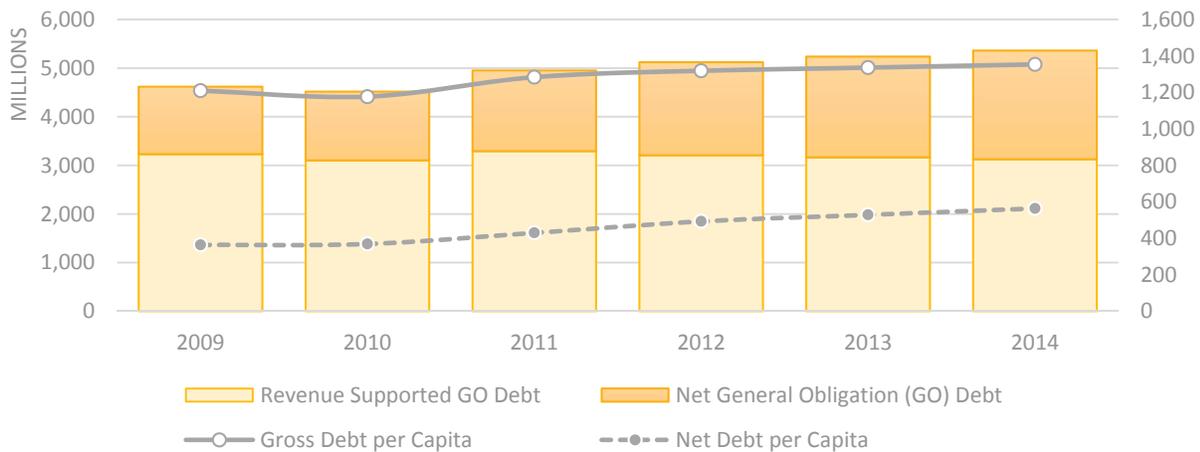
7. Article XI-J debt is reported at 28% General Fund supported and 72% self-supporting. Source: Oregon State Treasury, Debt Management Division.

Constitutional Debt Limit ^{1,2}	Statutory Debt Limit	Amount Outstanding ³	Authorization Remaining
50,000	-	-	50,000
6,502,095,408		-	6,502,095,408
812,761,926		-	812,761,926
3,251,047,704		376,121,059	2,758,831,645
-		116,095,000	
910,293,357	109,200,000	16,230,900	894,062,457
606,862,238		67,232,200	539,630,038
2,167,365,136		-	2,167,365,136
2,167,365,136	203,175,000	119,115,000	2,048,250,136
866,946,054		17,000,000	849,946,054
866,946,054		10,045,000	856,901,054
1,387,113,687		606,142,400	780,971,287
2,167,365,136		-	2,167,365,136
4,334,730,272		905,955,000	3,428,775,272
		2,233,936,559	23,807,005,551
4,334,730,272		-	4,334,730,272
34,677,842,177		274,165,000	34,403,677,177
3,251,047,704		1,250,835,796	2,000,211,908
1,257,071,779	150,800,000	22,414,100	1,234,657,679
6,502,095,408		-	6,502,095,408
2,167,365,136		118,545,000	2,048,820,136
1,560,502,898		172,882,800	1,387,620,098
2,947,616,585		1,288,052,600	1,659,563,985
		3,126,895,296	53,571,376,663
		\$ 5,360,831,855	\$ 77,378,382,214
	2,500,000,000	1,049,115,000	1,450,885,000
	3,240,000,000	2,437,965,000	802,035,000
	200,000,000	-	200,000,000
		94,095,000	-
		1,136,300,000	-
	10,000,000	-	10,000,000
		-	-
		\$ 4,717,475,000	\$ 2,462,920,000
		1,562,784,865	-
		468,957,555	-
		195,612,600	-
		\$ 2,227,355,020	\$ -
		675,550,000	-
	431,560,000	-	431,560,000
		\$ 675,550,000	\$ 431,560,000

Table C. General Obligation Debt Summary

AS OF JUNE 30, 2014

	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Gross General Obligation (GO) Debt ¹	4,617,618,090	4,516,046,780	4,951,679,093	5,121,093,275	5,237,615,915	5,360,831,855
Revenue Supported GO Debt	3,229,411,604	3,101,820,683	3,292,927,503	3,208,123,823	3,166,406,756	3,126,895,296
Net GO Debt	1,388,206,486	1,414,226,097	1,658,751,590	1,912,969,452	2,071,209,159	2,233,936,559
Population ¹	3,815,800	3,837,300	3,857,625	3,883,735	3,919,020	3,960,700
Gross Debt per Capita	1,210	1,177	1,284	1,319	1,336	1,354
Net Debt per Capita	364	369	430	493	529	564
Real Market Value [RMV] ³	525,356,272,908	498,684,550,831	458,518,867,537	434,429,247,553	421,591,001,829	433,473,027,209
Gross Debt as Percent of RMV	0.88%	0.91%	1.08%	1.18%	1.24%	1.24%
Net Debt as Percent of RMV	0.26%	0.28%	0.36%	0.44%	0.49%	0.52%
Total Personal Income ⁴	138,582,602,000	135,667,041,000	137,671,666,000	146,001,498,000	152,721,624,000	158,233,736,000
Revenue Supported GO Debt as Percent of Total Personal Income	2.33%	2.29%	2.39%	2.20%	2.07%	1.98%
Net GO Debt as Percent of Total Personal Income	1.00%	1.04%	1.20%	1.31%	1.36%	1.41%



1. Pollution Control Debt is reported at 42% General Fund supported and 58% self-supporting as of June 30, 2013. Alternative Energy Bonds are reported at 28% General Fund supported and 72% self supported debt as of June 30, 2013. Source: Oregon State Treasury
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 the preceding year. Source: Oregon Department of Administrative Services, Office of Economic Analysis.

Table D. Aggregate General Obligation Debt Service

AS OF JUNE 30, 2014

Payment Year	Principal	Interest	Total Requirements
2014	102,266,440	135,398,251	237,664,691
2015	218,856,434	260,724,067	479,580,501
2016	238,190,162	252,479,412	490,669,574
2017	249,042,240	239,814,513	488,856,752
2018	272,723,074	225,452,766	498,175,840
2019	278,454,966	212,655,740	491,110,706
2020	289,103,352	195,491,347	484,594,699
2021	291,635,187	179,957,288	471,592,475
2022	308,675,000	163,721,584	472,396,584
2023	321,305,000	147,572,597	468,877,597
2024	335,675,000	130,127,821	465,802,821
2025	361,365,000	111,652,798	473,017,798
2026	389,740,000	91,574,779	481,314,779
2027	402,270,000	70,203,668	472,473,668
2028	136,675,000	56,269,175	192,944,175
2029	133,525,000	50,169,279	183,694,279
2030	131,680,000	44,172,973	175,852,973
2031	120,040,000	38,392,779	158,432,779
2032	110,160,000	33,070,188	143,230,188
2033	102,330,000	28,368,050	130,698,050
2034	94,530,000	23,850,777	118,380,777
2035	94,920,000	19,708,906	114,628,906
2036	87,915,000	15,418,942	103,333,942
2037	74,760,000	11,731,054	86,491,054
2038	72,215,000	8,326,745	80,541,745
2039	49,580,000	5,099,320	54,679,320
2040	31,525,000	3,270,788	34,795,788
2041	29,295,000	2,158,702	31,453,702
2042	13,220,000	1,084,365	14,304,365
2043	12,710,000	545,868	13,255,868
2044	2,890,000	41,291	2,931,291
2045	3,055,000	31,718	3,086,718
2046	195,000	21,731	216,731
2047	205,000	12,350	217,350
2048	105,000	2,494	107,494
TOTAL	\$ 5,360,831,855	\$ 2,758,574,122	\$ 8,119,405,977

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>2011-13 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
General Fund Supported		
Human Services, Dept. of	16,869,093	15,846,320
Administrative Svcs, Dept of	6,813,954	6,813,954
Oregon Business Development Department	-	-
Justice, Dept of	-	-
Revenue, Dept of	-	-
Legislative Administration Committee	6,768,675	6,768,675
Judicial Dept	20,114,374	13,552,725
Military Dept, Oregon	8,647,341	5,317,078
Police, Dept of State	575,850	575,850
Public Safety Standards & Training, Dept of	10,593,375	8,961,265
Veterans' Affairs, Oregon Dept of	-	-
Corrections, Dept of	130,359,165	97,307,626
Environmental Quality, Dept of	5,573,176	-
Oregon Youth Authority	5,342,502	4,333,420
Oregon Health Authority	53,065,047	44,775,520
Higher Education Coordinating Commission	-	-
Oregon University System	74,503,194	8,383,888
Education, Dept of	-	-
Community Coll & Workforce Dvlpmnt, Dept of	15,693,046	-
Forestry, Dept of	2,890,592	2,548,575
Fish & Wildlife, Oregon Dept of	350,262	350,262
Transportation, Oregon Dept of	-	-
Total General Fund Supported	\$358,159,646	\$215,535,158

Lottery Funds Supported

Administrative Svcs, Dept of	8,416,567	-
Oregon Business Development Department	82,100,202	-
Energy, Dept of	2,164,181	-

<i>2013-15 Leg Approved Budget</i>		<i>2015-17 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>

13,790,835	8,823,675	10,066,836	-
6,815,736	6,815,736	8,670,384	6,804,217
3,875,258	-	14,936,863	-
1,601,856	-	8,492,283	-
1,554,716	-	13,392,049	-
7,437,916	6,016,575	10,578,590	10,578,590
18,133,375	7,491,125	32,866,788	-
8,285,758	5,280,185	10,528,275	5,163,120
-	-	-	-
9,788,298	3,968,020	9,550,476	-
502,814	-	2,618,940	-
129,710,174	75,469,304	130,897,616	56,423,545
4,523,793	-	3,858,012	-
1,632,438	627,688	6,878,666	1,018,721
70,941,780	50,889,855	69,678,258	38,221,993
-	-	161,484,367	8,385,038
76,601,694	8,387,588	-	-
-	-	2,279,529	-
16,534,740	-	-	-
2,873,589	2,378,100	3,397,091	2,096,315
354,775	354,775	352,595	352,595
-	-	7,967,450	-
\$374,959,545	\$176,502,626	\$508,495,068	\$129,044,134

8,892,390	-	16,682,821	-
48,026,937	-	55,334,728	-
2,166,050	-	3,833,330	-

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

<i>Description</i>	<i>2011-13 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
Lottery Funds Supported		
Higher Education Coordinating Commission	-	-
Oregon University System	14,533,296	-
Education, Dept of	54,160,517	-
Community Coll & Workforce Dvlpmnt, Dept of	7,144,078	-
Forestry, Dept of	2,437,861	-
Parks & Recreation Dept	4,194,847	-
Water Resources Dept	587,540	-
Transportation, Oregon Dept of	72,614,922	-
Housing & Community Svcs Dept	10,464,680	-
Total Lottery Funds Supported	\$258,818,691	-
Other Funds Supported		
Administrative Svcs, Dept of	555,795,931	32,594,141
Oregon Business Development Department	173,073,988	-
Military Dept, Oregon	3,679,592	295,133
Public Safety Standards & Training, Dept of	59,609,122	-
Veterans' Affairs, Oregon Dept of	96,910,627	-
Corrections, Dept of	344,952,827	-
Energy, Dept of	57,294,021	-
Environmental Quality, Dept of	6,344,720	238,600
Oregon Youth Authority	-	-
Oregon Health Authority	10,280,196	1,674,760
Public Employees Retirement System, Oregon	4,426,899	627,625
Employment Dept	368,819	368,819
Higher Education Coordinating Commission	-	-
Education, Dept of	5,267,762	-
Community Coll & Workforce Dvlpmnt, Dept of	200,000	-
Oregon Health and Science University	31,283,785	-

<i>2013-15 Leg Approved Budget</i>		<i>2015-17 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>

-	-	42,641,652	-
25,571,489	-	-	-
42,371,076	-	1,434,927	-
9,521,027	-	-	-
2,523,132	-	2,524,885	-
3,935,910	-	2,594,850	-
574,025	-	4,441,160	-
93,953,970	-	113,842,213	-
9,428,966	-	11,931,835	-
\$246,964,972	-	\$255,262,401	-

393,925,441	24,052,938	386,316,747	10,950,464
42,203,356	-	30,598,661	-
107,355	77,780	106,014	-
-	-	-	-
184,700,000	-	167,808,710	-
815,000	815,000	-	-
69,948,004	-	69,948,004	-
17,140,278	-	14,714,767	-
384,877	384,877	-	-
6,372,432	-	50,000	-
1,302,850	-	1,290,750	-
186,075	186,075	-	-
-	-	30,868,850	-
-	-	-	-
407,051	-	-	-
31,572,788	-	-	-

Table E. Summary of Debt Service Requirements for State Bonded Indebtedness by Fund (continued)

<i>Description</i>	<i>2011-13 Actuals</i>	
	<i>TOTAL</i>	<i>COPS</i>
Other Funds Supported		
Forestry, Dept of	1,665,508	1,492,240
Parks & Recreation Dept	4,414,185	-
Fish & Wildlife, Oregon Dept of	-	-
Water Resources Dept	-	-
Transportation, Oregon Dept of	551,762,603	13,461,052
Housing & Community Svcs Dept	482,066,744	-
Total Other Funds Supported	\$2,389,397,329	\$50,752,370
Federal Funds Supported		
Corrections, Dept of	1,232,825	1,232,825
Energy, Dept of	-	-
Oregon Youth Authority	-	-
Oregon Health Authority	4,274,408	4,274,408
Higher Education Coordinating Commission	-	-
Community Coll & Workforce Dvlpmnt, Dept of	-	-
Transportation, Oregon Dept of	21,621,529	-
Total Federal Funds Supported	\$27,128,762	\$5,507,233
Grand Total Debt Service Requirements	\$3,033,504,428	\$271,794,761

<i>2013-15 Leg Approved Budget</i>		<i>2015-17 Governor's Budget</i>	
<i>TOTAL</i>	<i>COPS</i>	<i>TOTAL</i>	<i>COPS</i>

1,694,322	1,340,205	2,651,563	1,093,440
-	-	-	-
1,837,868	-	1,834,860	-
3,130,777	-	1,201,865	-
729,694,758	12,172,380	442,110,823	1,576,352
681,737,642	-	706,063,403	-
\$2,167,160,874	\$39,029,255	\$1,855,565,017	\$13,620,256

1,262,826	1,262,826	1,119,495	1,119,495
1	-	104,000	-
1	1	-	-
4,151,016	4,374,411	3,923,972	3,923,972
-	-	1	-
1	-	-	-
21,621,529	-	21,621,529	-
\$27,035,374	\$5,637,238	\$26,768,997	\$5,043,467

\$2,816,120,765	\$221,169,119	\$2,646,091,483	\$147,707,857
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Table F. Capital Financing Six-Year Forecast Summary

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 net debt capacity. The capital financing needs are in three categories: capital construction, equipment and technology, and grants and loans. The SDPAC debt capacity estimate in the January 10, 2014 report was \$1.75 billion General Fund supported debt and \$695.1 million Lottery debt for the six-year period 2015-17 through 2019-21. The estimates in Table F reflect changes in capacity based on the December 2014 revenue forecast using the SDPAC model, applying a smoothed approach over the six year period. Changes may occur during the legislative process and targets may be updated from time to time. Net tax supported debt includes three components: 1) General Fund supported debt; 2) the Lottery Revenue Bond program; and 3) Transportation Department bonds. There are specific debt capacity estimates only for General Fund supported debt programs and Lottery Revenue Bond programs. The Transportation Department bond capacity is limited by Oregon law, and in Article XI, Section 7 of the Constitution.

General Fund Supported	2015-17 REPAYMENT SOURCE			SDPAC Model ESTIMATED NET DEBT CAPACITY
	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	
NET TAX-SUPPORTED DEBT PROGRAMS				
<i>SDPAC Estimated New Net Debt Capacity</i>				977,226,000
<i>Projected Debt Capacity Carryforward</i>				244,811,600
<i>Estimated Debt Capacity as Adjusted</i>				1,222,037,600
GENERAL OBLIGATION BONDS				
Art. XI-G OHSU Grant	199,770,000	--	--	
Art. XI-G Higher Ed & Comm. Colleges				
Capital Construction	79,321,600	--	--	
Grants and loans	117,375,000	--	--	
Art. XI-M/N Seismic Rehabilitation				
Grants and loans	100,000,000	--	--	
Art. XI-Q State Property GF Only				
Capital Construction	235,134,000	--	--	
Equipment and Technology	61,675,000	--	--	
Grants and loans	164,140,000	--	--	
Less total G.O. bonds (GF only)	\$957,415,600	\$ -	\$ -	\$(957,415,600)
Remaining estimated net tax-supported debt capacity:				264,622,000

NOTE: Carryforward bond issuance is added back to debt capacity because capacity was previously reduced.

Lottery Supported	2015-17 REPAYMENT SOURCE			SDPAC Model ESTIMATED NET DEBT CAPACITY
	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	
NET TAX-SUPPORTED DEBT PROGRAMS				
<i>SDPAC Estimated New Net Debt Capacity</i>				165,558,000
<i>Projected Debt Capacity Carryforward</i>				53,732,000
<i>Estimated Debt Capacity as Adjusted</i>				219,290,000
LOTTERY REVENUE BONDS				
Department of Administrative Services				
Grants and loans	--	--	219,290,000	
Reservation Water & Working Lands	--	--	--	
Less total for lottery revenue bonds	--	--	\$219,290,000	\$(219,290,000)
Remaining estimated lottery revenue debt capacity:				--

The SDPAC did not make specific capacity estimates for Non Tax-Supported Debt Programs. 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. This table shows expected debt issuance only. The SDPAC did not make specific capacity estimates for Conduit Revenue Bond Programs. The conduit borrower is solely responsible to repay the debt. Debt capacity is based on borrowers' ability to repay bonds, market effects on the other state bond programs, legislative authorization, and central debt management review. Capital Financing Needs beyond 2015-17 include estimates of agency project needs which may not be included in the future.

2017-19 REPAYMENT SOURCE				2019-21 REPAYMENT SOURCE			
GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	SDPAC Model ESTIMATED NET DEBT CAPACITY	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	SDPAC Model ESTIMATED NET DEBT CAPACITY
			977,226,000				977,226,000
			264,622,000				
			1,241,848,000				
--	--	--		--	--	--	
275,000,000	--	--		275,000,000	--	--	
100,000,000	--	--		100,000,000	--	--	
170,020,000	--	--		83,800,000	--	--	
53,185,000	--	--		30,500,000	--	--	
198,200,000	--	--		190,000,000	--	--	
\$796,405,000	\$ -	\$ -		\$679,300,000	\$ -	\$ -	
			N/A				N/A

2017-19 REPAYMENT SOURCE				2019-21 REPAYMENT SOURCE			
GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	SDPAC Model ESTIMATED NET DEBT CAPACITY	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	SDPAC Model ESTIMATED NET DEBT CAPACITY
			165,558,000				165,558,000
			--				--
--	--	--		--	--	--	
--	--	54,270,000		--	--	54,270,000	
--	--	\$54,270,000	\$(54,270,000)	--	--	54,270,000	
			N/A				N/A

Table F. Capital Financing Six-Year Forecast Summary (continued)

OTHER TAX-SUPPORTED DEBT PROGRAMS	2015-17 REPAYMENT SOURCE			ESTIMATED NET DEBT CAPACITY
	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	
Debt capacity - General Obligation Art. XI, Sec. 7				4,334,730,272
Dept of Transportation Capital Const	--	--	--	
Remaining general obligation transportation debt capacity				4,334,730,272
REVENUE BONDS				
Debt capacity limited by statute				1,002,035,000
Transportation Highway User Tax				
Capital Construction		393,160,000		
Transportation Infrastructure Fund				
Grants and loans		--		
Less total for revenue bonds	--	393,160,000	--	(393,160,000)
Remaining transportation revenue debt capacity				608,875,000

OTHER NON TAX-SUPPORTED DEBT PROGRAMS	2015-17 REPAYMENT SOURCE			TOTAL FORECAST DEBT
	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	
GENERAL OBLIGATION BONDS				
Veterans' Welfare-(Art XI-A)				
Grants and loans	--	100,000,000	--	100,000,000
Higher Education Buildings (Art. XI-F(1))				
Grants and loans	--	67,900,000	--	67,900,000
Pollution Control Bonds (Art. XI-H)				
Grants and loans	--	10,000,000	--	10,000,000
Water Development Loans (Art. XI-I(1))				
Grants and loans	--	30,520,000	--	30,520,000
Elderly & Disabled Hous (Art. XI-I(2))				
Grants and loans	--	25,000,000	--	25,000,000
Alternate Energy Bonds (Art. XI-J)				
Grants and loans	--	100,000,000	--	100,000,000
State Property OF Only (Art. XI-Q)				
Capital Construction	--	23,726,000	--	23,726,000
Equipment and Technology	--	22,015,000	--	22,015,000
TOTAL G.O. BONDS	--	379,161,000	--	379,161,000
REVENUE BONDS				
Single and Multi-family Housing Bonds				
Grants and loans	--	300,000,000	--	300,000,000
Energy Revenue Bonds				
Grants and loans	--	20,000,000	--	20,000,000
Oregon Bond Bank Revenue Bonds				
Grants and loans	--	30,000,000	--	30,000,000
TOTAL REVENUE BONDS	--	350,000,000	--	350,000,000
Total other non tax-supported debt forecast				729,161,000

2017-19 REPAYMENT SOURCE				2019-21 REPAYMENT SOURCE			
GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	ESTIMATED NET DEBT CAPACITY	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	ESTIMATED NET DEBT CAPACITY
			608,875,000				608,875,000
--	--	--	--	--	--	--	--
			N/A				N/A

2017-19 REPAYMENT SOURCE				2019-21 REPAYMENT SOURCE			
GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	TOTAL FORECAST DEBT	GENERAL FUND	OTHER FUNDS	LOTTERY FUNDS	TOTAL FORECAST DEBT
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	--	--	--	--	--	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	N/A	--	--	--	N/A	--	--
--	--	--	--	--	--	--	--

REVENUES

SECTION 0



Revenue Summary

CURRENT LAW PROJECTION

The Department of Administrative Services Office of Economic Analysis projects General Fund revenue of \$17,615.3 million for 2015-17. A beginning balance of \$101.0 million is anticipated for the new biennium, after a transfer of \$159.1 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, estate taxes, and liquor apportionment transfer.

Personal income tax revenues in the 2015-17 Current Law Forecast total \$15,541.8 million, and corporate income tax revenues are expected to be \$1,070.1 million for the biennium.

New state Lottery revenues for the biennium are forecast to be \$1,082.8 million. The budget anticipates a beginning balance of \$7.7 million. Interest on the Education Stability Fund, Economic Development Fund and anticipated 2013-15 reversions provide an additional \$22.5 million of resources. Total resources are expected to be \$1,113.0 million for the 2015-17 biennium.

Dedicated distributions for the Education Stability Fund, the Parks and Natural Resources Fund, county economic development, county fairs, and problem gambling treatment will total \$411.1 million. Funds dedicated for debt service on Lottery bonds will total \$251.0 million. In addition to these distributions, \$414.6 million will be available for allocation to education and economic development activities in the 2015-17 biennium.

GOVERNOR'S RECOMMENDED REVENUE CHANGES

The Governor recommends continuing 18 corporate and personal income tax credits that are set to end in 2015-17. About half of them do not have a substantive effect on the General Fund and cumulate to about \$64.0 million. The Governor also recommends a new Working Family Addition tax credit. The Working Family Addition credit will provide a non-medical credit of up to five percent of adjusted gross income of those already enrolled in the Working Family Credit program. The proposed credit will help smooth out the benefit cliff for those who are moving up the income ladder from \$9.10/hour to \$17.10/hour. The new credit has the effect of reducing the General Fund by \$21.0 million.

Since moving to a self-insurance model, the Public Employees Benefits Board (PEBB) has experienced lower health care costs each year compared to premiums collected. As costs are effectively managed with health care transformation efforts there has been a steady increase in the ending balance of the PEBB Stabilization Fund; well above target levels outlined by the Board's actuary. Excess funding of \$120 million from the PEBB stabilization fund is transferred to the General Fund. The transfer supports the overall cost of compensation increases for state employees by funding the Special Purpose Appropriation for state employee compensation in the Emergency Fund. Even with this transfer the PEBB Stabilization Fund maintains a sustainable target ending balance.

The Governor's budget transfers \$37.9 million in Employment Department Supplemental Employment Department Administration Fund (SEDAF) revenues to the General Fund. SEDAF revenues transferred to the General Fund support the following programs in the Higher Education Coordinating Commission's budget:

- Existing workforce programs being repurposed to invest in proven strategies to improve job seekers' skills and abilities and meet employers' workforce needs: \$10.9 million
- An Oregon Employer Workforce Training program that will fund community projects to address employee training, retention, and advancement: \$6 million
- A Youth Employment program that will provide work opportunities to Oregonians between 16 and 24 years of age, who are experiencing particularly high levels of unemployment. The funds will be used by Local Workforce Investment Boards and the Oregon Youth Conservation Corps for paid summer and school year work experience programs: \$15 million
- Part of the funding for a Community Leverage Fund to accelerate on-the-ground action and leverage public, private and civic resources to strengthen connections among programs and organizations dealing with health, early learning, education, workforce training and the economy: \$6 million of the \$25 million allocated for the Community Leverage Fund.

The budget also 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 \$20.2 million.

When the Governor's recommended revenue changes are incorporated into the revenue forecast, total General Fund revenues for 2015-17 will be \$17,722.6 million. This is an 11.9 percent increase over the latest forecast of General Fund resources for the 2013-15 biennium.

Tax Expenditure Report

SUMMARY OF THE 2015-17 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 2015-17 biennium. The full report is available from the Chief Financial Office, Department of Administrative Services.

A definition of a tax expenditure appears in ORS 291.201. A tax expenditure is any law that exempts something from taxes that otherwise could be taxed. Much of income and property value is taxed, but the law exempts some income and property value from taxation. The part that is not taxed is a "tax expenditure."

The report looks at 376 tax expenditures in Oregon law. Of these, 132 relate to property taxes, and 208 relate to income taxes. The remaining 36 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 run the tax programs.

Oregon Revenues and Tax Expenditures
by Tax Program (in millions)

Tax Program	Number of Tax Expenditures	Estimated Revenues 2015-17	Revenue Impact	
			2013-15	2015-17
Income	208	\$16,655.5	\$11,368.7	\$12,945.0
Property	132	\$12,400.0	\$24,891.0	\$27,176.7
Gas and Use Fuel	7	\$1,060.0	\$15.4	\$16.1
Weight-Mile	7	\$589.3	\$18.5	\$19.2
Cigarette and Other Tobacco	5	\$465.4	\$2.8	\$2.8
Beer and Wine	2	\$36.6	\$4.0	\$4.4
Other State Taxes	15	\$618.0	\$205.9	\$54.0
All Taxes	376	\$31,824.8	\$36,506.3	\$40,218.2

TAX EXPENDITURES SCHEDULED FOR SUNSET IN 2015-17

ORS 291.214 requires the Governor to identify tax expenditures that fully or partially sunset in the coming biennium. A sunset means the tax item is no longer allowed. The Governor recommends whether the sunset should take effect. A sunset must be changed by the Legislature to keep it from taking place. The sunset recommendations appear below by tax program.

Income Tax

1.404	Child with a Disability <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.099(3)	Sunsets 12-31-2015
1.405	Rural Medical Practice <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.613/ 315.616/ 315.619	Sunsets 12-31-2015
1.407	Costs In Lieu of Nursing Home Care <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.147- 316.149	Sunsets 12-31-2015
1.408	Long Term Care Insurance <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.610	Sunsets 12-31-2015
1.409	Elderly or Permanently Disabled <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.087	Sunsets 12-31-2015
1.410	Loss of Limbs <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.079	Sunsets 12-31-2015
1.411	Severe Disability <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.758/ 316.765	Sunsets 12-31-2015
1.413	Qualified Low Income Community Investments <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.533(2)	Sunsets 06-30-2016
1.420	Public University Venture Development Fund <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.521	Sunsets 12-31-2015
1.421	Child and Dependent Care <i>Governor's Recommendation: Extend sunset.</i>	ORS 316.078	Sunsets 12-31-2015

1.422	Working Family Child Care <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.262	Sunsets 01-01-2016
1.423	Employer Provided Dependent Care Assistance <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.204	Sunsets 12-31-2015
1.425	Contributions to Office of Child Care <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.213	Sunsets 12-31-2015
1.426	Individual Development Account Donation <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.271	Sunsets 12-31-2015
1.427	Individual Development Account Withdrawal <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.272	Sunsets 12-31-2015
1.454	Oregon Life and Health IGA Assessments <i>Governor's Recommendation: Extend sunset.</i>	ORS 734.835	Sunsets 12-31-2015
1.459	TRICARE Health Care Providers <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.628	Sunsets 12-31-2015
1.460	Oregon Veterans' Home Physicians <i>Governor's Recommendation: Extend sunset.</i>	ORS 315.624	Sunsets 12-31-2015

Property Tax

2.020	Aircraft Being Repaired <i>Governor's Recommendation: Extend sunset.</i>	ORS 308.559	Sunsets 06-30-2017
2.023	Defense Contractor with Federal Property <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.065	Sunsets 06-30-2017
2.012	Businesses Transferring or Leasing Property <i>Governor's Recommendation: Extend sunset.</i>	Note: 285C.175	Sunsets 06-30-2016
2.061	Railroad Right of Way Used for Alternative Transportation <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.205	Sunsets 06-30-2017
2.067	Nonprofit Telephone Associations <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.220	Sunsets 06-30-2017
2.068	Private Service Telephone Equipment <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.230	Sunsets 06-30-2017

2.079	Indian Property Used Exclusively for Government Services (Partial Sunset) <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.181(3)	Sunsets 06-30-2017
2.092	Convention Facilities <i>Governor's Recommendation: Extend sunset.</i>	ORS 263.29	Sunsets 06-30-2017
2.100	Vertical Housing Development Zone <i>Governor's Recommendation: Extend sunset.</i>	ORS 307.864	Sunsets 12-31-2015
2.102	Rehabilitated Housing <i>Governor's Recommendation: Extend sunset.</i>	ORS 308.459	Sunsets 06-30-2016

Schedule I. Summary Of General Fund Revenues by Major Source

	2011-13 Actuals	2013-15 Current Estimates	% of Total	2015-17 Current Law Forecast	% of Total	2015-17 Governor's Budget	Change of Current Law/Other Adjustment
Taxes							
Personal Income Taxes ¹	12,284,119,265	13,770,634,000	86.9%	15,541,753,000	88.2%	15,507,447,000	(34,306,000)
Corporate Excise and Income Taxes ²	883,912,099	1,049,471,000	6.6%	1,070,143,000	6.1%	1,069,343,000	(800,000)
Insurance Taxes	96,689,152	117,030,000	0.7%	121,369,000	0.7%	121,369,000	-
Estate Taxes	203,628,972	189,062,000	1.2%	202,126,000	1.1%	202,126,000	-
Cigarette Taxes	74,614,759	72,025,000	0.5%	62,442,000	0.4%	62,442,000	-
Other Tobacco Products Taxes	58,255,417	60,200,000	0.4%	63,060,000	0.4%	63,060,000	-
Other Taxes	10,107,072	1,745,000	0.0%	1,231,000	0.0%	1,231,000	-
Fines and Fees							
State Court Fees	128,086,868	125,861,000	0.8%	129,405,000	0.7%	129,405,000	-
Secretary of State Corporation Fees	55,399,974	53,726,000	0.3%	55,427,000	0.3%	55,427,000	-
Criminal Fines and Assessments ³	61,272,821	49,767,000	0.3%	46,233,000	0.3%	35,939,768	(10,293,232)
Securities Fees	20,142,000	23,068,000	0.1%	22,794,000	0.1%	22,794,000	-
Charges for Services	11,595,624	7,716,000	0.0%	8,152,000	0.0%	8,152,000	-
Sales Income⁴	216,816,302	250,919,000	1.6%	258,719,000	1.5%	273,762,432	15,043,432
Interest Earnings	183,608	9,881,000	0.1%	14,943,000	0.1%	14,943,000	-
Other⁵	26,284,332	9,204,000	0.1%	12,600,000	0.1%	(7,600,000)	(20,200,000)
One-time Transfers⁶	40,189,000	48,908,000	0.3%	4,880,000	0.0%	162,780,000	157,900,000
Total General Fund Revenues	\$14,171,297,265	\$15,839,217,000	100%	\$17,615,277,000	100%	\$17,722,621,199	\$107,344,200

1. Includes a reduction of \$63.2 million for extending personal income tax credits that are scheduled to sunset in 2015-17. See the Tax Expenditure Report for a full list of sunset dates. Includes a reduction of \$21.0 million for a new Working Families Addition tax credit proposed by the Governor. Also includes a proposal to cap Strategic Investment Program transfers to counties at \$45 million for the 2015-17 biennium.
2. Includes a reduction of \$0.8 million for extending corporate tax credits that are scheduled to sunset in 2013-15. See the Tax Expenditure Report for a full list of sunset dates.
3. Represents program costs in agencies that receive a percentage portion of CFA revenue. These costs reduce CFA revenue that would otherwise be deposited in the General Fund.
4. Upward revision to Liquor Apportionment revenue projections; dedicates the full \$0.50/bottle surcharge, as implemented by the OLCC, to the General Fund.
5. Includes a decrease for projected Tax Anticipation Note (TAN) issuance costs in the 2015-17 biennium.
6. Includes a \$120 million transfer from the Public Employees Benefits Board Stabilization Fund earmarked to fund the Special Purpose Appropriation (\$120 million) in the Emergency Fund for state employee compensation increases; plus a transfer from the Supplemental Employment Department Administration Fund (\$37.9 million).

General Fund Summaries

CASH BALANCES

	2015-17 Governor's Budget	
Beginning Balances	101,009,660	
Current Revenues	17,722,621,199	
Total Resources Available	17,823,630,859	
Less: Expenditures	(17,723,630,859)	
Balances Carried Forward	\$ 100,000,000	

GENERAL FUND REVENUES BY MAJOR SOURCE

	2011-13 Actuals	2013-15 Legislatively Approved	% Change (ACT/LAB)	2015-17 Governor's Budget	% Change (LAB/GB)
Taxes	13,611,326,736	15,260,167,000	12.1%	17,027,018,000	11.6%
Fines And Fees	264,901,663	252,422,000	-4.7%	243,565,768	-3.5%
Charges For Services	11,595,624	7,716,000	-33.5%	8,152,000	5.7%
Sales Income	216,816,302	250,919,000	15.7%	273,762,431	9.1%
Interest Earnings	183,608	9,881,000	5281.6%	14,943,000	51.2%
Other	66,473,332	58,112,000	-12.6%	155,180,000	167.0%
TOTAL *	\$ 14,171,297,265	\$ 15,839,217,000	11.8%	\$ 17,722,621,199	11.9%

SUMMARY OF GENERAL FUND EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	2,122,871,269	2,864,242,763	35%	3,200,664,648	12%
Services & Supplies	1,064,138,391	1,129,964,160	6%	1,258,891,584	11%
Capital Outlay	15,475,194	17,986,459	16%	22,398,079	25%
Special Payments	10,064,335,159	11,529,066,680	15%	12,733,181,480	10%
Debt Service	358,159,646	373,404,829	4%	508,495,068	36%
Capital Improvement *	(3,473,167)	(4,190,771)	21%	(4,318,762)	3%
TOTAL	\$13,624,979,659	\$15,914,664,891	17%	\$17,723,630,859	11%

* For information only; amounts are included in appropriate categories above.

SUMMARY OF GENERAL FUND EXPENDITURES BY PROGRAM AREA

<i>Program Area</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	6,723,490,255	8,222,717,163	22%	9,012,420,914	10%
Human Services	3,878,371,612	4,291,744,115	11%	4,901,321,696	14%
Public Safety	1,952,904,040	2,101,377,642	8%	2,321,959,178	10%
Economic & Community Development	26,611,876	37,373,856	40%	48,157,660	29%
Natural Resources	133,771,297	211,941,067	58%	207,739,705	-2%
Transportation	1,970,000	11,060,000	461%	37,697,995	241%
Consumer & Business Services	11,007,503	11,846,552	8%	12,309,578	4%
Administration	223,696,478	202,538,434	-9%	244,941,275	21%
Legislative Branch *	77,361,703	94,453,560	22%	96,734,149	2%
Judicial Branch *	595,794,895	652,705,683	10%	683,033,568	5%
Miscellaneous Programs	-	76,906,819	100%	157,315,141	105%
TOTAL	\$13,624,979,659	\$15,914,664,891	17%	\$17,723,630,859	11%

* 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, transportation, natural resources, and public safety program areas. Lottery Funds make up 5.1 percent of the state's General Fund and Lottery Funds expenditure budget.

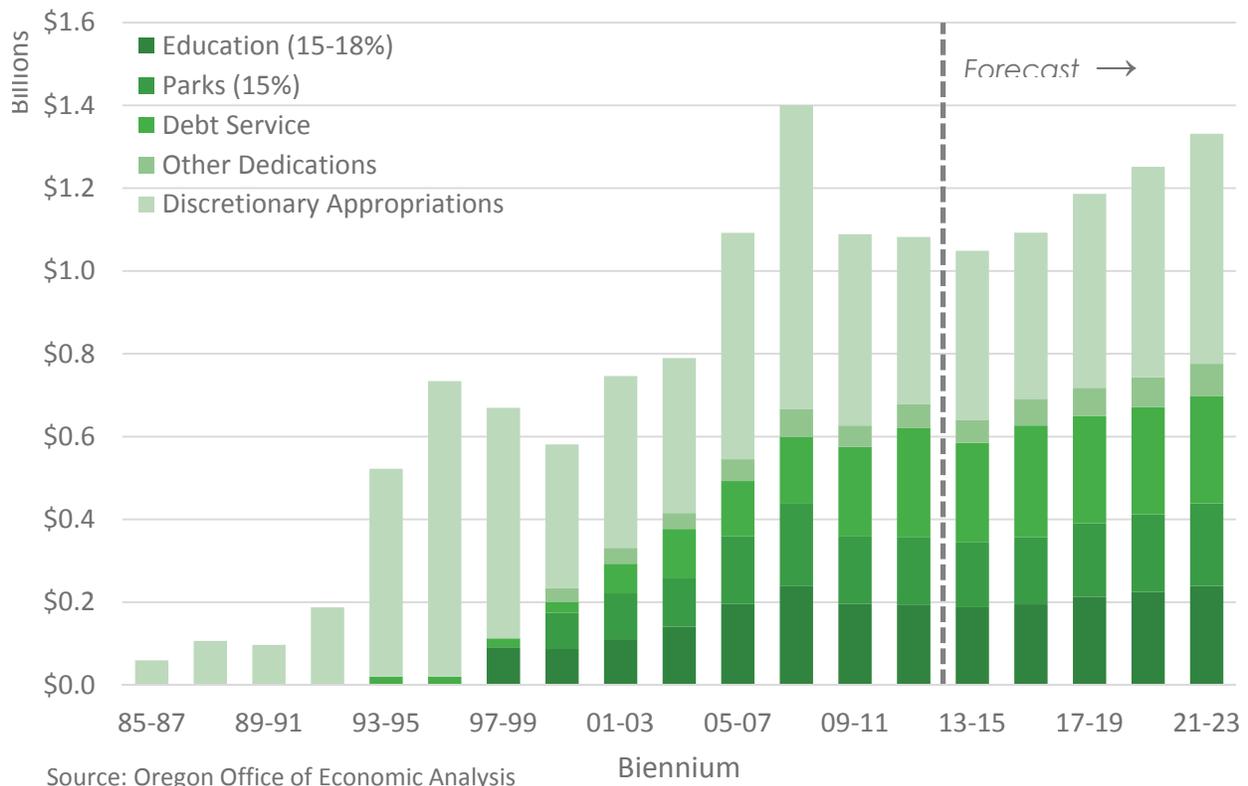
The Oregon Lottery collects revenues from traditional and video lottery gaming. It pays player prizes and its operating expenses out of these revenues. It then transfers the balance to the state. New state lottery revenues for the biennium are forecast to be \$1,082.8 million. The beginning balance is anticipated to be \$7.7 million. Interest on the Education Stability Fund, Economic Development Fund, and anticipated 2013-15 reversions provide an additional \$22.5 million of resources. Total resources are expected to be \$1,113.0 million for the 2015-17 biennium.

Lottery Funds are transferred to the Administrative Services Economic Development Fund. That fund is distributed based on current law and legislative direction:

- Local Government. Counties receive 2.5 percent of video poker proceeds. This is \$39.3 million for 2015-17.
- Education. The Department of Higher Education receives one percent of total transfers for sports programs. It uses the money for intercollegiate athletics and for non-athletic scholarships. The budget includes \$10.8 million from this source.
- Education. The Education Stability Fund receives 18 percent of total transfers. A total of \$194.9 million is expected to be deposited in the Education Stability fund in 2015-17.
- Education. Interest on the Education Stability Fund, except for the Oregon Growth Account portion of the Fund, is dedicated as follows:
 - The Department of Education receives 75 percent of the interest earned. It will use this to pay debt service on education bonds.
 - The Student Assistance Commission receives 25 percent. This will fund education grants.
- Healthy Environment. The Parks and Natural Resources Fund receive 15 percent of total transfers. This amounts to \$162.4 million in 2015-17. 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 state agencies.
- Healthy People. The Problem Gambling Treatment Fund receives one percent of total transfers. This amounts to \$10.8 million in 2015-17.
- 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 \$3.6 million for this purpose.

The rest of the Lottery Funds are available for allocation to agencies for Lottery bond debt service expenditures and other program purposes. The following chart shows how the state's available Lottery resources have changed over time. It also shows how more of the available resources have been dedicated for various uses.

Lottery Resources and Distributions



This budget reflects the dedicated Education Stability Fund, Parks and Natural Resources Fund, Problem Gambling Treatment, and County Fair expenditures. 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 budget also gives “carry forward” expenditure limitation to some agencies. This lets them spend Lottery Funds they received in the previous biennium, but did not spend, for other projects. 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.

LOTTERY FUNDS CASH FLOW SUMMARY

	2013-15 Estimated Budget ¹	2015-17 Governor's Budget ²
ECONOMIC DEVELOPMENT FUND		
Resources		
Beginning Balance	3,491,087	7,678,204
Anticipated Reversions ³		8,273,477
Revenues		
Transfers from Lottery		
Net Proceeds	1,043,755,529	1,082,761,484
Administrative Savings	-	-
Other Revenues		
Interest Earnings	1,400,000	2,000,000
Other		
Total Revenue	1,045,155,529	1,084,761,484
Total Resources	1,048,646,616	1,092,439,688
Distributions / Allocations		
Distribution of Video Revenues to Counties	(33,849,166)	(37,417,009)
Distribution to Education Stability Fund ⁶	(187,875,995)	(194,897,067)
Distribution to Parks and Natural Resources Fund	(156,563,329)	(162,414,223)
Distribution for Sports Programs	(8,000,000)	(10,827,615)
Distribution for Gambling Addiction	(10,592,542)	(10,827,615)
Distribution for County Fairs	(3,669,380)	(3,648,000)
Allocation to State School Fund	(327,374,109)	(311,639,006)
Debt Service Allocations	(240,215,783)	(251,023,479)
Other Agency Allocations	(72,828,108)	(92,164,354)
Total Distributions / Allocations	\$ (1,040,968,412)	\$ (1,074,858,368)
ENDING BALANCE	\$ 7,678,204	\$ 17,581,320
EDUCATION STABILITY FUND (not including OGA or ORTDF)		
Resources		
Beginning Balance	7,402,401	176,415,817
Revenues		
Transfer from the Economic Development Fund ⁷	169,016,842	175,407,360
Interest Earnings	1,106,913	12,243,485
Total Revenue	170,123,755	187,650,845
Total Resources	177,526,156	364,066,662
Distributions⁴		
Interest Distributions	(1,106,913)	(12,243,485)
Total Distributions	\$ (1,106,913)	\$ (12,243,485)
ENDING BALANCE	\$ 176,419,243	\$ 351,823,177
PARKS AND NATURAL RESOURCES FUND		
Resources		
Beginning Balance	-	-
Revenues		
Transfer from the Economic Development Fund	156,563,329	162,414,223
Interest Earnings		
Total Revenue		
Total Resources	156,563,329	162,414,223
Allocations⁵	\$ (156,563,329)	\$ (162,414,223)
ENDING BALANCE	\$ -	\$ -

1. The 2013-15 Estimated Budget is based on the December 2014 forecast of 2013-15 resources.
2. The 2015-17 Governor's Budget is based on the December 2014 forecast of 2015-17 resources.
3. 2015-17 Beginning Balance is equal to 2013-15 ending balance.
4. Declared earnings on the non-Oregon Growth Account portion of the Education Stability Fund are distributed. The Oregon Education Fund receives 75 percent of the earnings to pay debt service on Education Lottery Bonds. The Student Assistance Commission receives the remaining 25 percent. Not all the earnings distributions in the Oregon Education Fund will be used for debt service in 2015-17 due to timing of payments.

5. Moneys from the Parks and Natural Resources Fund are continuously appropriated to the Parks and Recreation Department and the Oregon Watershed Enhancement Board. Agency expenditure limitation may include an amount related to carry forward in the agencies that is not represented here.
6. Assumes that EDF does not exceed 5% cap during biennium; otherwise this would trigger a diversion to the School Capital Matching Subaccount. Only transfers to the Main ESF account - not the 5% to OGA.
7. Only transfers to the Main ESF account-not the 5% to OGA.

2015-17 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	Governor's Budget Expenditure Limitation	Ending Lottery Balance
ECONOMIC DEVELOPMENT FUND					
<i>Debt Service Commitments</i>					
Department of Education					
Outstanding bonds	687,075	42,802	-	729,877	-
Higher Education Coordinating Commission					
Outstanding bonds	42,594,435	47,217	-	42,641,652	-
Business Development Dept.					
Outstanding bonds	47,509,481	77,777	-	47,587,258	-
Proposed bonds	7,747,470	-	-	7,747,470	-
Housing and Community Services Dept.					
Outstanding bonds	11,918,189	13,646	-	11,931,835	-
Department of Transportation					
Outstanding bonds	113,702,171	140,042	-	113,842,213	-
Department of Administrative Services					
Outstanding bonds	15,160,119	1,522,702	-	16,682,821	-
Forestry Department					
Outstanding Bonds	2,521,657	3,228	-	2,524,885	-
Department of Energy					
Outstanding Bonds	3,279,622	3,368	-	3,282,990	-
Proposed bonds	550,340	-	-	550,340	-
State Parks and Recreation Dept.					
Outstanding Bonds	912,495	-	-	912,495	-
Water Resources Department					
Outstanding Bonds	3,403,681	735	-	3,404,416	-
Proposed bonds	1,036,744	-	-	1,036,744	-
<i>Other Allocations</i>					
Higher Education Coordinating Commission					
Collegiate Athletics	10,827,615	-	-	10,827,615	-
Oregon Health Authority					
Gambling Addiction Treatment	10,827,615	-	-	10,353,121	474,494
Department of Education					
State School Fund	311,639,006	-	-	311,639,006	-
Department of Administrative Services					
Distribution to County Fairs	3,648,000	-	-	3,648,000	-
Office of the Governor					
Regional Solutions	3,665,969	84,902	-	3,750,871	-
Business Development Department					
Shared Services	8,024,456	616,662	-	8,641,118	-
Business, Innovation, and Trade	64,359,469	7,571,913	-	71,931,382	-
Infrastructure Financing Authority	7,000,000	-	-	7,000,000	-
Film and Video	1,164,460	-	-	1,164,460	-
Forestry Department					
Federal Forest Restoration	6,050,000	-	-	6,050,000	-
Oregon Growth Fund	1,900,000	-	-	-	1,900,000
TOTAL ECONOMIC DEVELOPMENT FUND	\$680,130,069	\$ 10,124,994	\$ -	\$687,880,569	\$ 2,374,494

2015-17 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES (CONTINUED)

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	Governor's Budget Expenditure Limitation	Ending Lottery Balance
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Higher Education Coordinating Commission					
Opportunity Grants	3,060,871	417,133	-	3,060,871	417,133
Department of Education					
Education Bonds Outstanding	9,182,614	648,554	-	705,050	9,126,118
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND	\$ 12,243,485	\$ 1,065,687	\$ -	\$ 3,765,921	\$ 9,543,251
PARKS & NATURAL RESOURCES FUND					
Oregon Watershed Enhancement Board					
Capital and Operations	59,736,970	(60,044)	561,044	59,963,820	274,150
Department of Agriculture					
Capital and Operations	6,346,795	-	-	6,346,795	
Department of Environmental Quality					
Capital and Operations	3,807,503	5,852	-	3,813,355	-
Department of Fish and Wildlife					
Capital and Operations	4,190,244	-	-	4,190,244	-
State Police					
Capital and Operations	7,125,600	475,446	-	7,587,900	13,146
State Parks and Recreation Dept.					
Capital and Operations	79,524,756	11,260,699	163,176	76,923,336	14,025,295
Debt Service	1,682,355	-	-	1,682,355	-
TOTAL PARKS & NATURAL RESOURCES FUND	\$162,414,223	\$ 11,681,953	\$ 724,220	\$160,507,805	\$ 14,312,591
GRAND TOTAL	\$854,787,777	\$ 22,872,634	\$ 724,220	\$852,154,295	\$ 26,230,336

Combined General Fund and Lottery Funds Summary

	2015-17 Current Law			2015-17 Governor's Budget		
	General	Lottery	Total	General	Lottery	Total
Beginning Cash Balances	101,009,660	30,550,838	131,560,498	101,009,660	30,550,838	131,560,498
Available Revenues *	17,615,277,000	847,833,793	18,463,110,793	17,722,621,199	847,833,793	18,570,454,992
Total Resources	17,716,286,660	878,384,631	18,594,671,291	17,823,630,859	878,384,631	18,702,015,490
Less Expenditures	-17,723,630,859	-852,154,295	-18,575,785,154	-17,723,630,859	-852,154,295	-18,575,785,154
Projected Cash Balance	-7,344,199	26,230,336	18,886,137	100,000,000	26,230,336	126,230,336
Net Change In Projected Ending Balance				\$107,344,199		\$107,344,199

*Available Lottery revenue includes interest on the Education Stability Fund and agency carry forwards but it does not include video lottery transfers to counties to the Education Stability Fund.

Non-General Fund Summaries

CASH BALANCES

	2015-17 Governor's Budget	
Beginning Balances	\$75,261,532,222	
Current Revenues	59,557,591,232	
Total Resources Available	\$134,819,123,454	
Less: Transfers To Other Governments	-2,372,036,016	
Expenditures **	-46,789,291,312	
Balances Carried Forward	\$85,657,796,126	

NON-GENERAL FUND REVENUES BY MAJOR SOURCE

	2011-13 Actuals	2013-15 Legislatively Approved	% Change (ACT/LAB)	2015-17 Governor's Budget	% Change (LAB/GB)
Taxes	5,463,850,481	6,320,303,650	15.70%	6,707,018,089	6.10%
Federal Funds	15,151,171,357	18,680,519,780	23.30%	21,031,032,840	12.60%
Federal Funds As Other Funds	990,569,663	718,602,697	-27.50%	783,590,965	9.00%
Donations And Contributions	2,920,345,620	2,446,276,702	-16.20%	3,564,087,595	45.70%
Other	3,048,755,120	2,252,254,384	-26.10%	3,653,858,101	62.20%
Bond Sales	1,884,802,603	2,643,725,101	40.30%	1,704,737,735	-35.50%
Interest Earnings	8,212,949,355	13,742,618,878	67.30%	14,896,241,248	8.40%
Liquor And Other Sales Income	478,361,711	536,880,548	12.20%	590,258,304	9.90%
Loan Repayments	959,723,796	508,055,253	-47.10%	528,057,590	3.90%
Lottery Distributions	1,079,642,644	1,048,161,743	-2.90%	1,082,761,484	3.30%
Charges For Services	1,781,439,160	3,887,237,198	118.20%	3,621,418,622	-6.80%
Licenses And Fees	1,274,347,224	1,329,722,951	4.30%	1,394,528,679	4.90%
TOTAL *	\$ 43,245,958,734	\$ 54,114,358,885	25.10%	\$ 59,557,591,252	10.10%

* Does not include beginning balance.

** Excludes Non-Add expenditures.

SUMMARY OF NON-GENERAL FUND EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	3,140,374,403	3,740,670,968	19%	3,758,956,515	0%
Services & Supplies	3,290,771,808	4,574,699,233	39%	3,965,386,953	-13%
Capital Outlay	286,289,591	365,604,917	28%	538,595,801	47%
Special Payments	28,591,796,583	34,110,910,387	19%	36,388,755,628	7%
Debt Service	2,640,128,103	2,441,161,220	-8%	2,137,596,415	-12%
Nonlimited Budget *	(18,046,248,094)	(18,798,971,965)	4%	(16,844,647,996)	-10%
Capital Improvement	(14,606,709)	(27,250,265)	87%	(32,107,763)	18%
Capital Construction	(168,964,111)	(269,028,663)	59%	(296,508,180)	10%
TOTAL **	\$37,949,360,488	\$45,233,046,725	19%	\$46,789,291,312	3%

* 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>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	2,254,321,324	2,505,654,974	11%	2,236,093,800	-11%
Human Services	15,418,106,414	19,988,249,787	30%	22,287,325,908	12%
Public Safety	1,171,734,670	922,342,964	-21%	986,584,206	7%
Economic & Community Development	4,973,590,566	4,311,601,445	-13%	4,333,972,907	1%
Natural Resources	1,383,957,162	1,756,525,527	27%	1,658,685,104	-6%
Transportation	3,249,210,655	4,368,097,527	34%	3,481,611,660	-20%
Consumer & Business Services	566,013,934	631,171,488	12%	624,004,637	-1%
Administration	8,874,707,677	10,629,887,112	20%	11,043,729,729	4%
Legislative Branch *	4,746,632	44,329,862	834%	8,231,967	-81%
Judicial Branch *	52,971,454	75,186,039	42%	129,051,394	72%
TOTAL **	\$37,949,360,488	\$45,233,046,725	19%	\$46,789,291,312	3%

* See agency narrative section for complete Agency Request information.

** Excludes Non-Add expenditures.

Schedule II. Other Funds and Lottery Funds Revenue By Source

	2011-13 Actuals	2013-15 Legislatively Approved	2015-17 Governor's Budget
TAXES			
Selective Sales And Use Taxes			
Tobacco Taxes	\$386,657,524	\$352,204,891	\$359,306,866
Motor Fuels Taxes	978,647,632	1,066,193,226	1,087,115,619
Weight-Mile Taxes	506,868,237	593,105,782	608,108,654
Privilege Taxes	25,579,680	26,303,120	42,579,790
Other Selective Sales and Use Taxes	867,887,106	1,014,511,062	1,081,331,902
Subtotal	\$ 2,765,640,179	\$ 3,052,318,081	\$ 3,178,442,831
Gross Receipts Business Taxes			
Other Gross Receipts Business Taxes	3,660,542	3,500,000	4,000,000
Amusement Taxes	-	3,280,000	3,280,000
Public Utilities Taxes	154,435,236	166,896,076	149,657,693
Insurance Taxes	111,588,498	27,696,980	-
Subtotal	\$ 269,684,276	\$ 201,373,056	\$ 156,937,693
Employer-Employee Taxes			
Employment Taxes	2,117,546,966	2,118,539,128	2,134,204,411
Workers' Compensation Insurance Taxes	99,930,338	112,638,013	130,777,928
Other Employer-Employee Taxes	143,287,181	626,626,351	874,878,148
Subtotal	\$ 2,360,764,485	\$ 2,857,803,492	\$ 3,139,860,487
Severance Taxes			
Eastern Oregon Severance Taxes	-	-	-
Western Oregon Severance Taxes	-	562,400	1,018,000
Other Severance Taxes	-	237,000	237,000
Subtotal	-	\$ 799,400	\$ 1,255,000
Other Taxes			
Forest Protection Taxes	40,077,958	43,727,113	65,971,548
Other Taxes	27,683,583	164,282,508	164,550,530
Subtotal	67,761,541	208,009,621	230,522,078
TOTAL TAXES	\$ 5,463,850,481	\$ 6,320,303,650	\$ 6,707,018,089
LICENSES AND FEES			
Business Licenses And Fees	\$ 307,752,789	\$ 309,264,291	\$ 348,143,841
Nonbusiness Licenses And Fees			
Park User Fees	43,958,242	42,026,683	45,231,678
Vehicle Licenses	562,728,351	577,929,662	604,511,664
Drivers Licenses	71,197,039	83,048,729	72,402,951
Transportation Licenses and Fees	86,396,158	97,369,257	95,063,943
Hunter and Angler Licenses	99,544,673	109,352,649	118,798,870
Other Nonbusiness Licenses and Fees	85,294,721	87,195,053	90,183,054
State Court Fees	17,475,251	23,536,627	20,192,678
Subtotal	\$ 966,594,435	\$ 1,020,458,660	\$ 1,046,384,838
TOTAL LICENSES AND FEES	\$ 1,274,347,224	\$ 1,329,722,951	\$ 1,394,528,679
FEDERAL FUNDS AS OTHER FUNDS	\$ 990,569,663	\$ 718,602,697	\$ 783,590,965

Schedule II. Other Funds and Lottery Funds Revenue By Source (continued)

	2011-13 Actuals	2013-15 Legislatively Approved	2015-17 Governor's Budget
OTHER REVENUES			
<i>Charges for Services</i>			
Tuition and Fees -- Higher Education	-	-	-
Fee Remissions -- Higher Education	-	-	-
Aux. Enterprise and Service Fees -- Higher Ed.	-	-	-
Sales and Service Fees -- Higher Education	-	-	-
Other Charges for Services	1,781,439,160	3,887,237,198	3,621,371,405
Subtotal	\$ 1,781,439,160	\$ 3,887,237,198	\$ 3,621,371,405
<i>Fines, Rents, and Royalties</i>			
Fines and Forfeitures	220,272,380	155,539,688	203,856,149
Rents and Royalties	113,733,588	115,030,031	105,833,898
Subtotal	\$ 334,005,968	\$ 270,569,719	\$ 309,690,047
<i>Bond Sales</i>			
General Fund Obligation Bonds	93,281,171	371,331,256	537,901,106
Dedicated Fund Obligation Bonds	-	236,348,609	130,520,000
Lottery Bonds	51,345,886	150,902,870	199,014,294
Certificates of Participation	80,176,683	65,289,080	7,017,335
Revenue Bonds	183,218,198	1,554,211,174	645,000,000
Refunding Bonds	1,476,780,665	265,642,112	185,285,000
Subtotal	1,884,802,603	2,643,725,101	1,704,737,735
<i>Interest Earnings</i>			
Interest Income	8,212,949,355	13,742,618,878	14,896,241,248
<i>Sales Income</i>			
Liquor Sales	285,211,074	325,774,034	352,414,286
Pari-mutual Receipts	3,081,158	3,404,820	3,404,820
State Forest Lands	144,533,662	137,278,242	178,720,000
Common School Land	14,056,569	38,582,000	9,586,000
Other Sales Income	31,479,248	31,841,452	46,133,198
Subtotal	\$ 478,361,711	\$ 536,880,548	\$ 590,258,304
<i>Donations And Contributions</i>			
Donations and Grants (Non-Fed)	35,339,467	35,996,702	31,796,632
Retirement System Contribution	2,885,006,153	2,410,280,000	3,532,290,963
Subtotal	\$ 2,920,345,620	\$ 2,446,276,702	\$ 3,564,087,595
<i>Loan Repayments</i>			
Housing Division Loan Repayment	338,964,584	222,176,258	239,300,000
Senior Citizen Property Tax Repayments	-	38,497,653	38,497,653
Veterans' Loan Repayments	92,116,963	75,000,000	80,000,000
Other Loan Repayments	307,642,249	172,381,342	170,259,937
Loan Proceeds	221,000,000	-	-
Subtotal	\$ 959,723,796	\$ 508,055,253	\$ 528,057,590
LOTTERY DISTRIBUTIONS	\$ 1,079,642,644	\$ 1,048,161,743	\$ 1,082,761,484
OTHER REVENUES	\$ 2,714,749,152	\$ 1,981,684,665	\$ 3,344,168,054
TOTAL OTHER FUNDS AND LOTTERY FUNDS REVENUE	\$ 28,094,787,377	\$ 35,433,839,105	\$ 38,526,511,195

Schedule III. Receipts from the Federal Government

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
EDUCATION			
Community Coll & Workforce Dvlpmnt, Dept of	93,748,133	126,410,085	-
Education, Dept of	1,300,558,409	1,355,451,564	1,413,852,258
Higher Education Coordinating Commission	-	359,995	130,720,226
Teacher Standards & Practices Comm	12,893	35,000	-
EDUCATION TOTAL	\$1,394,319,435	\$1,482,256,644	\$1,544,572,484
HUMAN SERVICES			
Commission for the Blind	15,358,287	12,326,868	12,361,939
Human Services, Dept. of	5,791,775,289	6,463,843,621	6,837,752,449
Oregon Health Authority	5,171,177,291	8,739,511,261	10,826,668,780
HUMAN SERVICES TOTAL	\$10,978,310,867	\$15,215,681,750	\$17,676,783,168
PUBLIC SAFETY			
Corrections, Dept of	7,781,643	8,786,687	9,135,086
Criminal Justice Comm, Oregon	5,646,546	3,611,269	1,562,945
Justice, Dept of	116,661,654	159,638,271	165,040,193
Military Dept, Oregon	226,182,554	288,556,240	288,235,764
Oregon Youth Authority	27,194,810	34,680,919	36,133,077
Police, Dept of State	7,500,071	9,428,807	9,521,556
Public Safety Standards & Training, Dept of	45,429	258,893	260,660
PUBLIC SAFETY TOTAL	\$391,012,707	\$504,961,086	\$509,889,281
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	1,646,968,424	433,009,460	254,342,386
Housing & Community Svcs Dept	262,461,525	229,279,944	236,301,342
Oregon Business Development Department	34,867,924	39,485,377	35,260,349
Veterans' Affairs, Oregon Dept of	26,702,288	300,000	1
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	\$1,971,000,161	\$702,074,781	\$525,904,078
NATURAL RESOURCES			
Agriculture, Oregon Dept of	11,233,776	15,320,729	15,564,128
Energy, Dept of	32,662,845	3,529,624	3,360,993
Environmental Quality, Dept of	29,023,114	28,091,674	28,597,697
Fish & Wildlife, Oregon Dept of	108,741,697	134,778,425	138,895,414
Forestry, Dept of	28,408,813	34,114,881	31,702,066
Geology & Mineral Industries, Dept of	3,888,159	4,440,259	2,832,156

Schedule III. Receipts from the Federal Government (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
NATURAL RESOURCES			
Land Conservation & Development, Dept of	5,545,884	6,014,070	6,260,925
Lands, Dept of State	4,436,541	2,545,122	2,595,006
Marine Board, Oregon State	5,351,936	7,450,387	7,464,524
Parks & Recreation Dept	8,445,700	11,858,367	11,077,385
Water Resources Dept	780,727	1,277,040	1,302,519
Watershed Enhancement Board, Oregon	30,224,432	32,817,029	37,339,800
NATURAL RESOURCES TOTAL	\$268,743,624	\$282,237,607	\$286,992,613
TRANSPORTATION			
Aviation, Dept of	1,849,401	4,778,379	7,334,014
Transportation, Oregon Dept of	132,341,469	140,142,256	132,457,661
TRANSPORTATION TOTAL	\$134,190,870	\$144,920,635	\$139,791,675
CONSUMER & BUSINESS SERVICES			
Consumer and Business Svcs, Dept of	2,800,470	6,231,828	3,929,401
Labor & Industries, Bureau of	1,684,190	1,711,584	1,562,664
Public Utility Commission	3,283,342	2,456,159	679,511
CONSUMER & BUSINESS SERVICES TOTAL	\$7,768,002	\$10,399,571	\$6,171,576
ADMINISTRATION			
Administrative Svcs, Dept of	941,357	331,535,719	333,478,311
Governor, Office of the	2,961,369	-	-
Secretary of State	585,374	203,498	794,116
State Library	125,838	4,753,167	5,057,254
ADMINISTRATION TOTAL	\$4,613,938	\$336,492,384	\$339,329,681
JUDICIAL BRANCH			
Judicial Dept	1,211,753	1,495,322	1,598,284
JUDICIAL BRANCH TOTAL	\$1,211,753	\$1,495,322	\$1,598,284
NET FEDERAL GOVERNMENT RECEIPTS	\$15,151,171,357	\$18,680,519,780	\$21,031,032,840

All Funds Summaries

CASH BALANCES

	2015-17 Governor's Budget	
Beginning Balances	75,362,541,882	
Current Revenues		
General Fund	17,722,621,199	
Other And Lottery Funds	38,526,511,195	
Federal Funds	21,031,032,840	
Subtotal	152,642,707,116	
Total Resources Available	17,823,630,859	
Less: Transfers To Other Governments		
Other And Lottery Funds	(2,038,557,705)	
Federal Funds	(333,478,311)	
Subtotal	(2,372,036,016)	
Expenditures **		
General Fund	(17,723,630,859)	
Lottery Funds	(852,154,295)	
Other Funds	(25,243,844,026)	
Federal Funds	(20,693,292,991)	
Subtotal	(64,512,922,171)	
Balances Carried Forward	\$ 85,757,748,929	

** Excludes Non-Add expenditures.

ALL FUNDS REVENUES BY MAJOR SOURCE

	2011-13 Actuals	2013-15 Legislatively Approved	% Change (ACT/LAB)	2015-17 Governor's Budget	% Change (LAB/GB)
Taxes	\$ 19,075,177,217	\$ 21,580,470,650	13.1%	\$23,734,036,089	10.0%
Federal Funds	15,151,171,357	18,680,519,780	23.3%	21,031,032,840	12.6%
Federal Funds As Other Funds	990,569,663	718,602,697	-27.5%	783,590,965	9.0%
Donations And Contributions	2,920,345,620	2,446,276,702	-16.2%	3,564,087,595	45.7%
Other	3,115,228,452	2,310,366,384	-25.8%	3,809,038,101	64.9%
Bond Sales	1,884,802,603	2,643,725,101	40.3%	1,704,737,735	-35.5%
Interest Earnings	8,213,132,963	13,752,499,878	67.4%	14,911,184,248	8.4%
Liquor And Other Sales Income	695,178,013	787,799,548	13.3%	864,020,735	9.7%
Loan Repayments	959,723,796	508,055,253	-47.1%	528,057,590	3.9%
Lottery Distributions	1,079,642,644	1,048,161,743	-2.9%	1,082,761,484	3.3%
Charges For Services	1,793,034,784	3,894,953,198	117.2%	3,629,523,405	-6.8%
Licenses, Fines And Fees	1,539,248,887	1,582,144,951	2.8%	1,638,094,447	3.5%
TOTAL *	\$ 57,417,255,999	\$ 69,953,575,885	21.8%	\$ 77,280,165,234	10.5%

* Does not include beginning balance.

**Excludes Non-Add expenditures.

SUMMARY OF ALL FUNDS EXPENDITURES BY CATEGORY

<i>Description</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Personal Services	5,263,245,538	6,604,913,731	25%	6,959,621,163	5%
Services & Supplies	4,354,903,316	5,704,663,393	31%	5,224,278,537	-8%
Capital Outlay	301,764,785	383,591,376	27%	560,993,880	46%
Special Payments	38,656,131,742	45,639,977,067	18%	49,121,937,108	8%
Debt Service	2,998,287,749	2,814,566,049	-6%	2,646,091,483	-6%
Nonlimited Budget *	(18,046,248,094)	(18,798,971,965)	4%	(16,844,647,996)	-10%
Capital Improvement	(18,079,876)	(31,441,036)	74%	(36,426,525)	16%
Capital Construction	(168,964,111)	(269,028,663)	59%	(296,508,180)	10%
TOTAL **	\$51,574,333,130	\$61,147,711,616	19%	\$64,512,922,171	6%

* 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 ALL FUNDS EXPENDITURES BY PROGRAM AREA

<i>Program Area</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>% Change (ACT/LAB)</i>	<i>2015-17 Governor's Budget</i>	<i>% Change (LAB/GB)</i>
Education	8,977,811,579	10,728,372,137	19%	11,248,514,714	5%
Human Services	19,296,478,026	24,279,993,902	26%	27,188,647,604	12%
Public Safety	3,124,638,710	3,023,720,606	-3%	3,308,543,384	9%
Economic & Community Development	5,000,202,442	4,348,975,301	-13%	4,382,130,567	1%
Natural Resources	1,517,728,459	1,968,466,594	30%	1,866,424,809	-5%
Transportation	3,251,180,655	4,379,157,527	35%	3,519,309,655	-20%
Consumer & Business Services	577,021,437	643,018,040	11%	636,314,215	-1%
Administration	9,098,397,138	10,832,425,546	19%	11,288,671,004	4%
Legislative Branch *	82,108,335	138,783,422	69%	104,966,116	-24%
Judicial Branch *	648,766,349	727,891,722	12%	812,084,962	12%
Miscellaneous Programs	-	76,906,819	100%	157,315,141	105%
TOTAL **	\$51,574,333,130	\$61,147,711,616	19%	\$64,512,922,171	6%

* 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

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: EDUCATION

Community Coll & Workforce Dvlpmnt, Dept of

Beginning Balance			
Lottery Funds	138,588	-	-
Other Funds	1,350,885	893,100	-
Federal Funds	1,409,569	-	-
Beginning Balance Adjustment			
Lottery Funds	4,637,550	140,057	-
Federal Funds	(1,409,569)	-	-
General Fund Appropriation	418,489,968	497,468,644	-
Lottery Funds			
Interest Income	160,410	-	-
Other Funds Revenues			
Charges for Services	745,271	795,480	-
General Fund Obligation Bonds	166,606	-	-
Lottery Bonds	9,604,450	1,676,469	-
Revenue Bonds	5,843	-	-
Interest Income	549,733	407,051	-
Donations	932,376	175,000	-
Other Revenues	571,419	108,893,583	-
Federal Funds	93,848,679	126,680,085	-
Transfers In			
Lottery Funds	7,058,962	9,380,970	-
Other Funds	5,745,976	4,203,604	-
Transfers Out			
Lottery Funds	(4,637,550)	-	-
Other Funds	-	(307,051)	-
Federal Funds	(100,546)	(270,000)	-
All Funds Available for Exp	539,268,620	750,136,992	-
All Expenditures			
General Fund	418,486,093	497,468,644	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: EDUCATION			
Community Coll & Workforce Dvlpmnt, Dept of			
All Expenditures			
Lottery Funds	7,144,078	9,521,027	-
Other Funds	16,855,176	116,212,901	-
Federal Funds	92,470,516	126,410,085	-
Total Expenditures	<u>534,955,863</u>	<u>749,612,657</u>	-
Reversions	(3,875)	-	-
Ending Balance			
Lottery Funds	213,882	-	-
Other Funds	2,817,383	524,335	-
Federal Funds	1,277,617	-	-
Education, Dept of			
Beginning Balance			
Lottery Funds	606	4,857,461	-
Other Funds	27,120,554	17,887,479	26,602,405
Federal Funds	29,696,173	25,627,416	-
Beginning Balance Adjustment			
Lottery Funds	539,547	(4,286,361)	42,802
Other Funds	27,117,705	2,328,713	-
Federal Funds	-	(24,332,337)	-
General Fund Appropriation	5,512,917,363	6,776,595,798	7,309,257,475
Other Funds Revenues			
Business Lic and Fees	562,263	509,791	509,791
Charges for Services	4,412,757	7,758,739	2,496,798
Admin and Service Charges	-	55,915	55,915
Rents and Royalties	248,027	310,846	310,846
General Fund Obligation Bonds	-	-	10,220,000
Refunding Bonds	2,770,238	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: EDUCATION			
Education, Dept of			
Other Funds Revenues			
Interest Income	2,076,430	248,243	20,000
Sales Income	44,287	28,868	32,868
Donations	1,373,513	878,024	17,500
Other Revenues	3,276,356	19,009,100	29,642,561
Federal Funds	1,272,918,710	1,361,843,236	1,420,831,525
Transfers In			
Lottery Funds	599,524,877	368,747,626	313,031,131
Other Funds	151,765,484	206,879,823	224,692,653
Federal Funds	33,576,913	-	-
Transfers Out			
Other Funds	(29,035,943)	(8,400)	-
Federal Funds	(5,937,214)	(6,391,672)	(6,979,267)
All Funds Available for Exp	7,634,968,646	8,758,548,308	9,330,785,003
All Expenditures			
General Fund	5,472,460,243	6,776,595,798	7,309,257,475
Lottery Funds	600,065,030	369,745,185	313,073,933
Other Funds	159,068,260	233,051,909	260,188,555
Federal Funds	1,300,199,303	1,355,403,253	1,411,332,783
Total Expenditures	7,531,792,836	8,734,796,145	9,293,852,746
Reversions	(40,457,120)	-	-
Ending Balance			
Lottery Funds	-	(426,459)	-
Other Funds	32,663,411	22,835,232	34,412,782
Federal Funds	30,055,279	1,343,390	2,519,475

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: EDUCATION

Higher Education Coordinating Commission

Beginning Balance			
Other Funds	-	-	2,045,007
Beginning Balance Adjustment			
Lottery Funds	-	-	47,217
Other Funds	-	1,291,449	188,057
General Fund Appropriation	-	2,903,360	1,682,714,757
Other Funds Revenues			
General Fund Revenues	-	-	48,549
Non-business Lic. and Fees	-	657,945	792,695
Charges for Services	-	858,000	2,485,367
Admin and Service Charges	-	-	1,356,021
Interest Income	-	-	80,082
Donations	-	-	12,357,654
Other Revenues	-	70,650	3,161,148
Federal Funds	-	359,995	130,990,226
Transfers In			
Lottery Funds	-	-	56,900,054
Other Funds	-	200,000	40,803,204
Transfers Out			
Other Funds	-	(264,000)	(542,290)
Federal Funds	-	-	(270,000)
All Funds Available for Exp	-	6,077,399	1,933,157,748
All Expenditures			
General Fund	-	2,903,360	1,682,714,757
Lottery Funds	-	-	56,530,138
Other Funds	-	1,957,474	57,983,395
Federal Funds	-	347,571	130,720,226

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: EDUCATION			
Higher Education Coordinating Commission			
Total Expenditures	-	5,208,405	1,927,948,516
Ending Balance			
Lottery Funds	-	-	417,133
Other Funds	-	856,570	4,792,099
Federal Funds	-	12,424	-
Oregon Education Investment Board			
General Fund Appropriation	-	21,008,299	20,448,682
All Funds Available for Exp	-	21,008,299	20,448,682
All Expenditures			
General Fund	-	21,008,299	20,448,682
Total Expenditures	-	21,008,299	20,448,682
Oregon Health and Science University			
Beginning Balance			
Other Funds	214,600	-	-
Federal Funds	4,315,796	-	-
General Fund Appropriation	66,041,261	72,562,387	-
Other Funds Revenues			
General Fund Obligation Bonds	-	161,490,000	-
Lottery Bonds	-	38,545,290	-
Transfers In			
Other Funds	31,305,192	31,640,392	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: EDUCATION

Oregon Health and Science University

All Funds Available for Exp	101,876,849	304,238,069	-
All Expenditures			
General Fund	66,041,261	72,562,387	-
Other Funds	31,305,192	231,675,116	-
Total Expenditures	97,346,453	304,237,503	-
Ending Balance			
Other Funds	214,600	566	-
Federal Funds	4,315,796	-	-

Oregon Office of Student Access and Completion

Beginning Balance			
Lottery Funds	2,556,306	-	417,133
Other Funds	4,584,691	4,877,570	3,567,911
Beginning Balance Adjustment			
Lottery Funds	-	270,733	-
Other Funds	-	(928,028)	-
General Fund Appropriation	99,891,570	115,806,520	-
Other Funds Revenues			
General Fund Revenues	43,855	48,549	-
Charges for Services	717,368	419,964	-
Admin and Service Charges	1,491,653	1,640,907	-
Interest Income	68,338	81,636	-
Donations	15,193,464	15,201,347	-
Other Revenues	65,782	71,230	-
Transfers In			
Lottery Funds	148,806	258,484	-
Other Funds	8,285,293	2,621,467	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: EDUCATION			
Oregon Office of Student Access and Completion			
Transfers Out			
Lottery Funds	-	-	(417,133)
Other Funds	(6,731,710)	(592,781)	(3,567,911)
All Funds Available for Exp	126,315,416	139,777,598	-
All Expenditures			
General Fund	98,238,105	115,806,520	-
Lottery Funds	240	2,546,223	-
Other Funds	19,329,741	20,173,727	-
Total Expenditures	117,568,086	138,526,470	-
Reversions	(1,653,465)	-	-
Ending Balance			
Lottery Funds	2,704,872	(2,017,006)	-
Other Funds	4,388,993	3,268,134	-
Oregon University System			
Beginning Balance			
Lottery Funds	-	(27,617)	-
Other Funds	-	521,068,155	-
Beginning Balance Adjustment			
Lottery Funds	1,898,925	48,126	-
Other Funds	-	(521,068,155)	-
General Fund Appropriation	668,264,553	736,372,155	-
Transfers In			
Lottery Funds	21,039,859	33,445,980	-
All Funds Available for Exp	691,203,337	769,838,644	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: EDUCATION			
Oregon University System			
All Expenditures			
General Fund	668,264,553	736,372,155	-
Lottery Funds	22,938,784	33,571,489	-
Total Expenditures	691,203,337	769,943,644	-
Ending Balance			
Lottery Funds	-	(105,000)	-
Teacher Standards & Practices Comm			
Beginning Balance			
Other Funds	1,355,996	1,062,396	1,171,981
Other Funds Revenues			
Business Lic and Fees	3,908,981	4,043,712	5,498,724
Admin and Service Charges	742,422	432,570	418,728
Interest Income	180	-	-
Federal Funds	-	35,000	-
Transfers In			
Other Funds	11	-	-
Federal Funds	12,893	-	-
Transfers Out			
Other Funds	(11)	-	-
All Funds Available for Exp	6,020,472	5,573,678	7,089,433
All Expenditures			
Other Funds	4,932,111	5,004,014	6,264,770
Federal Funds	12,893	35,000	-
Total Expenditures	4,945,004	5,039,014	6,264,770

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: EDUCATION			
Teacher Standards & Practices Comm			
Ending Balance			
Other Funds	1,075,468	534,664	824,663
PROGRAM AREA: HUMAN SERVICES			
Commission for the Blind			
Beginning Balance			
Other Funds	670,691	166,846	58,175
Federal Funds	-	41,279	-
Beginning Balance Adjustment			
Other Funds	-	-	31,302
General Fund Appropriation	1,148,037	1,598,027	2,705,186
Other Funds Revenues			
Charges for Services	-	155,560	-
Admin and Service Charges	338	-	-
Interest Income	-	1,200	1,200
Sales Income	208,388	329,888	15,600
Donations	-	392,060	59,562
Other Revenues	2,795,539	2,031,318	993,000
Federal Funds	15,358,287	12,326,868	12,361,939
Transfers In			
Other Funds	844,012	740,983	-
Transfers Out			
Other Funds	(844,012)	(740,983)	-
All Funds Available for Exp	20,181,280	17,043,046	16,225,964
All Expenditures			
General Fund	1,148,036	1,598,027	2,705,186
Other Funds	2,612,522	2,025,381	992,528

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: HUMAN SERVICES			
Commission for the Blind			
All Expenditures			
Federal Funds	11,175,815	12,321,894	12,347,941
Total Expenditures	14,936,373	15,945,302	16,045,655
Reversions	(1)	-	-
Ending Balance			
Other Funds	1,062,434	1,051,491	166,311
Federal Funds	4,182,472	46,253	13,998
Human Services, Dept. of			
Beginning Balance			
Other Funds	19,248,720	21,531,856	1,905,113
Beginning Balance Adjustment			
Other Funds	(14,257,526)	(18,705,080)	-
General Fund Appropriation	2,185,437,090	2,324,079,188	2,680,281,716
Other Funds Revenues			
Other Selective Taxes	89,402,742	103,180,777	122,103,678
Business Lic and Fees	1,869,191	2,408,806	2,411,645
Non-business Lic. and Fees	1,805	-	-
Charges for Services	69,813	-	-
Admin and Service Charges	98,489,861	-	-
Care of State Wards	11,496,911	17,640,123	18,634,754
Fines and Forfeitures	75,558	-	-
General Fund Obligation Bonds	2,396,658	14,360,000	9,043,382
Interest Income	13,695,741	-	-
Sales Income	73,576	-	-
Donations	312,153	-	-
Loan Repayments	1	-	-
Other Revenues	104,032,051	246,736,843	256,137,119

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Human Services, Dept. of			
Other Funds Revenues			
Loan Proceeds	6,000,000	-	-
Federal Funds	5,808,793,400	6,466,284,264	6,840,622,511
Transfers In			
Other Funds	130,027,903	119,022,776	107,426,069
Transfers Out			
Other Funds	(14,980,701)	(1,425,251)	(243,000)
Federal Funds	(17,018,111)	(2,440,643)	(2,870,062)
All Funds Available for Exp	8,425,166,836	9,292,673,659	10,035,452,925
All Expenditures			
General Fund	2,181,831,985	2,324,079,188	2,680,281,716
Other Funds	442,634,121	501,842,250	499,773,473
Federal Funds	5,791,775,289	6,463,843,621	6,837,612,563
Total Expenditures	8,416,241,395	9,289,765,059	10,017,667,752
Reversions	(3,605,105)	-	-
Ending Balance			
Other Funds	5,320,336	2,908,600	17,645,287
Federal Funds	-	-	139,886
Long Term Care Ombudsman			
Beginning Balance			
Other Funds	85,383	146,326	25,000
Beginning Balance Adjustment			
Other Funds	-	(77,481)	-
General Fund Appropriation	1,753,933	3,784,880	6,128,415

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: HUMAN SERVICES			
Long Term Care Ombudsman			
Other Funds Revenues			
Fines and Forfeitures	-	33,000	66,000
Transfers In			
Other Funds	639,226	613,523	535,000
All Funds Available for Exp	2,478,542	4,500,248	6,754,415
All Expenditures			
General Fund	1,583,563	3,784,880	6,128,415
Other Funds	644,092	703,321	536,299
Total Expenditures	2,227,655	4,488,201	6,664,714
Reversions	(170,370)	-	-
Ending Balance			
Other Funds	80,517	12,047	89,701
Oregon Health Authority			
Beginning Balance			
Lottery Funds	-	765,978	-
Other Funds	390,819,109	303,984,075	16,736,254
Federal Funds	-	184,602	-
Beginning Balance Adjustment			
Lottery Funds	-	(765,978)	-
Other Funds	46,178,716	55,427,171	476,705,682
General Fund Appropriation	1,692,058,124	1,959,909,729	2,209,589,887
Other Funds Revenues			
Other Selective Taxes	765,632,153	899,362,146	948,852,010
Business Lic and Fees	12,828,325	8,955,937	12,922,725
Non-business Lic. and Fees	13,124,184	14,909,812	16,747,558
Charges for Services	162,233,239	29,304,245	24,641,444

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: HUMAN SERVICES			
Oregon Health Authority			
Other Funds Revenues			
Admin and Service Charges	1,240,019,056	3,152,446,699	3,261,907,990
Care of State Wards	13,804,386	2,369,042	2,369,042
Fines and Forfeitures	36,343	112,152	112,152
Rents and Royalties	55,581	-	-
General Fund Obligation Bonds	10,718,826	86,860,000	32,665
Cert of Participation	59,900,000	1,324,073	17,335
Interest Income	2,629,187	8,116,332	5,021,172
Sales Income	148,631	7,924,013	7,924,013
Donations	4,053,930	283,030	283,030
Grants (Non-Fed)	-	1,343,201	1,343,201
Loan Repayments	90,558	-	-
Insurance Premiums	-	116,712,922	-
Other Revenues	1,799,325,441	943,280,517	2,164,523,418
Loan Proceeds	215,000,000	-	-
Federal Funds	5,203,433,165	8,758,508,857	10,846,384,656
Transfers In			
Lottery Funds	10,441,707	10,592,542	10,827,615
Other Funds	919,691,239	524,039,302	634,641,142
Transfers Out			
Other Funds	(42,588,139)	(8,803,807)	(128,463,127)
Federal Funds	(32,255,874)	(18,997,596)	(19,715,876)
All Funds Available for Exp	12,487,377,887	16,858,148,996	20,493,403,988
All Expenditures			
General Fund	1,692,058,113	1,959,909,729	2,209,589,887
Lottery Funds	10,098,261	10,592,532	10,353,121
Other Funds	5,181,124,350	5,798,520,275	5,744,757,540
Federal Funds	5,171,177,291	8,739,587,680	10,826,668,780

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: HUMAN SERVICES			
Oregon Health Authority			
Total Expenditures	12,054,458,015	16,508,610,216	18,791,369,328
Reversions	(11)	-	-
Ending Balance			
Lottery Funds	343,446	10	474,494
Other Funds	432,576,415	349,430,587	1,701,560,166
Federal Funds	-	108,183	-
Psychiatric Security Review Board			
Beginning Balance			
Other Funds	10,784	5,554	5,554
General Fund Appropriation	2,105,264	2,372,291	2,616,492
Other Funds Revenues			
Donations	-	108,629	-
Transfers In			
Other Funds	216,222	-	-
All Funds Available for Exp	2,332,270	2,486,474	2,622,046
All Expenditures			
General Fund	1,749,915	2,372,291	2,616,492
Other Funds	216,225	110,734	2,168
Total Expenditures	1,966,140	2,483,025	2,618,660
Reversions	(355,349)	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: HUMAN SERVICES			
Psychiatric Security Review Board			
Ending Balance			
Other Funds	10,781	3,449	3,386
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Beginning Balance			
Other Funds	10,978,064	7,667,835	5,956,037
Federal Funds	3,646,672	4,080	-
Beginning Balance Adjustment			
Other Funds	(972,111)	2,933,014	-
Federal Funds	-	(4,080)	-
General Fund Appropriation	1,362,844,564	1,448,294,183	1,549,047,785
Other Funds Revenues			
Federal Revenues	159,506	361,457	130,342
Charges for Services	10,641,878	11,826,742	8,392,233
Admin and Service Charges	295,616	3,290	510,974
Fines and Forfeitures	184,133	234,287	118,766
Rents and Royalties	260,402	239,339	289,840
General Fund Obligation Bonds	-	5,050,000	27,620,000
Refunding Bonds	346,773,770	-	-
Interest Income	22,498	17,672	12,994
Sales Income	2,150,088	2,034,830	1,785,295
Donations	39,334	1,721	14,045
Grants (Non-Fed)	-	-	194,618
Loan Repayments	-	33,556	34,563
Other Revenues	9,739,826	3,198,882	17,097,895
Federal Funds	7,781,643	8,786,687	9,135,086

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: PUBLIC SAFETY			
Corrections, Dept of			
Transfers In			
Other Funds	20,115,321	24,284,189	6,219,582
Transfers Out			
Other Funds	(12,101,155)	(9,787,477)	(1,438,365)
All Funds Available for Exp	1,762,560,049	1,505,180,207	1,625,121,690
All Expenditures			
General Fund	1,359,596,909	1,448,294,183	1,549,047,785
Other Funds	376,646,879	39,926,693	62,806,459
Federal Funds	9,124,963	8,631,833	6,829,602
Total Expenditures	<u>1,745,368,751</u>	<u>1,496,852,709</u>	<u>1,618,683,846</u>
Reversions	(3,247,655)	-	-
Ending Balance			
Other Funds	11,640,291	8,172,644	4,132,360
Federal Funds	2,303,352	154,854	2,305,484
Criminal Justice Comm, Oregon			
Beginning Balance			
Other Funds	202,364	5,500	200,000
Federal Funds	15,998,659	8,033,497	1,429,000
Beginning Balance Adjustment			
Other Funds	-	197,862	-
Federal Funds	-	(2,418,557)	-
General Fund Appropriation	4,761,327	23,851,046	73,510,819
Other Funds Revenues			
Fines and Forfeitures	557,987	299,950	299,950
Interest Income	470	-	-
Other Revenues	1,667	1,000	1,000

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Criminal Justice Comm, Oregon			
Federal Funds	6,618,535	3,611,269	1,562,945
Transfers Out			
Federal Funds	(971,989)	-	-
All Funds Available for Exp	27,169,020	33,581,567	77,003,714
All Expenditures			
General Fund	4,760,995	23,851,046	73,510,819
Other Funds	71,880	479,680	494,109
Federal Funds	16,386,362	7,163,318	1,580,917
Total Expenditures	21,219,237	31,494,044	75,585,845
Reversions	(332)	-	-
Ending Balance			
Other Funds	690,608	24,632	6,841
Federal Funds	5,258,843	2,062,891	1,411,028
District Attorneys and their Deputies			
General Fund Appropriation	10,589,261	10,849,009	11,642,436
All Funds Available for Exp	10,589,261	10,849,009	11,642,436
All Expenditures			
General Fund	10,565,984	10,849,009	11,642,436
Total Expenditures	10,565,984	10,849,009	11,642,436

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: PUBLIC SAFETY

District Attorneys and their Deputies

Reversions	(23,277)	-	-
Justice, Dept of			
Beginning Balance			
Other Funds	57,870,984	34,793,432	38,075,897
Federal Funds	759,766	-	-
Beginning Balance Adjustment			
Other Funds	(13,145)	17,993,207	-
General Fund Appropriation	59,016,098	66,289,084	81,544,405
Other Funds Revenues			
General Fund Revenues	56,477,783	56,200,000	-
Business Lic and Fees	5,528,989	5,387,900	5,966,588
Non-business Lic. and Fees	-	329,671	-
Federal Revenues	6,349,697	-	12,858,571
Charges for Services	120,932,180	167,159,236	201,191,469
Admin and Service Charges	22,086,453	-	-
Fines and Forfeitures	27,878,816	1,551,040	1,669,426
General Fund Obligation Bonds	-	14,410,000	15,425,000
Interest Income	43,895	29,350	39,898
Sales Income	53,190	20,000	20,000
Donations	29,227	41,000	27,000
Other Revenues	37,678,515	43,941,626	28,300,375
Federal Funds	116,661,654	159,638,271	165,040,193
Transfers In			
Other Funds	25,453,510	26,510,885	29,750,596
Transfers Out			
Other Funds	(72,024,500)	(65,108,090)	(1,937,204)

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Justice, Dept of			
All Funds Available for Exp	464,783,112	529,186,612	577,972,214
All Expenditures			
General Fund	58,984,867	66,289,084	81,544,405
Other Funds	222,044,320	270,223,006	284,914,168
Federal Funds	115,982,323	159,638,271	165,040,193
Total Expenditures	397,011,510	496,150,361	531,498,766
Reversions	(31,231)	-	-
Ending Balance			
Other Funds	66,301,274	33,036,251	46,473,448
Federal Funds	1,439,097	-	-
Military Dept, Oregon			
Beginning Balance			
Other Funds	22,975,812	9,538,581	17,662,353
Beginning Balance Adjustment			
Other Funds	(454)	10,060,475	-
General Fund Appropriation	27,975,479	21,863,993	26,221,529
Other Funds Revenues			
Federal Revenues	190,784	750,000	740,000
Rents and Royalties	3,559,881	3,738,500	2,978,144
General Fund Obligation Bonds	7,592,156	8,830,000	11,630,000
Refunding Bonds	3,041,910	-	-
Cert of Participation	4,011,273	-	-
Interest Income	154,432	5,300	36,422
Sales Income	47,006	3,628,024	6,126,571
Donations	1,575	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: PUBLIC SAFETY			
Military Dept, Oregon			
Other Funds Revenues			
Other Revenues	3,007,204	3,699,571	2,220,008
Federal Funds	227,556,587	290,251,203	289,716,294
Transfers In			
Other Funds	130,150,019	85,573,285	83,976,922
Federal Funds	(12,559)	-	-
Transfers Out			
Other Funds	(47,394,071)	(925,495)	(355,593)
Federal Funds	(1,361,474)	(1,694,963)	(1,480,530)
All Funds Available for Exp	381,495,560	435,318,474	439,472,120
All Expenditures			
General Fund	27,975,478	21,863,993	26,221,529
Other Funds	115,189,900	113,902,017	114,842,052
Federal Funds	226,182,554	287,230,606	288,235,764
Total Expenditures	369,347,932	422,996,616	429,299,345
Reversions	(1)	-	-
Ending Balance			
Other Funds	12,147,627	10,996,224	10,172,775
Federal Funds	-	1,325,634	-
Oregon Youth Authority			
Beginning Balance			
Other Funds	312,177	456,029	104,044
Beginning Balance Adjustment			
Other Funds	-	63,215	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: PUBLIC SAFETY			
Oregon Youth Authority			
General Fund Appropriation	256,250,831	275,662,044	290,870,806
Other Funds Revenues			
Charges for Services	41,759	177,841	94,303
Care of State Wards	4,947,860	6,715,610	6,564,617
Rents and Royalties	18,548	25,280	25,280
General Fund Obligation Bonds	-	5,165,000	33,980,059
Interest Income - COP	57,259	-	-
Sales Income	599,104	905,000	905,000
Donations	130,222	103,580	103,580
Other Revenues	643,844	3,612,218	2,553,260
Federal Funds	12,884,827	34,680,919	36,133,077
Transfers In			
Other Funds	2,196,845	2,914,855	2,914,855
Federal Funds	14,309,983	-	-
Transfers Out			
Other Funds	(57,259)	-	-
All Funds Available for Exp	292,336,000	330,481,591	374,248,881
All Expenditures			
General Fund	255,625,166	275,662,044	290,870,806
Other Funds	8,306,362	19,553,725	47,140,954
Federal Funds	27,194,810	34,680,919	36,133,077
Total Expenditures	291,126,338	329,896,688	374,144,837
Reversions	(625,665)	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: PUBLIC SAFETY			
Oregon Youth Authority			
Ending Balance			
Other Funds	583,997	584,903	104,044
Parole & Post Prison Supervision, State Board of			
Beginning Balance			
Other Funds	23,090	18,657	27,549
General Fund Appropriation	3,641,093	4,189,720	4,700,065
Other Funds Revenues			
Fines and Forfeitures	478	5,072	5,072
Sales Income	1,923	4,942	5,258
All Funds Available for Exp	3,666,584	4,218,391	4,737,944
All Expenditures			
General Fund	3,533,911	4,189,720	4,700,065
Other Funds	-	10,536	10,852
Total Expenditures	3,533,911	4,200,256	4,710,917
Reversions	(107,182)	-	-
Ending Balance			
Other Funds	25,491	18,135	27,027
Police, Dept of State			
Beginning Balance			
Lottery Funds	882,852	12,677	475,446
Other Funds	15,447,707	13,590,233	20,692,505
Federal Funds	1,523,567	1,668,025	621,516
Beginning Balance Adjustment			
Lottery Funds	45,822	100,000	-
Other Funds	-	(477,701)	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Police, Dept of State			
Beginning Balance Adjustment			
Federal Funds	-	(813,489)	-
General Fund Appropriation	221,721,695	240,590,265	274,870,857
Other Funds Revenues			
Business Lic and Fees	238,978	200,469	389,519
Non-business Lic. and Fees	1,398,867	1,010,085	1,527,259
Fire Marshal Fees	1,913,267	1,815,768	1,815,768
Charges for Services	24,819,365	27,272,076	30,038,502
Fines and Forfeitures	569,688	489,600	489,600
Rents and Royalties	533,618	548,711	548,711
Interest Income	126	-	-
Sales Income	29,696	181,049	181,049
Donations	17,948	24,368	24,368
Grants (Non-Fed)	-	66,678	66,678
Other Revenues	2,980,025	1,894,144	1,894,144
Federal Funds	7,500,071	9,428,807	9,521,556
Transfers In			
Lottery Funds	5,965,774	6,995,265	7,125,600
Other Funds	79,298,670	87,163,792	80,634,778
Federal Funds	1,472,899	224,241	224,241
Transfers Out			
Other Funds	(29,586,786)	(27,960,465)	(15,712,607)
Federal Funds	(1,472,899)	(224,241)	(224,241)
All Funds Available for Exp	335,300,950	363,800,357	415,205,249
All Expenditures			
General Fund	221,267,355	240,590,265	274,870,857
Lottery Funds	6,549,992	7,166,858	7,587,900
Other Funds	82,358,056	93,291,730	98,822,356

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Police, Dept of State			
All Expenditures			
Federal Funds	8,214,066	9,446,084	9,762,593
Total Expenditures	318,389,469	350,494,937	391,043,706
Reversions	(454,340)	-	-
Ending Balance			
Lottery Funds	344,456	(58,916)	13,146
Other Funds	15,303,113	12,527,077	23,767,918
Federal Funds	809,572	837,259	380,479
Public Safety Standards & Training, Dept of			
Beginning Balance			
Other Funds	9,575,776	3,638,533	7,491,331
Beginning Balance Adjustment			
Other Funds	-	2,111,105	-
General Fund Appropriation	11,283,810	9,788,298	9,550,476
Other Funds Revenues			
Business Lic and Fees	2,134,296	2,184,020	2,184,020
Charges for Services	208,967	182,304	182,304
Admin and Service Charges	20,511	21,000	21,000
Fines and Forfeitures	23,883	30,000	30,000
Rents and Royalties	783,728	763,500	763,500
Refunding Bonds	59,971,796	-	-
Interest Income	3,178	3,000	3,000
Donations	335	2,000	2,000
Other Revenues	18,841	5,500	5,500
Federal Funds	45,429	258,893	260,660

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: PUBLIC SAFETY			
Public Safety Standards & Training, Dept of			
Transfers In			
Other Funds	26,941,087	30,972,771	34,146,670
Transfers Out			
Other Funds	(1,169,704)	(784,500)	(784,500)
All Funds Available for Exp	109,841,933	49,176,424	53,855,961
All Expenditures			
General Fund	10,593,375	9,788,298	9,550,476
Other Funds	90,542,544	35,668,666	37,691,949
Federal Funds	15,605	258,893	260,660
Total Expenditures	101,151,524	45,715,857	47,503,085
Reversions	(690,435)	-	-
Ending Balance			
Other Funds	7,970,150	3,460,567	6,352,876
Federal Funds	29,824	-	-
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept			
Beginning Balance			
Other Funds	974,758,864	72,062,619	2,456,079,603
Beginning Balance Adjustment			
Other Funds	-	1,382,737,603	-
Other Funds Revenues			
Employment Taxes	2,117,546,966	2,118,539,128	2,134,204,411
Federal Revenues	-	788,031	-
Charges for Services	33,680,674	36,524,373	4,788,720
Fines and Forfeitures	-	3,522,254	50,215,846
Interest Income	-	102,769,068	128,579,111

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept			
Other Funds Revenues			
Other Revenues	58,508,651	65,887,799	55,154,530
Federal Funds	1,646,968,424	433,009,460	254,342,386
Transfers In			
Other Funds	1,622,003,224	1,779,575,792	1,646,271,663
Transfers Out			
Other Funds	(1,637,429,173)	(1,793,686,622)	(1,688,635,750)
All Funds Available for Exp	4,816,037,630	4,201,729,505	5,041,000,520
All Expenditures			
Other Funds	1,654,652,468	1,762,616,947	1,628,747,199
Federal Funds	1,642,935,795	433,009,460	253,707,848
Total Expenditures	3,297,588,263	2,195,626,407	1,882,455,047
Ending Balance			
Other Funds	1,514,416,738	2,006,103,098	3,157,910,935
Federal Funds	4,032,629	-	634,538
Housing & Community Svcs Dept			
Beginning Balance			
Lottery Funds	203,058	143,225	-
Other Funds	347,153,944	331,130,868	362,600,290
Federal Funds	12,500	-	-
Beginning Balance Adjustment			
Lottery Funds	-	(31,236)	13,646
Other Funds	64,327	10,879,062	-
General Fund Appropriation	16,448,737	19,401,247	15,738,955
Lottery Funds			
Interest Income	31,856	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Housing & Community Svcs Dept			
Other Funds Revenues			
Non-business Lic. and Fees	6,481,736	7,753,493	6,071,982
Public Utilities Fees	61,605,625	61,043,325	57,508,233
Charges for Services	2,472,178	2,961,549	1,008,637
Admin and Service Charges	14,085,583	8,469,359	5,722,056
Fines and Forfeitures	187,556	40,000	50,000
General Fund Obligation Bonds	-	-	85,915,000
Dedicated Fund Oblig Bonds	-	10,000,000	-
Lottery Bonds	5,123,124	5,076,190	15,269,657
Revenue Bonds	49,100,000	230,000,000	225,000,000
Refunding Bonds	142,104,272	-	185,285,000
Interest Income	141,935,378	162,624,713	138,521,145
Donations	73,500	152,000	8,000
Housing Div Loan Repayments	338,964,584	222,176,258	239,300,000
Other Revenues	6,855,240	307,628	1,719,808
Federal Funds	256,735,390	228,079,944	235,301,342
Transfers In			
Lottery Funds	10,452,039	9,580,631	11,918,189
Other Funds	532,209,709	1,059,614,588	763,161,558
Federal Funds	5,726,135	1,200,000	1,000,000
Transfers Out			
Lottery Funds	(203,058)	(168,936)	-
Other Funds	(507,864,440)	(1,024,938,443)	(724,633,620)
All Funds Available for Exp	1,429,958,973	1,345,495,465	1,626,479,878
All Expenditures			
General Fund	16,374,753	19,401,247	15,738,955
Lottery Funds	10,464,680	9,428,966	11,931,835
Other Funds	765,829,292	1,065,850,927	1,178,703,330
Federal Funds	262,459,677	225,493,813	231,253,006

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Housing & Community Svcs Dept

Total Expenditures	1,055,128,402	1,320,174,953	1,437,627,126
Reversions	(73,984)	-	-
Ending Balance			
Lottery Funds	19,215	94,718	-
Other Funds	374,723,024	21,439,663	183,804,416
Federal Funds	14,348	3,786,131	5,048,336

Oregon Business Development Department

Beginning Balance			
Lottery Funds	5,030,730	3,888	845,415
Other Funds	254,224,361	89,750,272	148,363,076
Federal Funds	888,743	-	9,755,957
Beginning Balance Adjustment			
Lottery Funds	-	5,837,552	7,420,937
Other Funds	6,192,892	30,348,563	900,000
Federal Funds	-	9,111,887	-
General Fund Appropriation	3,842,479	8,371,867	19,048,619
Lottery Funds			
Interest Income	596,059	-	-
Other Funds Revenues			
Business Lic and Fees	5,000	9,500	9,500
Non-business Lic. and Fees	532	-	-
Charges for Services	790,546	1,347,320	1,412,320
Rents and Royalties	6,746	-	18,000
General Fund Obligation Bonds	-	35,120,000	100,000,000
Lottery Bonds	-	23,646,229	76,915,288
Revenue Bonds	10,246,249	27,521,174	30,000,000
Refunding Bonds	86,632,714	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Oregon Business Development Department			
Other Funds Revenues			
Interest Income	40,851,498	44,649,213	36,881,785
Donations	8,642,762	8,100,000	8,269,356
Grants (Non-Fed)	-	460,000	460,000
Loan Repayments	99,944,524	69,539,696	65,913,800
Other Revenues	608,262	2,566,867	11,488,621
Federal Funds	38,873,526	39,685,377	35,260,349
Transfers In			
Lottery Funds	180,004,433	112,075,265	135,805,336
Other Funds	192,536,148	78,400,503	68,452,831
Transfers Out			
Lottery Funds	(46,287,550)	-	-
Other Funds	(192,284,166)	(51,839,744)	(47,631,570)
Federal Funds	(4,005,602)	(200,000)	-
All Funds Available for Exp	687,340,886	534,505,429	709,589,620
All Expenditures			
General Fund	3,842,479	8,371,867	19,048,619
Lottery Funds	129,621,500	117,636,290	144,071,688
Other Funds	277,970,118	299,946,379	446,272,741
Federal Funds	24,904,462	38,841,307	39,477,743
Total Expenditures	436,338,559	464,795,843	648,870,791
Ending Balance			
Lottery Funds	9,722,172	280,415	-
Other Funds	230,427,950	59,673,214	55,180,266
Federal Funds	10,852,205	9,755,957	5,538,563

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Veterans' Affairs, Oregon Dept of			
Beginning Balance			
Other Funds	251,640,475	362,648,037	246,609,577
General Fund Appropriation	6,562,195	9,600,742	13,370,086
Other Funds Revenues			
Business Lic and Fees	204,000	300,000	150,000
Non-business Lic. and Fees	62,026	40,000	60,000
Charges for Services	29,064,884	36,445,842	68,308,697
Admin and Service Charges	1,525,632	1,500,000	-
Rents and Royalties	1,408,420	1,400,000	1,450,000
Dedicated Fund Oblig Bonds	-	100,000,000	100,000,000
Interest Income	28,236,354	55,075,000	45,075,000
Sales Income	286	25,000	10,000
Donations	353,976	300,000	500,000
Loan Repayments	805,515	-	-
Veterans Loan Repayments	92,116,963	75,000,000	80,000,000
Other Revenues	494,656	1,000,000	1,050,000
Federal Funds	26,702,288	300,000	1
Transfers In			
Other Funds	124,062,879	202,770,111	184,578,978
Transfers Out			
Other Funds	(123,919,763)	(202,652,779)	(184,418,940)
All Funds Available for Exp	439,320,786	643,751,953	556,743,399
All Expenditures			
General Fund	6,394,644	9,600,742	13,370,086
Other Funds	205,509,545	385,625,107	399,807,516
Federal Funds	26,702,288	300,000	1
Total Expenditures	238,606,477	395,525,849	413,177,603

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT			
Veterans' Affairs, Oregon Dept of			
Reversions	(167,551)	-	-
Ending Balance			
Other Funds	200,546,758	248,226,104	143,565,796
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
Beginning Balance			
Lottery Funds	1,598,216	2,443	-
Other Funds	21,564,800	15,990,677	21,409,630
Federal Funds	215,624	321,194	-
Beginning Balance Adjustment			
Lottery Funds	(393,092)	280,985	-
Other Funds	-	2,688,771	-
Federal Funds	-	(321,193)	-
General Fund Appropriation	12,158,804	19,460,351	23,740,197
Other Funds Revenues			
Business Lic and Fees	25,774,670	25,553,862	28,059,137
Federal Revenues - Svc Contracts	2,135,369	1,769,552	1,411,338
Charges for Services	18,261,311	17,546,283	19,287,354
Admin and Service Charges	78,189	120,359	119,399
Fines and Forfeitures	299,381	239,461	256,983
Interest Income	252,921	249,253	240,829
Sales Income	27,647	37,000	37,000
Other Revenues	154,133	205,030	311,600
Federal Funds	12,967,661	18,183,956	18,427,355
Transfers In			
Lottery Funds	6,403,810	6,209,138	6,346,795

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Agriculture, Oregon Dept of			
Transfers In			
Other Funds	13,582,297	11,703,779	12,069,276
Transfers Out			
Lottery Funds	(199,750)	(2,223)	-
Other Funds	(9,463,048)	(8,147,505)	(8,302,134)
Federal Funds	(1,733,885)	(2,863,227)	(2,863,227)
All Funds Available for Exp	103,685,058	109,227,946	120,551,532
All Expenditures			
General Fund	12,134,881	19,460,351	23,740,197
Lottery Funds	7,199,518	6,473,272	6,346,795
Other Funds	50,402,029	55,589,067	58,544,483
Federal Funds	11,285,459	15,320,730	15,563,978
Total Expenditures	81,021,887	96,843,420	104,195,453
Reversions	(23,923)	-	-
Ending Balance			
Lottery Funds	209,666	17,071	-
Other Funds	22,265,641	12,367,455	16,355,929
Federal Funds	163,941	-	150
Columbia River Gorge Comm			
General Fund Appropriation	814,846	891,000	1,689,660
Other Funds Revenues			
Other Revenues	-	5,000	5,152
All Funds Available for Exp	814,846	896,000	1,694,812

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Columbia River Gorge Comm			
All Expenditures			
General Fund	779,799	891,000	1,689,660
Other Funds	-	5,000	5,152
Total Expenditures	779,799	896,000	1,694,812
Reversions	(35,047)	-	-
Energy, Dept of			
Beginning Balance			
Lottery Funds	3,609	3,990	-
Other Funds	53,641,147	123,485,268	35,915,592
Federal Funds	-	508,161	-
Beginning Balance Adjustment			
Lottery Funds	412,443	7,015	3,368
Other Funds	4,285,075	(81,147,627)	-
Federal Funds	(791,891)	(508,161)	-
Lottery Funds			
Interest Income	9,399	-	-
Other Funds Revenues			
Business Lic and Fees	5,841,980	10,400,791	8,279,729
Charges for Services	2,756,790	4,060,777	3,956,962
Admin and Service Charges	11,450,967	13,583,174	13,919,539
Fines and Forfeitures	1,230,383	250,740	2,150,959
General Fund Obligation Bonds	32,960,000	-	70,000,000
Dedicated Fund Oblig Bonds	-	107,080,000	-
Lottery Bonds	-	10,152,380	13,702,108
Interest Income	23,010,423	20,167,846	27,510,115
Sales Income	802,113	-	-
Loan Repayments	38,406,473	31,214,003	43,307,264
Other Revenues	2,176,992	6,125,000	3,780,711

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Energy, Dept of

Federal Funds	33,678,891	4,185,224	4,220,738
Transfers In			
Lottery Funds	2,157,121	2,162,153	3,829,962
Other Funds	80,304,435	81,718,446	89,381,883
Federal Funds	574,595	143,439	104,000
Transfers Out			
Lottery Funds	(418,100)	-	-
Other Funds	(79,588,389)	(81,062,846)	(88,522,138)
Federal Funds	(1,590,641)	(799,039)	(963,745)
All Funds Available for Exp	<u>211,313,815</u>	<u>251,730,734</u>	<u>230,577,047</u>
All Expenditures			
Lottery Funds	2,164,181	2,166,050	3,833,330
Other Funds	136,877,997	226,508,452	188,728,466
Federal Funds	31,841,586	2,977,119	3,195,351
Total Expenditures	<u>170,883,764</u>	<u>231,651,621</u>	<u>195,757,147</u>
Ending Balance			
Lottery Funds	291	7,108	-
Other Funds	40,400,392	19,519,500	34,654,258
Federal Funds	29,368	552,505	165,642

Environmental Quality, Dept of

Beginning Balance			
Lottery Funds	10,505	856	5,852
Other Funds	173,692,299	78,014,663	252,051,621
Federal Funds	1,142,795	-	15,000
Beginning Balance Adjustment			
Lottery Funds	238,218	238,218	-
Other Funds	-	135,551,031	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Environmental Quality, Dept of			
General Fund Appropriation	25,011,536	30,961,259	35,176,364
Other Funds Revenues			
General Fund Revenues	916,641	1,000,000	1,000,000
Business Lic and Fees	54,187,157	61,320,803	68,194,961
Non-business Lic. and Fees	25,390,098	27,749,717	28,404,452
Federal Revenues	20,471,835	30,000,000	30,000,000
Federal Revenues - Svc Contracts	-	116,102	-
Charges for Services	26,846,783	21,384,443	20,410,578
Admin and Service Charges	2,930,513	3,056,498	4,287,424
Fines and Forfeitures	104,154	190,000	158,800
General Fund Obligation Bonds	19,713,517	10,000,000	10,000,000
Interest Income	22,292,212	32,483,060	22,316,508
Loan Repayments	139,143,928	62,000,000	52,000,000
Other Revenues	1,742,681	757,055	990,230
Federal Funds	32,624,440	31,486,465	31,859,769
Transfers In			
Lottery Funds	4,503,053	3,640,043	3,807,503
Other Funds	41,071,136	49,567,555	45,919,085
Transfers Out			
Other Funds	(33,473,871)	(41,920,722)	(36,192,976)
Federal Funds	(3,601,326)	(3,394,791)	(3,262,072)
All Funds Available for Exp	554,958,304	534,202,255	567,143,099
All Expenditures			
General Fund	25,011,532	30,961,259	35,176,364
Lottery Funds	4,502,197	3,873,265	3,813,355
Other Funds	222,014,159	270,152,674	276,538,126
Federal Funds	28,811,248	28,010,107	28,600,660

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Environmental Quality, Dept of

Total Expenditures	280,339,136	332,997,305	344,128,505
Reversions	(4)	-	-
Ending Balance			
Lottery Funds	249,579	5,852	-
Other Funds	273,014,924	201,117,531	223,002,557
Federal Funds	1,354,661	81,567	12,037

Fish & Wildlife, Oregon Dept of

Beginning Balance			
Lottery Funds	388,423	-	-
Other Funds	45,275,198	33,247,400	23,010,441
Beginning Balance Adjustment			
Lottery Funds	-	438,632	-
Other Funds	-	2,206,800	-
General Fund Appropriation	6,779,844	17,704,434	27,678,949
Other Funds Revenues			
Non-business Lic. and Fees	10,311	-	-
Hunter and Angler Licenses	90,827,192	101,430,713	108,850,870
Commercial Fish Lic and Fees	8,717,481	7,921,936	9,948,000
Park User Fees	911,850	-	1,246,000
Charges for Services	-	27,084,188	10,593,499
Fines and Forfeitures	594,748	-	-
Rents and Royalties	568,397	431,314	490,452
Cert of Participation	16,000,000	-	-
Interest Income	298,497	402,225	16,200
Sales Income	916,236	3,288,025	5,007,995
Donations	46,663	-	-
Other Revenues	33,683,268	80,000	130,000

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Fish & Wildlife, Oregon Dept of			
Federal Funds	108,695,157	154,778,425	158,845,414
Transfers In			
Lottery Funds	15,092,229	4,876,643	4,190,244
Other Funds	263,075,359	69,251,356	83,423,103
Federal Funds	2,904,376	-	1,351,008
Transfers Out			
Lottery Funds	(9,267,831)	(435,346)	-
Other Funds	(246,454,676)	(38,112,774)	(49,917,653)
Federal Funds	(2,857,836)	(20,000,000)	(21,301,008)
All Funds Available for Exp	336,204,886	364,593,971	363,563,514
All Expenditures			
General Fund	6,777,283	17,704,434	27,678,949
Lottery Funds	5,824,398	4,921,716	4,190,244
Other Funds	183,659,786	185,369,107	174,683,746
Federal Funds	108,741,697	134,778,425	138,895,412
Total Expenditures	305,003,164	342,773,682	345,448,351
Reversions	(2,561)	-	-
Ending Balance			
Lottery Funds	388,423	(41,787)	-
Other Funds	30,810,738	21,862,076	18,115,161
Federal Funds	-	-	2
Forestry, Dept of			
Beginning Balance			
Lottery Funds	8,805	-	-
Other Funds	24,928,084	15,597,077	4,428,818

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Forestry, Dept of

Beginning Balance Adjustment

Lottery Funds	-	3,692	3,228
Other Funds	856,516	-	-

General Fund Appropriation

53,902,250	97,836,604	68,834,256
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Lottery Funds

Interest Income	12,658	-	-
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Other Funds Revenues

General Fund Revenues	54,576	-	-
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Forest Protection Taxes	40,077,958	43,727,113	65,971,548
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Business Lic and Fees	876,795	265,779	1,306,332
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Non-business Lic. and Fees	-	1,035,123	-
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Charges for Services	34,378,668	31,179,402	15,947,087
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Rents and Royalties	10,652,782	4,762,771	10,013,604
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General Fund Obligation Bonds	-	-	2,405,000
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Cert of Participation	-	1,750,000	7,000,000
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Interest Income	293,373	175,979	-
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Sales Income	-	2,460,227	469,112
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State Forest Lands Sales	144,533,662	137,278,242	178,720,000
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Common School Lands Sales	13,996,817	38,582,000	9,586,000
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Donations	190,370	276,985	285,295
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Loan Repayments	3,151	1,560,039	1,704,941
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Other Revenues	3,222,310	167,361,054	62,835,460
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Federal Funds

28,392,831	34,114,881	31,702,066
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Transfers In

Lottery Funds	2,419,050	5,404,440	8,571,657
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Other Funds	99,715,310	61,422,105	73,379,203
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Federal Funds	16,467	-	-
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Transfers Out

Other Funds	(162,136,032)	(151,935,085)	(156,169,042)
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Federal Funds	(485)	-	-
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Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Forestry, Dept of			
All Funds Available for Exp	296,395,916	492,858,428	386,994,565
All Expenditures			
General Fund	53,860,677	97,836,604	68,834,256
Lottery Funds	2,437,861	5,408,132	8,574,885
Other Funds	174,569,610	343,086,494	244,928,202
Federal Funds	24,526,686	34,108,167	31,678,698
Total Expenditures	<u>255,394,834</u>	<u>480,439,397</u>	<u>354,016,041</u>
Reversions	(41,573)	-	-
Ending Balance			
Lottery Funds	2,652	-	-
Other Funds	37,074,730	12,412,317	32,955,156
Federal Funds	3,882,127	6,714	23,368
Geology & Mineral Industries, Dept of			
Beginning Balance			
Other Funds	979,603	524,107	585,555
Federal Funds	6,493	-	4,506
Beginning Balance Adjustment			
Lottery Funds	-	1	-
Other Funds	-	28,589	-
Federal Funds	-	(6,490)	-
General Fund Appropriation	2,464,702	2,582,015	2,860,141
Other Funds Revenues			
Non-business Lic. and Fees	1,999,849	2,255,434	2,011,796
Charges for Services	5,097,300	4,835,494	5,853,000
Sales Income	177,119	200,000	165,000

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Geology & Mineral Industries, Dept of			
Other Funds Revenues			
Other Revenues	32,813	-	20,000
Federal Funds	4,888,889	4,863,655	3,255,552
Transfers In			
Other Funds	1,537,447	1,298,291	1,298,291
Transfers Out			
Other Funds	(135,517)	(600,635)	(600,635)
Federal Funds	(1,000,730)	(423,396)	(423,396)
All Funds Available for Exp	16,047,968	15,557,065	15,029,810
All Expenditures			
General Fund	2,464,702	2,582,015	2,860,141
Other Funds	9,009,907	7,955,725	4,400,088
Federal Funds	3,894,652	4,429,263	1,429,502
Total Expenditures	15,369,261	14,967,003	8,689,731
Ending Balance			
Lottery Funds	-	1	-
Other Funds	678,707	585,555	4,932,919
Federal Funds	-	4,506	1,407,160
Land Conservation & Development, Dept of			
Beginning Balance			
Other Funds	265,596	237,012	237,012
Federal Funds	123,328	384	-
Beginning Balance Adjustment			
Other Funds	(95,568)	-	-
Federal Funds	-	(384)	-
General Fund Appropriation	11,132,225	12,667,032	15,066,943

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Land Conservation & Development, Dept of			
Other Funds Revenues			
Business Lic and Fees	-	78,631	78,631
Charges for Services	8,691	32,791	32,791
Interest Income	38	-	-
Sales Income	65	12,000	12,000
Other Revenues	21,690	350,000	-
Federal Funds	5,545,884	6,014,070	6,260,925
Transfers In			
Other Funds	849,732	557,677	414,013
All Funds Available for Exp	17,851,681	19,949,213	22,102,315
All Expenditures			
General Fund	10,382,331	12,667,032	15,066,943
Other Funds	874,713	960,315	484,999
Federal Funds	5,617,444	6,014,070	6,260,925
Total Expenditures	16,874,488	19,641,417	21,812,867
Reversions	(749,894)	-	-
Ending Balance			
Other Funds	175,531	307,796	289,448
Federal Funds	51,768	-	-
Land Use Board of Appeals			
Beginning Balance			
Other Funds	34,064	6,830	4,537
Beginning Balance Adjustment			
Other Funds	-	9,080	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: NATURAL RESOURCES

Land Use Board of Appeals

General Fund Appropriation	1,331,909	1,573,758	1,784,624
Other Funds Revenues			
General Fund Revenues	65,328	80,150	103,100
Charges for Services	7	-	-
Sales Income	34,843	76,028	35,000
Other Revenues	482	-	-
Transfers In			
Other Funds	16,795	-	-
Transfers Out			
Other Funds	(82,123)	(80,150)	(103,100)
All Funds Available for Exp	<u>1,401,305</u>	<u>1,665,696</u>	<u>1,824,161</u>
All Expenditures			
General Fund	1,319,536	1,573,758	1,784,624
Other Funds	61,346	87,401	28,641
Total Expenditures	<u><u>1,380,882</u></u>	<u><u>1,661,159</u></u>	<u><u>1,813,265</u></u>

Reversions	(12,373)	-	-
Ending Balance			
Other Funds	8,050	4,537	10,896

Lands, Dept of State

Beginning Balance			
Other Funds	1,024,523,722	1,149,393,841	1,362,190,000
Federal Funds	270,748	2,319,509	1,404,281
Beginning Balance Adjustment			
Other Funds	-	(10)	-
Federal Funds	-	(24)	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Lands, Dept of State			
General Fund Appropriation	681,266	-	-
Other Funds Revenues			
Business Lic and Fees	4,750	-	-
Non-business Lic. and Fees	1,453,837	3,162,273	800,000
Federal Revenues	146,976	-	-
Charges for Services	131,567	849,754	273,750
Admin and Service Charges	129,651	450,000	130,000
Fines and Forfeitures	188,141	180,000	190,000
Rents and Royalties	8,408,365	5,470,000	9,500,000
Interest Income	44,537,398	140,458,855	150,171,000
Sales Income	225,056	103,750	120,000
Common School Lands Sales	59,752	-	-
Donations	56,849	12,000	12,000
Grants (Non-Fed)	-	142,027	142,027
Loan Repayments	19,000,000	240,000	-
Other Revenues	63,224,723	1,938,937	71,237,937
Federal Funds	4,882,207	2,545,122	2,595,006
Transfers In			
Other Funds	19,072,673	175,527,504	150,744,348
Federal Funds	8,190	-	-
Transfers Out			
Other Funds	(116,446,950)	(238,172,381)	(256,866,523)
Federal Funds	(453,856)	-	-
All Funds Available for Exp	1,070,105,065	1,244,621,157	1,492,643,826
All Expenditures			
General Fund	681,266	-	-
Other Funds	52,021,439	40,797,388	42,909,018
Federal Funds	4,417,118	2,881,911	1,634,429

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Lands, Dept of State			
Total Expenditures	57,119,823	43,679,299	44,543,447
Ending Balance			
Other Funds	1,012,695,071	1,198,959,162	1,445,735,521
Federal Funds	290,171	1,982,696	2,364,858
Marine Board, Oregon State			
Beginning Balance			
Other Funds	3,545,216	3,241,226	5,326,967
Beginning Balance Adjustment			
Other Funds	5,798,619	5,308,029	-
Other Funds Revenues			
Non-business Lic. and Fees	12,108,132	12,539,191	18,389,135
Fines and Forfeitures	102,106	99,000	99,336
Interest Income	86,516	112,800	40,931
Sales Income	19,896	36,200	5,800
Donations	236	200	363
Other Revenues	436,845	147,400	185,601
Federal Funds	5,351,936	7,450,387	7,464,524
Transfers In			
Other Funds	26,072,641	27,839,164	25,847,710
Transfers Out			
Other Funds	(16,184,734)	(17,796,714)	(17,815,791)
All Funds Available for Exp	37,337,409	38,976,883	39,544,576
All Expenditures			
Other Funds	22,664,349	26,214,465	26,211,590
Federal Funds	5,351,936	7,450,387	7,464,524
Total Expenditures	28,016,285	33,664,852	33,676,114

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Marine Board, Oregon State			
Ending Balance			
Other Funds	9,321,124	5,312,031	5,868,462
Parks & Recreation Dept			
Beginning Balance			
Lottery Funds	15,414,454	14,033,542	11,260,699
Other Funds	25,155,680	30,923,493	27,985,110
Beginning Balance Adjustment			
Lottery Funds	585,519	2,580,867	-
Other Funds	-	(311,407)	-
General Fund Appropriation	-	980,000	-
Lottery Funds			
Interest Income	361,338	142,622	163,176
Other Funds Revenues			
Non-business Lic. and Fees	2,056,576	2,301,178	2,086,327
Park User Fees	43,046,392	42,026,683	43,985,678
Charges for Services	9,447,777	9,580,659	-
Rents and Royalties	1,550,101	1,431,498	-
Lottery Bonds	-	5,069,882	-
Refunding Bonds	4,414,185	-	-
Interest Income	360,429	339,313	377,402
Sales Income	1,985,473	2,233,670	2,350,575
Other Revenues	5,013,194	8,167,952	7,629,058
Federal Funds	8,007,034	11,858,367	11,077,385
Transfers In			
Lottery Funds	81,147,628	79,733,388	82,119,606
Other Funds	51,861,861	50,524,216	46,972,776
Federal Funds	438,666	-	-
Transfers Out			
Lottery Funds	(2,141,843)	(1,169,494)	(89,201)

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Parks & Recreation Dept			
Transfers Out			
Other Funds	(13,984,984)	(13,727,548)	(17,208,967)
All Funds Available for Exp	234,719,480	246,718,881	218,709,624
All Expenditures			
General Fund	-	980,000	-
Lottery Funds	75,351,082	86,964,694	79,518,186
Other Funds	97,659,973	112,681,149	95,313,562
Federal Funds	8,445,700	11,858,367	11,077,385
Total Expenditures	181,456,755	212,484,210	185,909,133
Ending Balance			
Lottery Funds	20,016,014	8,356,231	13,936,094
Other Funds	33,246,711	25,878,440	18,864,397
Water Resources Dept			
Beginning Balance			
Lottery Funds	1,479	-	-
Other Funds	3,877,725	1,599,792	12,610,866
Federal Funds	-	22	-
Beginning Balance Adjustment			
Lottery Funds	-	853	735
Other Funds	-	341,572	-
Federal Funds	-	(22)	-
General Fund Appropriation	20,359,297	27,284,614	30,908,571
Lottery Funds			
Interest Income	3,050	-	-
Other Funds Revenues			
Non-business Lic. and Fees	450	-	-
Power and Water Fees	6,986,003	9,202,303	8,085,138

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Water Resources Dept			
Other Funds Revenues			
Charges for Services	1,543,526	2,117,080	2,438,180
Admin and Service Charges	-	100,000	-
Dedicated Fund Oblig Bonds	-	10,235,000	30,520,000
Lottery Bonds	1,229,052	10,242,513	20,456,978
Cert of Participation	265,410	-	-
Interest Income	50,683	1,921,036	200
Sales Income	568	-	-
Loan Repayments	17,995	1,364,872	1,201,865
Other Revenues	878	1,550,000	2,635,000
Federal Funds	780,727	1,277,040	1,302,519
Transfers In			
Lottery Funds	583,833	573,172	4,440,425
Other Funds	2,119,912	1,469,031	1,616,451
Transfers Out			
Other Funds	(4,213,157)	(3,778,568)	(4,024,252)
All Funds Available for Exp	33,607,431	65,500,310	112,192,676
All Expenditures			
General Fund	20,359,290	27,284,614	30,908,571
Lottery Funds	587,540	574,025	4,441,160
Other Funds	8,654,128	34,736,737	72,863,335
Federal Funds	780,727	1,275,264	1,302,403
Total Expenditures	30,381,685	63,870,640	109,515,469
Reversions	(7)	-	-
Ending Balance			
Lottery Funds	822	-	-
Other Funds	3,224,917	1,627,894	2,677,091

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: NATURAL RESOURCES			
Water Resources Dept			
Ending Balance			
Federal Funds	-	1,776	116
Watershed Enhancement Board, Oregon			
Beginning Balance			
Lottery Funds	3,642,603	3,836,020	244,601
Other Funds	228,360	410	600,000
Beginning Balance Adjustment			
Lottery Funds	155,780	(3,836,020)	-
Lottery Funds			
Interest Income	547,261	540,000	561,044
Other Funds Revenues			
Non-business Lic. and Fees	-	-	123,636
Lottery Bonds	-	-	13,251,463
Donations	610,149	1,316,089	1,152,609
Other Revenues	-	30,603	64,511
Federal Funds	30,224,432	32,817,029	37,339,800
Transfers In			
Lottery Funds	168,890,025	84,624,365	87,447,495
Other Funds	769,286	911,627	3,159,396
Transfers Out			
Lottery Funds	(110,543,031)	(27,297,977)	(27,710,525)
Other Funds	(254,691)	(404,389)	(365,548)
All Funds Available for Exp	94,270,174	92,537,757	115,868,482
All Expenditures			
Lottery Funds	62,582,581	58,227,336	59,963,820
Other Funds	899,683	1,852,224	17,921,067
Federal Funds	30,224,432	32,817,029	37,339,587
Total Expenditures	93,706,696	92,896,589	115,224,474

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: NATURAL RESOURCES			
Watershed Enhancement Board, Oregon			
Ending Balance			
Lottery Funds	110,057	(360,948)	578,795
Other Funds	453,421	2,116	65,000
Federal Funds	-	-	213
PROGRAM AREA: TRANSPORTATION			
Aviation, Dept of			
Beginning Balance			
Other Funds	3,042,814	1,932,131	1,595,855
Federal Funds	-	31,160	-
Beginning Balance Adjustment			
Other Funds	(491,578)	452,335	-
Federal Funds	-	(31,160)	-
Other Funds Revenues			
Motor Fuels Taxes	635	766	1,118
Non-business Lic. and Fees	1,074,179	903,969	1,384,520
Fines and Forfeitures	858	-	-
Rents and Royalties	485,067	480,481	477,671
Donations	11,312	-	15
Other Revenues	555,080	578,041	435,260
Federal Funds	1,849,401	4,778,379	7,334,014
Transfers In			
Other Funds	4,430,538	5,090,065	5,157,384
Transfers Out			
Other Funds	(624,879)	(719,776)	(905,662)
All Funds Available for Exp	10,333,427	13,496,391	15,480,175
All Expenditures			
Other Funds	5,461,765	6,297,654	6,602,953
Federal Funds	1,849,401	4,778,379	7,334,014

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Aviation, Dept of			
Total Expenditures	7,311,166	11,076,033	13,936,967
Ending Balance			
Other Funds	3,022,261	2,420,358	1,543,208
Transportation, Oregon Dept of			
Beginning Balance			
Other Funds	556,395,682	258,136,983	503,926,946
Federal Funds	591,919	-	-
Beginning Balance Adjustment			
Lottery Funds	406,367	111,978	140,042
Other Funds	(426,246)	23,011,146	-
Federal Funds	-	1,389,888	-
General Fund Appropriation	2,000,010	11,060,000	37,697,995
Lottery Funds			
Interest Income	386,277	-	-
Other Funds Revenues			
Gross Receipts Business Taxes/Fees	3,660,542	3,500,000	4,000,000
Motor Fuels Taxes	978,646,997	1,066,192,460	1,087,114,501
Weight-Mile Taxes	506,868,237	593,105,782	608,108,654
Other Taxes	66,784	-	-
Business Lic and Fees	9,137,381	4,994,288	5,384,568
Non-business Lic. and Fees	-	395,505	591,523
Vehicle Licenses	562,728,351	577,929,662	604,511,664
Drivers Licenses	71,197,039	83,048,729	72,402,951
Transportation Lic and Fees	86,396,158	97,369,257	95,063,943
Federal Revenues	957,614,944	670,770,244	725,226,410
Charges for Services	59,167,464	7,685,099	5,833,287
Admin and Service Charges	1,388,438	1,857,842	2,084,035
Fines and Forfeitures	9,134,041	2,211,053	2,321,541

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: TRANSPORTATION			
Transportation, Oregon Dept of			
Other Funds Revenues			
Rents and Royalties	6,898,707	1,161,958	1,193,985
Lottery Bonds	35,389,260	56,493,917	59,418,800
Revenue Bonds	105,670,251	1,296,690,000	390,000,000
Refunding Bonds	206,791,791	265,642,112	-
Interest Income	18,189,902	20,249,536	10,099,740
Interest Income - COP	1,019,275	-	-
Sales Income	19,462,977	10,708,503	22,518,704
Donations	18,010	-	-
Loan Repayments	10,160,484	6,429,176	6,097,504
Other Revenues	77,014,496	9,383,508	14,691,182
Federal Funds	134,754,826	140,796,554	132,457,661
Transfers In			
Lottery Funds	71,927,819	93,754,992	113,702,171
Other Funds	3,371,066,705	3,285,969,546	2,865,208,719
Federal Funds	135,528	-	-
Transfers Out			
Other Funds	(4,190,886,344)	(3,910,328,769)	(3,671,986,526)
Federal Funds	(2,548,885)	(654,298)	-
All Funds Available for Exp	3,670,425,187	4,679,066,651	3,697,810,000
All Expenditures			
General Fund	1,970,000	11,060,000	37,697,995
Lottery Funds	72,614,922	93,953,970	113,842,213
Other Funds	3,036,351,179	4,121,655,887	3,222,050,100
Federal Funds	132,933,388	141,411,637	131,782,380
Total Expenditures	3,243,869,489	4,368,081,494	3,505,372,688

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: TRANSPORTATION

Transportation, Oregon Dept of

Reversions	(30,010)	-	-
Ending Balance			
Lottery Funds	105,541	(87,000)	-
Other Funds	426,420,147	310,951,650	191,762,031
Federal Funds	-	120,507	675,281

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Beginning Balance			
Other Funds	1,545,980	1,022,446	1,152,265
Beginning Balance Adjustment			
Other Funds	-	460,833	-
Other Funds Revenues			
Business Lic and Fees	1,629,990	1,931,679	1,689,565
Fines and Forfeitures	98,953	129,113	110,237
Interest Income	1,501	2,246	1,530
Sales Income	1,805	2,003	1,805
Other Revenues	4,051	4,268	4,051
All Funds Available for Exp	<u>3,282,280</u>	<u>3,552,588</u>	<u>2,959,453</u>
All Expenditures			
Other Funds	1,833,249	2,104,122	2,469,720
Total Expenditures	<u><u>1,833,249</u></u>	<u><u>2,104,122</u></u>	<u><u>2,469,720</u></u>
Ending Balance			
Other Funds	1,449,031	1,448,466	489,733

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Construction Contractors Board			
Beginning Balance			
Other Funds	3,503,176	1,909,951	3,080,877
Beginning Balance Adjustment			
Other Funds	-	1,126,653	-
Other Funds Revenues			
General Fund Revenues	817,974	1,080,000	1,080,000
Business Lic and Fees	13,693,846	12,069,100	11,610,408
Charges for Services	-	195,960	105,420
Fines and Forfeitures	257,875	338,640	338,640
Interest Income	429	240	1,000
Sales Income	50	10,500	8,700
Other Revenues	69,579	1,852,788	1,726,315
Transfers Out			
Other Funds	(817,974)	(1,080,000)	(1,080,000)
All Funds Available for Exp	17,524,955	17,503,832	16,871,360
All Expenditures			
Other Funds	12,623,574	16,287,732	14,540,074
Total Expenditures	12,623,574	16,287,732	14,540,074
Ending Balance			
Other Funds	4,901,381	1,216,100	2,331,286
Consumer and Business Svcs, Dept of			
Beginning Balance			
Other Funds	182,718,230	138,615,617	180,985,562
Federal Funds	-	2,438	-
Beginning Balance Adjustment			
Other Funds	-	2,949,793	-
Federal Funds	-	(2,438)	-
Other Funds Revenues			
General Fund Revenues	119,841,151	128,290,781	144,323,249

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Consumer and Business Svcs, Dept of			
Other Funds Revenues			
Workers Comp Insurance Taxes	99,930,338	112,638,013	130,777,928
Other Employer -Employee Taxes	143,287,181	149,133,351	185,853,056
Insurance Taxes	111,588,498	27,696,980	-
Business Lic and Fees	70,414,338	71,893,845	81,934,285
Fire Marshal Fees	17,737,438	19,689,606	24,351,707
Federal Revenues	2,251,629	14,047,311	13,139,304
Charges for Services	1,695,160	2,093,030	1,948,738
Admin and Service Charges	3,686,378	3,314,246	3,728,954
Fines and Forfeitures	8,133,420	7,699,370	7,978,030
Interest Income	13,979,338	9,416,994	11,813,518
Sales Income	280	-	-
Donations	5,000	-	-
Other Revenues	12,863,297	1,865,685	2,517,424
Federal Funds	2,940,286	6,231,828	3,929,401
Transfers In			
Other Funds	100,361,622	44,677,844	41,978,728
Transfers Out			
Other Funds	(362,340,798)	(223,267,149)	(212,369,005)
Federal Funds	(139,816)	-	-
All Funds Available for Exp	528,952,970	516,987,145	622,890,879
All Expenditures			
Other Funds	374,105,283	415,251,329	422,765,449
Federal Funds	2,800,470	5,636,901	3,292,312
Total Expenditures	376,905,753	420,888,230	426,057,761
Ending Balance			
Other Funds	152,047,217	95,503,988	196,196,029
Federal Funds	-	594,927	637,089

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Health Related Licensing Boards

Beginning Balance			
Other Funds	2,047,858	1,259,161	2,334,290
Beginning Balance Adjustment			
Other Funds	-	826,263	170,845
Other Funds Revenues			
Business Lic and Fees	3,117,573	3,415,656	3,706,219
Non-business Lic. and Fees	897,265	3,000	67,774
Charges for Services	1,708	1,542	730
Fines and Forfeitures	131,530	65,364	86,892
Interest Income	27,071	56,800	36,271
Other Revenues	15,745	20,156	25,625
Transfers In			
Other Funds	-	987,107	987,107
Transfers Out			
Other Funds	(45,928)	(44,450)	(45,400)
All Funds Available for Exp	<u>6,192,822</u>	<u>6,590,599</u>	<u>7,370,353</u>
All Expenditures			
Other Funds	3,616,398	4,636,625	5,252,104
Total Expenditures	<u><u>3,616,398</u></u>	<u><u>4,636,625</u></u>	<u><u>5,252,104</u></u>
Ending Balance			
Other Funds	2,576,424	1,953,974	2,118,249

Labor & Industries, Bureau of

Beginning Balance			
Other Funds	7,065,513	6,141,192	10,122,587
Federal Funds	173,940	162,916	229,028
Beginning Balance Adjustment			
Other Funds	-	1,868,122	-
Federal Funds	-	6,180	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Labor & Industries, Bureau of

General Fund Appropriation	11,145,065	11,846,552	12,309,578
Other Funds Revenues			
General Fund Revenues	135,666	-	-
Business Lic and Fees	3,509,825	3,457,700	3,299,600
Charges for Services	846,354	850,000	860,000
Fines and Forfeitures	42,483	46,000	56,000
Interest Income	37,873	65,000	75,000
Sales Income	543,157	530,000	525,000
Other Revenues	2,562,820	2,199,992	2,340,000
Federal Funds	1,684,190	1,711,584	1,562,664
Transfers In			
Other Funds	7,655,030	8,463,453	8,732,736
Federal Funds	227,014	230,301	233,355
Transfers Out			
Other Funds	(3,031,081)	(3,318,396)	(3,137,795)
Federal Funds	(227,014)	(230,301)	(233,355)
All Funds Available for Exp	<u>32,370,835</u>	<u>34,030,295</u>	<u>36,974,398</u>
All Expenditures			
General Fund	11,007,503	11,846,552	12,309,578
Other Funds	9,343,555	11,750,519	12,141,889
Federal Funds	1,253,026	1,683,613	1,481,005
Total Expenditures	<u><u>21,604,084</u></u>	<u><u>25,280,684</u></u>	<u><u>25,932,472</u></u>
Reversions	(137,562)	-	-
Ending Balance			
Other Funds	10,024,085	8,552,544	10,731,239

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Labor & Industries, Bureau of			
Ending Balance			
Federal Funds	605,104	197,067	310,687
Licensed Prof Counselors and Therapists, Board of			
Beginning Balance			
Other Funds	224,254	226,998	283,313
Beginning Balance Adjustment			
Other Funds	-	15,895	-
Other Funds Revenues			
Business Lic and Fees	785,520	749,424	1,156,117
Non-business Lic. and Fees	171,172	300,922	334,995
Charges for Services	3,685	5,800	4,613
Fines and Forfeitures	14,197	18,254	12,788
Other Revenues	273	-	-
All Funds Available for Exp	1,199,101	1,317,293	1,791,826
All Expenditures			
Other Funds	877,340	1,128,319	1,517,167
Total Expenditures	877,340	1,128,319	1,517,167
Ending Balance			
Other Funds	321,761	188,974	274,659
Licensed Social Workers, Board of			
Beginning Balance			
Other Funds	165,094	193,495	181,458
Beginning Balance Adjustment			
Other Funds	-	-	65,900
Other Funds Revenues			
Business Lic and Fees	1,207,546	1,284,950	1,433,122
Non-business Lic. and Fees	58,533	25,000	24,800
Fines and Forfeitures	5,204	25,000	25,000

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Licensed Social Workers, Board of			
Other Funds Revenues			
Interest Income	1,805	-	3,000
Sales Income	1,375	2,000	2,000
Other Revenues	469	3,000	-
All Funds Available for Exp	1,440,026	1,533,445	1,735,280
All Expenditures			
Other Funds	1,244,783	1,395,325	1,411,153
Total Expenditures	1,244,783	1,395,325	1,411,153
Ending Balance			
Other Funds	195,243	138,120	324,127
Nursing, Board of			
Beginning Balance			
Other Funds	2,024,520	3,052,619	3,052,619
Beginning Balance Adjustment			
Other Funds	-	(495,912)	-
Other Funds Revenues			
Business Lic and Fees	12,065,646	12,396,865	13,257,843
Non-business Lic. and Fees	33,615	43,000	26,000
Charges for Services	1,005,973	1,593,108	1,487,406
Fines and Forfeitures	215,198	160,000	220,000
Transfers In			
Other Funds	2,485,641	2,924,034	2,924,034
Transfers Out			
Other Funds	(1,599,153)	(1,907,269)	(1,958,072)
All Funds Available for Exp	16,231,440	17,766,445	19,009,830
All Expenditures			
Other Funds	12,452,336	14,493,701	14,810,185

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Nursing, Board of			
Total Expenditures	12,452,336	14,493,701	14,810,185
Ending Balance			
Other Funds	3,779,104	3,272,744	4,199,645
Oregon Board of Chiropractic Examiners			
Beginning Balance			
Other Funds	360,262	248,990	330,472
Beginning Balance Adjustment			
Other Funds	-	74,271	(72,628)
Other Funds Revenues			
Business Lic and Fees	18,900	18,110	29,700
Non-business Lic. and Fees	1,198,656	1,394,925	1,839,098
Charges for Services	1,093	475	1,093
Fines and Forfeitures	56,900	80,533	57,500
Sales Income	4,583	4,525	5,391
Other Revenues	4,555	12,491	4,356
All Funds Available for Exp	1,644,949	1,834,320	2,194,982
All Expenditures			
Other Funds	1,345,507	1,480,033	1,905,258
Total Expenditures	1,345,507	1,480,033	1,905,258
Ending Balance			
Other Funds	299,442	354,287	289,724
Oregon Board of Dentistry			
Beginning Balance			
Other Funds	589,074	324,618	625,000
Beginning Balance Adjustment			
Other Funds	-	398,438	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Oregon Board of Dentistry

Other Funds Revenues			
Business Lic and Fees	2,388,364	2,405,500	3,141,260
Non-business Lic. and Fees	15,850	40,000	16,000
Charges for Services	-	5,000	-
Fines and Forfeitures	136,758	75,000	75,000
Interest Income	7,930	10,000	8,000
Other Revenues	24,568	25,305	55,000
Transfers Out			
Other Funds	(202,570)	(215,500)	(216,000)
All Funds Available for Exp	<u>2,959,974</u>	<u>3,068,361</u>	<u>3,704,260</u>
All Expenditures			
Other Funds	2,314,426	2,606,916	3,052,614
Total Expenditures	<u><u>2,314,426</u></u>	<u><u>2,606,916</u></u>	<u><u>3,052,614</u></u>
Ending Balance			
Other Funds	645,548	461,445	651,646

Oregon Board of Psychologist Examiners

Beginning Balance			
Other Funds	455,582	340,831	786,445
Beginning Balance Adjustment			
Other Funds	-	222,214	-
Other Funds Revenues			
Business Lic and Fees	1,129,130	1,148,241	626,438
Non-business Lic. and Fees	61	-	-
Charges for Services	13,871	13,595	9,511
Fines and Forfeitures	19,500	20,920	8,125
Sales Income	131	150	31
All Funds Available for Exp	<u>1,618,275</u>	<u>1,745,951</u>	<u>1,430,550</u>

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Oregon Board of Psychologist Examiners			
All Expenditures			
Other Funds	939,957	1,038,215	1,198,540
Total Expenditures	939,957	1,038,215	1,198,540
Ending Balance			
Other Funds	678,318	707,736	232,010
Oregon Health Licensing Agency			
Beginning Balance			
Other Funds	1,552,282	1,674,432	-
Beginning Balance Adjustment			
Other Funds	-	77,768	-
Other Funds Revenues			
Business Lic and Fees	5,624,442	2,688,914	-
Non-business Lic. and Fees	1,613,064	689,877	-
Charges for Services	2,433	909	-
Fines and Forfeitures	207,602	105,105	-
Sales Income	1,141	401	-
Other Revenues	36,792	352	-
Transfers In			
Other Funds	700,238	4,200	-
Transfers Out			
Other Funds	(565,937)	-	-
All Funds Available for Exp	9,172,057	5,241,958	-
All Expenditures			
Other Funds	6,948,084	3,882,241	-
Total Expenditures	6,948,084	3,882,241	-
Ending Balance			
Other Funds	2,223,973	1,359,717	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Oregon Medical Board			
Beginning Balance			
Other Funds	3,773,106	3,353,562	4,357,323
Other Funds Revenues			
Business Lic and Fees	10,218,117	11,288,573	12,090,130
Charges for Services	71,386	73,053	72,070
Fines and Forfeitures	146,930	72,351	120,359
Sales Income	47,100	47,435	46,950
Transfers Out			
Other Funds	(1,026,870)	(1,033,103)	(1,118,106)
All Funds Available for Exp	13,229,769	13,801,871	15,568,726
All Expenditures			
Other Funds	8,989,112	10,729,843	11,548,994
Total Expenditures	8,989,112	10,729,843	11,548,994
Ending Balance			
Other Funds	4,240,657	3,072,028	4,019,732
Pharmacy, Board of			
Beginning Balance			
Other Funds	1,791,291	921,868	4,622,723
Beginning Balance Adjustment			
Other Funds	-	1,268,830	-
Other Funds Revenues			
Business Lic and Fees	6,254,937	6,149,590	4,924,832
Non-business Lic. and Fees	296,915	377,630	65,855
Fines and Forfeitures	434,711	260,000	270,000
Interest Income	32,875	20,000	35,000
Other Revenues	42,657	22,400	29,700
Transfers Out			
Other Funds	(310,053)	(319,775)	(349,445)

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Pharmacy, Board of			
All Funds Available for Exp	8,543,333	8,700,543	9,598,665
All Expenditures			
Other Funds	4,684,935	5,957,609	6,872,049
Total Expenditures	<u>4,684,935</u>	<u>5,957,609</u>	<u>6,872,049</u>
Ending Balance			
Other Funds	3,858,398	2,742,934	2,726,616
Public Utility Commission			
Beginning Balance			
Other Funds	35,361,511	31,187,251	25,931,272
Federal Funds	-	37,937	20,096
Beginning Balance Adjustment			
Other Funds	142,610	-	-
Other Funds Revenues			
Other Selective Taxes	12,852,211	11,968,139	10,376,214
Business Lic and Fees	319,860	615,112	712,902
Public Utilities Fees	92,829,611	105,852,751	92,149,460
Federal Revenues	-	-	85,000
Charges for Services	100,202	251,678	91,700
Fines and Forfeitures	114,105	86,301	84,815
Interest Income	188,644	353,197	180,200
Other Revenues	81,551	5,000	41,000
Federal Funds	3,548,682	2,492,708	819,120
Transfers In			
Other Funds	10,636,459	12,976,084	13,932,298
Transfers Out			
Other Funds	(10,416,782)	(12,914,033)	(13,877,689)
Federal Funds	(265,340)	(36,549)	(139,609)

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Public Utility Commission			
All Funds Available for Exp	145,493,324	152,875,576	130,406,779
All Expenditures			
Other Funds	110,279,396	120,172,943	110,679,634
Federal Funds	3,118,132	2,474,000	699,607
Total Expenditures	<u>113,397,528</u>	<u>122,646,943</u>	<u>111,379,241</u>
Ending Balance			
Other Funds	31,930,586	30,208,537	19,027,538
Federal Funds	165,210	20,096	-
Real Estate Agency			
Beginning Balance			
Other Funds	3,068,528	1,872,473	1,461,966
Beginning Balance Adjustment			
Other Funds	-	612,164	-
Other Funds Revenues			
General Fund Revenues	65,151	66,381	50,262
Business Lic and Fees	4,956,297	5,466,968	6,065,545
Charges for Services	93,876	24,933	43,333
Fines and Forfeitures	58,048	65,413	67,169
Sales Income	14	-	-
Transfers Out			
Other Funds	(65,151)	(66,381)	(50,262)
All Funds Available for Exp	<u>8,176,763</u>	<u>8,041,951</u>	<u>7,638,013</u>
All Expenditures			
Other Funds	6,198,690	7,277,657	7,123,799
Total Expenditures	<u>6,198,690</u>	<u>7,277,657</u>	<u>7,123,799</u>

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Real Estate Agency			
Ending Balance			
Other Funds	1,978,073	764,294	514,214
Tax Practitioners, State Board of			
Beginning Balance			
Other Funds	475,626	482,877	404,960
Other Funds Revenues			
Business Lic and Fees	981,710	1,010,592	1,139,850
Fines and Forfeitures	53,302	60,000	58,000
Interest Income	2,816	-	3,500
Other Revenues	82,766	79,408	-
All Funds Available for Exp	1,596,220	1,632,877	1,606,310
All Expenditures			
Other Funds	1,045,923	1,183,845	1,243,084
Total Expenditures	1,045,923	1,183,845	1,243,084
Ending Balance			
Other Funds	550,297	449,032	363,226
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
Beginning Balance			
Lottery Funds	84,870,662	231,360,997	251,488,195
Other Funds	384,978,491	249,396,443	151,224,879
Beginning Balance Adjustment			
Lottery Funds	(36,157,709)	(165,441,301)	(4,466,776)
Other Funds	165,913,902	24,112,594	10,425,111
General Fund Appropriation	9,211,014	11,714,443	26,887,625

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
Lottery Funds			
Interest Income	1,367,926	2,433,964	14,243,485
Other Funds Revenues			
General Fund Revenues	11,595,624	8,151,514	10,673,682
Non-business Lic. and Fees	5,936,454	-	-
Central Service Charges	-	3,000,000	-
Charges for Services	358,469,844	436,561,975	405,606,099
Admin and Service Charges	85,767,699	379,064,783	175,414,386
Fines and Forfeitures	35,579	18,400	18,400
Rents and Royalties	77,643,289	93,151,920	77,059,867
General Fund Obligation Bonds	-	-	87,790,000
Dedicated Fund Oblig Bonds	-	9,033,609	-
Revenue Bonds	18,195,855	-	-
Refunding Bonds	621,434,989	-	-
Cert of Participation	-	27,100,007	-
Interest Income	12,967,936	5,984,494	5,094,319
Sales Income	9,224,969	6,511,597	6,500,000
Cost of Goods Sold	1,479,870	-	-
Loan Repayments	69,620	-	-
Other Revenues	476,381,885	179,900,590	561,052,370
Federal Funds	33,576,913	331,535,719	333,478,311
Transfers In			
Lottery Funds	1,448,165,799	1,409,131,195	1,469,963,507
Other Funds	549,164,951	237,285,847	270,805,431
Federal Funds	941,357	-	-
Transfers Out			
Lottery Funds	(1,429,152,649)	(1,201,109,180)	(1,250,221,126)
Other Funds	(814,236,596)	(299,172,658)	(466,623,252)
Federal Funds	(33,576,913)	(331,535,719)	(333,478,311)
All Funds Available for Exp	2,044,270,761	1,648,191,233	1,802,936,202

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Administrative Svcs, Dept of			
All Expenditures			
General Fund	9,008,749	11,714,443	26,887,625
Lottery Funds	11,852,384	12,561,770	20,330,821
Other Funds	1,055,383,567	1,031,219,159	1,145,824,490
Total Expenditures	<u>1,076,244,700</u>	<u>1,055,495,372</u>	<u>1,193,042,936</u>
Reversions	(202,265)	-	-
Ending Balance			
Lottery Funds	57,241,645	263,813,905	460,676,464
Other Funds	909,640,794	328,881,956	149,216,802
Federal Funds	941,357	-	-
Employment Relations Board			
Beginning Balance			
Other Funds	715,303	604,419	390,000
Beginning Balance Adjustment			
Other Funds	-	236,274	163,368
General Fund Appropriation	1,932,803	2,061,040	2,407,843
Other Funds Revenues			
Business Lic and Fees	94,050	90,100	90,100
Charges for Services	151,575	156,000	142,404
Admin and Service Charges	1,596,419	1,504,800	1,501,440
Sales Income	8,172	4,905	4,905
All Funds Available for Exp	<u>4,498,322</u>	<u>4,657,538</u>	<u>4,700,060</u>
All Expenditures			
General Fund	1,903,465	2,061,040	2,407,843
Other Funds	1,723,240	2,140,264	2,043,485

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
Employment Relations Board			
Total Expenditures	3,626,705	4,201,304	4,451,328
Reversions	(29,338)	-	-
Ending Balance			
Other Funds	842,279	456,234	248,732
Governor, Office of the			
Beginning Balance			
Lottery Funds	84,902	84,902	-
Other Funds	2,124,666	1,065,938	865,998
Federal Funds	500,336	-	-
Beginning Balance Adjustment			
Lottery Funds	-	-	84,902
Other Funds	-	(67,991)	-
General Fund Appropriation	51,735,581	11,401,846	11,627,183
Other Funds Revenues			
Non-business Lic. and Fees	84,402	75,000	75,000
Interest Income	4,328	-	-
Sales Income	714	-	-
Donations	209,933	40,001	40,001
Grants (Non-Fed)	269,384	-	-
Other Revenues	374,373	-	-
Federal Funds	2,961,369	-	-
Transfers In			
Lottery Funds	1,815,295	3,261,204	3,665,969
Other Funds	19,955,167	2,664,672	2,683,537
Federal Funds	2,078,243	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Governor, Office of the			
Transfers Out			
Other Funds	(5,449,995)	-	-
Federal Funds	(2,078,243)	-	-
All Funds Available for Exp	74,670,455	18,525,572	19,042,590
All Expenditures			
General Fund	50,737,961	11,401,846	11,627,183
Lottery Funds	1,758,023	3,376,215	3,750,871
Other Funds	15,557,628	2,910,655	3,153,939
Federal Funds	2,744,411	-	-
Total Expenditures	70,798,023	17,688,716	18,531,993
Reversions	(997,620)	-	-
Ending Balance			
Lottery Funds	142,174	(30,109)	-
Other Funds	2,015,344	866,965	510,597
Federal Funds	717,294	-	-
Oregon Advocacy Commissions Office			
Beginning Balance			
Other Funds	10,210	15,262	8,738
Beginning Balance Adjustment			
Other Funds	-	(6,554)	-
General Fund Appropriation	368,932	425,525	1,044,049
Other Funds Revenues			
Donations	5,820	40,960	40,960
All Funds Available for Exp	384,962	475,193	1,093,747

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
Oregon Advocacy Commissions Office			
All Expenditures			
General Fund	365,513	425,525	1,044,049
Other Funds	7,884	40,960	42,189
Total Expenditures	373,397	466,485	1,086,238
Reversions	(3,419)	-	-
Ending Balance			
Other Funds	8,146	8,708	7,509
Oregon Government Ethics Commission			
Beginning Balance			
Other Funds	546,910	202,481	1,086,882
Beginning Balance Adjustment			
Other Funds	-	328,573	-
Other Funds Revenues			
General Fund Revenues	25,988	30,000	30,000
Admin and Service Charges	794,529	1,300,000	1,692,000
Other Revenues	1,105	-	-
Transfers In			
Other Funds	770,199	1,300,000	-
Transfers Out			
Other Funds	(25,988)	(30,000)	(30,000)
All Funds Available for Exp	2,112,743	3,131,054	2,778,882
All Expenditures			
Other Funds	1,518,135	1,976,802	2,277,208
Total Expenditures	1,518,135	1,976,802	2,277,208
Ending Balance			
Other Funds	594,608	1,154,252	501,674

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Oregon Liquor Control Comm			
Beginning Balance			
Other Funds	1,500,000	1,500,000	1,499,999
Other Funds Revenues			
General Fund Revenues	225,564,157	251,618,574	267,605,646
Privilege Taxes	25,579,680	26,303,120	42,579,790
Business Lic and Fees	7,474,197	3,183,880	4,072,170
Charges for Services	182	6,000	6,000
Fines and Forfeitures	643,493	1,042,000	1,107,000
Sales Income	1,061,553	650,000	700,000
Liquor Sales	759,216,794	837,452,875	897,628,554
Liquor Cost of Goods Sold	(474,005,720)	(511,678,841)	(545,214,268)
Cost of Goods Sold	(11,789,934)	(14,430,880)	(13,645,839)
Other Revenues	9,775	25,000	25,000
Transfers In			
Other Funds	137,037,933	147,653,700	168,449,219
Transfers Out			
Other Funds	(533,754,177)	(589,949,729)	(647,725,008)
All Funds Available for Exp	138,537,933	153,375,699	177,088,263
All Expenditures			
Other Funds	137,037,933	151,875,699	175,054,696
Total Expenditures	137,037,933	151,875,699	175,054,696
Ending Balance			
Other Funds	1,500,000	1,500,000	2,033,567
Public Employees Retirement System, Oregon			
Beginning Balance			
Other Funds	61,923,158,325	51,598,305,019	68,650,535,899
Beginning Balance Adjustment			
Other Funds	(495,308,705)	12,587,362,730	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Public Employees Retirement System, Oregon			
Other Funds Revenues			
Charges for Services	475,759,022	429,669,100	491,988,495
Refunding Bonds	2,845,000	-	-
Interest Income	7,841,148,584	13,132,948,250	14,298,953,101
Retirement System Contribution	2,885,006,153	2,410,280,000	3,532,290,963
Other Revenues	1,141,359	1,167,500	567,001
Transfers In			
Other Funds	82,969,540	88,099,687	96,089,088
Transfers Out			
Other Funds	(83,029,168)	(88,169,687)	(96,089,088)
All Funds Available for Exp	<u>72,633,690,110</u>	<u>80,159,662,599</u>	<u>86,974,335,459</u>
All Expenditures			
Other Funds	7,854,854,725	9,366,028,980	9,650,195,214
Total Expenditures	<u><u>7,854,854,725</u></u>	<u><u>9,366,028,980</u></u>	<u><u>9,650,195,214</u></u>
Ending Balance			
Other Funds	64,778,835,385	70,793,633,619	77,324,140,245
Racing Commission, Oregon			
Beginning Balance			
Other Funds	829,478	685,623	736,660
Beginning Balance Adjustment			
Other Funds	-	108,626	-
Other Funds Revenues			
General Fund Revenues	1,202,735	1,257,334	1,257,334
Business Lic and Fees	1,466,488	1,786,000	1,786,000
Charges for Services	321,365	350,000	350,000
Fines and Forfeitures	16,750	15,000	15,000
Pari-Mutuel Receipts	3,081,158	3,404,820	3,404,820
Other Revenues	4,242	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Racing Commission, Oregon			
Transfers Out			
Other Funds	(1,202,735)	(1,257,334)	(1,257,334)
All Funds Available for Exp	5,719,481	6,350,069	6,292,480
All Expenditures			
Other Funds	4,923,397	5,905,502	6,022,524
Total Expenditures	4,923,397	5,905,502	6,022,524
Ending Balance			
Other Funds	796,084	444,567	269,956
Revenue, Dept of			
Beginning Balance			
Other Funds	45,588,392	32,116,894	34,601,223
General Fund Appropriation	147,798,243	166,641,759	190,359,651
Other Funds Revenues			
General Fund Revenues	13,512,769,239	15,043,276,323	16,951,045,490
Personal Income Taxes	4,624,389	-	-
Corp Excise and Income Taxes	21,423,831	-	-
Other Employer -Employee Taxes	-	477,493,000	689,025,092
Cigarette Taxes	336,400,117	301,306,908	305,518,692
Other Tobacco Products Taxes	50,257,407	50,897,983	53,788,174
Amusement Taxes	-	3,280,000	3,280,000
Inheritance Taxes	1,568,579	-	-
Western Oregon Severance Taxes	-	562,400	1,018,000
Other Severance Taxes	-	237,000	237,000
Other Taxes	-	164,282,508	164,550,530
Business Lic and Fees	-	8,766,267	9,869,503
Admin and Service Charges	33,998,921	65,878,031	67,882,961
Fines and Forfeitures	35,919,952	12,685,549	16,978,187

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
Revenue, Dept of			
Other Funds Revenues			
Interest Income	118,776	-	-
Donations	-	1,292,000	1,334,000
Sr Citizen Prop Tax Repayments	-	38,497,653	38,497,653
Other Revenues	1,041,708	27,732,110	28,776,603
Transfers In			
Other Funds	134,323,929	60,183,407	57,850,305
Transfers Out			
Other Funds	(14,115,627,347)	(16,189,684,697)	(18,305,932,214)
All Funds Available for Exp	210,206,136	265,445,095	308,680,850
All Expenditures			
General Fund	146,312,349	166,641,759	190,359,651
Other Funds	29,032,621	64,202,113	66,308,855
Total Expenditures	175,344,970	230,843,872	256,668,506
Reversions	(1,485,894)	-	-
Ending Balance			
Other Funds	33,375,272	34,601,223	52,012,344
Secretary of State			
Beginning Balance			
Other Funds	10,827,551	8,215,412	11,272,633
Federal Funds	13,538,589	2,391,397	7,371,520
Beginning Balance Adjustment			
Other Funds	-	3,518,279	-
Federal Funds	-	7,361,291	-
General Fund Appropriation	12,500,468	8,663,845	8,894,589

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
Secretary of State			
Other Funds Revenues			
General Fund Revenues	53,310,160	57,892,262	52,122,115
Business Lic and Fees	17,550,682	9,247,050	17,924,491
Non-business Lic. and Fees	2,840,149	-	657,511
Corporation Fees	-	4,637,289	-
Charges for Services	22,037,120	31,076,196	34,032,393
Fines and Forfeitures	-	-	224,419
Sales Income	170,163	201,877	219,532
Other Revenues	363	1,370,745	-
Federal Funds	585,374	203,498	794,116
Transfers In			
Other Funds	12,612,074	13,968,395	15,595,678
Transfers Out			
Other Funds	(65,922,234)	(71,860,657)	(67,717,793)
All Funds Available for Exp	80,050,459	76,886,879	81,391,204
All Expenditures			
General Fund	12,500,138	8,663,845	8,894,589
Other Funds	36,900,243	50,265,885	54,190,915
Federal Funds	4,115,805	5,045,103	6,641,584
Total Expenditures	53,516,186	63,974,833	69,727,088
Reversions	(330)	-	-
Ending Balance			
Other Funds	16,525,785	8,000,963	10,140,064
Federal Funds	10,008,158	4,911,083	1,524,052

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: ADMINISTRATION			
State Library			
Beginning Balance			
Other Funds	2,295,389	1,937,052	3,372,596
Federal Funds	1,944,942	140,765	-
Beginning Balance Adjustment			
Federal Funds	2,478,157	-	-
General Fund Appropriation	2,868,303	1,629,976	3,720,335
Other Funds Revenues			
Charges for Services	36,095	161,500	160,000
Rents and Royalties	5,820	12,000	-
Interest Income	2,876	33,390	4,300
Sales Income	4,477	6,350	50
Donations	179,462	420,661	450,000
Other Revenues	22,246	18,200	12,000
Federal Funds	125,838	4,753,167	5,057,254
Transfers In			
Other Funds	5,364,778	5,349,662	5,199,357
Transfers Out			
Other Funds	(29,587)	-	-
All Funds Available for Exp	15,298,796	14,462,723	17,975,892
All Expenditures			
General Fund	2,868,303	1,629,976	3,720,335
Other Funds	5,684,714	2,810,561	6,109,428
Federal Funds	4,514,751	2,478,210	5,057,254
Total Expenditures	13,067,768	6,918,747	14,887,017
Ending Balance			
Other Funds	2,196,842	5,128,254	3,088,875

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
State Library			
Ending Balance			
Federal Funds	34,186	2,415,722	-
Treasury, Oregon State			
Beginning Balance			
Other Funds	8,437,269	5,771,307	15,311,156
Other Funds Revenues			
Charges for Services	39,945,862	48,410,550	47,313,005
Interest Income	23,022	24,000	20,070
Sales Income	277	-	-
Donations	752,075	-	-
Grants (Non-Fed)	-	500,000	500,000
Other Revenues	-	5,389,000	5,389,000
Transfers In			
Other Funds	11,356,736	28,363,103	26,657,100
Transfers Out			
Other Funds	(11,356,736)	(27,283,103)	(26,657,100)
All Funds Available for Exp	49,158,505	61,174,857	68,533,231
All Expenditures			
Other Funds	37,240,266	46,683,387	57,336,453
Total Expenditures	37,240,266	46,683,387	57,336,453
Ending Balance			
Other Funds	11,918,239	14,491,470	11,196,778
PROGRAM AREA: LEGISLATIVE BRANCH			
Indian Svcs, Comm on			
Beginning Balance			
Other Funds	645	720	174

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: LEGISLATIVE BRANCH			
Indian Svcs, Comm on			
General Fund Appropriation	414,602	488,767	491,624
Other Funds Revenues			
Other Revenues	1,000	6,190	6,610
All Funds Available for Exp	416,247	495,677	498,408
All Expenditures			
General Fund	376,203	488,767	491,624
Other Funds	1,645	6,586	6,784
Total Expenditures	377,848	495,353	498,408
Reversions	(38,399)	-	-
Ending Balance			
Other Funds	-	324	-
Legislative Administration Committee			
Beginning Balance			
Other Funds	865,266	171,936	1,228,004
Beginning Balance Adjustment			
Other Funds	-	730,000	-
General Fund Appropriation	28,999,433	34,719,500	35,390,700
Other Funds Revenues			
Charges for Services	3,314	2,792	2,792
Fines and Forfeitures	-	1,200	-
Rents and Royalties	646,109	1,101,913	713,998
Cert of Participation	-	35,115,000	-
Sales Income	686,358	1,407,830	1,392,711
Donations	2,906	9,017	3,000

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Administration Committee			
Other Funds Revenues			
Other Revenues	2,046,634	156,493	653,019
Transfers In			
Other Funds	17,732	-	-
Transfers Out			
Other Funds	(17,732)	-	-
All Funds Available for Exp	33,250,020	73,415,681	39,384,224
All Expenditures			
General Fund	28,217,422	34,719,500	35,390,700
Other Funds	2,767,600	38,527,458	2,458,348
Total Expenditures	30,985,022	73,246,958	37,849,048
Reversions	(782,011)	-	-
Ending Balance			
Other Funds	1,482,987	168,723	1,535,176
Legislative Assembly			
Beginning Balance			
Other Funds	247,853	138,438	210,366
General Fund Appropriation	37,132,538	42,111,410	42,934,412
Other Funds Revenues			
Sales Income	93,966	257,617	193,522
Other Revenues	4,970	47,467	48,891
Transfers In			
Other Funds	25,641	-	-
Transfers Out			
Other Funds	(25,641)	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Assembly			
All Funds Available for Exp	37,479,327	42,554,932	43,387,191
All Expenditures			
General Fund	33,225,889	42,111,410	42,934,412
Other Funds	145,971	372,400	381,750
Total Expenditures	33,371,860	42,483,810	43,316,162
Reversions	(3,906,649)	-	-
Ending Balance			
Other Funds	200,818	71,122	71,029
Legislative Counsel Committee			
Beginning Balance			
Other Funds	730,240	735,502	1,015,064
Beginning Balance Adjustment			
Other Funds	(42,283)	186,962	-
General Fund Appropriation	8,528,744	10,441,182	10,882,677
Other Funds Revenues			
Charges for Services	249,551	200,000	200,000
Sales Income	1,859,689	1,748,125	1,736,600
Transfers In			
Other Funds	1,827,880	2,305,235	2,332,148
Transfers Out			
Other Funds	(1,827,880)	(2,305,235)	(2,332,148)
All Funds Available for Exp	11,325,941	13,311,771	13,834,341
All Expenditures			
General Fund	8,039,603	10,441,182	10,882,677

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Counsel Committee			
All Expenditures			
Other Funds	1,831,416	2,243,871	2,041,227
Total Expenditures	<u>9,871,019</u>	<u>12,685,053</u>	<u>12,923,904</u>
Reversions	(489,141)	-	-
Ending Balance			
Other Funds	965,781	626,718	910,437
Legislative Fiscal Officer			
Beginning Balance			
Other Funds	2,484	-	-
General Fund Appropriation	5,871,135	3,896,578	4,165,674
Other Funds Revenues			
Other Revenues	-	179,547	-
Transfers In			
Other Funds	-	3,000,000	3,500,000
All Funds Available for Exp	<u>5,873,619</u>	<u>7,076,125</u>	<u>7,665,674</u>
All Expenditures			
General Fund	5,532,954	3,896,578	4,165,674
Other Funds	-	3,179,547	3,343,858
Total Expenditures	<u>5,532,954</u>	<u>7,076,125</u>	<u>7,509,532</u>
Reversions	(338,181)	-	-
Ending Balance			
Other Funds	2,484	-	156,142

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
PROGRAM AREA: LEGISLATIVE BRANCH			
Legislative Revenue Officer			
General Fund Appropriation	1,996,569	2,796,123	2,869,062
All Funds Available for Exp	1,996,569	2,796,123	2,869,062
All Expenditures			
General Fund	1,969,632	2,796,123	2,869,062
Total Expenditures	1,969,632	2,796,123	2,869,062
Reversions	(26,937)	-	-
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Dept			
Beginning Balance			
Other Funds	39,617,541	6,719,737	13,837,204
Federal Funds	57,451	385,006	-
Beginning Balance Adjustment			
Other Funds	(16,376,829)	(1,471,395)	-
Federal Funds	-	(385,006)	-
General Fund Appropriation	367,808,432	402,814,725	421,962,691
Other Funds Revenues			
General Fund Revenues	128,086,868	131,963,098	123,942,908
Business Lic and Fees	97,870	80,512	70,416
State Court Fees	17,475,251	18,899,338	20,192,678
Federal Revenues	1,248,923	-	-
Charges for Services	4,406,830	3,617,022	3,561,000
Fines and Forfeitures	132,361,636	122,982,566	117,710,157

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Dept			
Other Funds Revenues			
General Fund Obligation Bonds	19,733,408	30,046,256	73,840,000
Interest Income	210,953	-	-
Sales Income	1,071,170	650,000	715,000
Donations	1,826,983	500,610	496,248
Grants (Non-Fed)	-	3,813,514	3,609,522
Other Revenues	47,465	-	-
Federal Funds	1,211,753	1,495,322	1,598,284
Transfers In			
Other Funds	16,587,762	29,304,140	36,012,650
Transfers Out			
Other Funds	(284,208,972)	(273,002,146)	(261,343,840)
All Funds Available for Exp	431,264,495	478,413,299	556,204,918
All Expenditures			
General Fund	365,417,114	402,814,725	421,962,691
Other Funds	47,973,194	69,478,242	123,611,545
Federal Funds	1,198,808	1,233,153	1,598,284
Total Expenditures	414,589,116	473,526,120	547,172,520
Reversions	(2,391,318)	-	-
Ending Balance			
Other Funds	14,213,665	4,625,010	9,032,398
Federal Funds	70,396	262,169	-
Judicial Fitness and Disability, Comm on			
General Fund Appropriation	178,470	206,651	212,022

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: JUDICIAL BRANCH			
Judicial Fitness and Disability, Comm on			
All Funds Available for Exp	178,470	206,651	212,022
All Expenditures			
General Fund	169,135	206,651	212,022
Total Expenditures	<u>169,135</u>	<u>206,651</u>	<u>212,022</u>
Reversions	(9,335)	-	-
Public Defense Svcs Comm			
Beginning Balance			
Other Funds	1,322,111	704,552	550,199
Beginning Balance Adjustment			
Other Funds	-	(170,712)	-
General Fund Appropriation	230,441,855	249,684,307	260,858,855
Transfers In			
Other Funds	7,667,840	8,415,518	6,997,235
Transfers Out			
Other Funds	(4,640,300)	(3,982,500)	(3,291,980)
All Funds Available for Exp	<u>234,791,506</u>	<u>254,651,165</u>	<u>265,114,309</u>
All Expenditures			
General Fund	230,208,646	249,684,307	260,858,855
Other Funds	3,799,452	4,474,644	3,841,565
Total Expenditures	<u>234,008,098</u>	<u>254,158,951</u>	<u>264,700,420</u>
Reversions	(233,209)	-	-

Schedule IV. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: JUDICIAL BRANCH			
Public Defense Svcs Comm			
Ending Balance			
Other Funds	550,199	492,214	413,889
PROGRAM AREA: MISCELLANEOUS PROGRAMS			
Emergency Board			
General Fund Appropriation	72,743,750	76,906,819	157,315,141
All Funds Available for Exp	<u>72,743,750</u>	<u>76,906,819</u>	<u>157,315,141</u>
All Expenditures			
General Fund	-	76,906,819	157,315,141
Total Expenditures	<u>-</u>	<u>76,906,819</u>	<u>157,315,141</u>
Reversions	(72,743,750)	-	-

EXPENDITURES

SECTION P



Current Service Level

STATEWIDE SUMMARY OF 2015-17 BIENNIUM BUDGET

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>
2013-15 Leg Adopted Budget	40,264	37,835.84	59,818,364,711	15,608,670,298
2013-15 Emergency Boards	50	57.26	3,182,356,581	305,994,593
2013-15 Leg Approved Budget	40,314	37,893.10	63,000,721,292	15,914,664,891
2015-17 Base Budget Adjustments				
Net Cost of Position Actions				
Administrative Biennialized E-Board, Phase-Out	(1,025)	(394.14)	(233,976,242)	52,649,191
Estimated Cost of Merit Increase			7,209,737	6,823,194
Base Debt Service Adjustment			(208,682,516)	114,407,514
Base Nonlimited Adjustment			(1,170,552,108)	-
Capital Construction			(269,028,663)	-
Subtotal 2015-17 Base Budget	39,289	37,498.96	61,125,691,500	16,088,544,790
Essential Packages				
010 - Non-PICS Pers Svc/Vacancy Factor				
Vacancy Factor (Increase)/Decrease	-	-	36,292,259	31,480,308
Non-PICS Personal Service (Increase)/Decrease	-	-	27,598,827	16,376,381
Subtotal	-	-	63,891,086	47,856,689
020 - Phase In / Out Pgm & One-time Cost				
021 - Phase-in	245	224.64	533,279,240	315,444,996
022 - Phase-out Pgm & One-time Costs	-	-	(3,551,024,019)	(292,888,350)
Subtotal	245	224.64	(3,017,744,779)	22,556,646
030 - Inflation & Price List Adjustments				
Cost of Goods & Services Increase/(Decrease)	-	-	1,405,917,870	513,778,442
State Gov't & Services Charges Increase/(Decrease)			118,088,297	49,327,689
Subtotal	-	-	1,524,006,167	563,106,131
040 - Mandated Caseload				
	151	140.66	2,603,245,107	398,111,064
050 - Fundshifts and Revenue Reductions				
050 - Fundshifts	-	-	(260,242,065)	445,096,352
060 - Technical Adjustments				
060 - Technical Adjustments	53	43.25	(25,061,313)	(23,060,812)
Subtotal: 2015-17 Current Service Level	39,738	37,907.51	62,013,785,703	17,542,210,860

<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
831,026,967	11,903,098,550	13,604,752,052	14,664,427,842	3,206,389,002
7,682,048	592,078,080	1,344,164,389	738,437,471	194,000,000
838,709,015	12,495,176,630	14,948,916,441	15,402,865,313	3,400,389,002

549,341	(218,188,875)	(68,985,899)	-	-
-	373,844	12,699	-	-
7,726,625	(52,892,431)	-	(277,657,847)	(266,377)
-	-	-	(1,044,141,672)	(126,410,436)
-	(266,325,458)	(2,703,205)	-	-
846,984,981	11,958,143,710	14,877,240,036	14,081,065,794	3,273,712,189

96,477	5,256,071	(540,597)	-	-
345,923	9,758,634	1,117,550	339	-
442,400	15,014,705	576,953	339	-
8,120,768	160,116,286	49,597,190	-	-
(88,419,988)	(1,663,680,219)	(1,506,035,462)	-	-
(80,299,220)	(1,503,563,933)	(1,456,438,272)	-	-
2,675,197	309,904,751	579,524,820	34,660	-
1,421,324	47,319,363	19,996,329	23,592	-
4,096,521	357,224,114	599,521,149	58,252	-
-	245,651,042	1,959,483,001	-	-
(451,195)	(930,253,075)	225,365,853	-	-
(313)	(2,398,311)	340,319	57,804	-
770,773,174	10,139,818,252	16,206,089,039	14,081,182,189	3,273,712,189

Current Service Level

STATEWIDE SUMMARY OF 2015-17 BIENNIUM BUDGET (CONTINUED)

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>
Subtotal: 2015-17 Current Service Level	39,738	37,907.51	62,013,785,703	17,542,210,860
070 - Revenue Reductions/Shortfall				
070 - Revenue Shortfalls	(1,440)	(1,436.54)	(104,849,056)	1
Modified 2015-17 Current Service Level	38,298	36,470.97	61,908,936,647	17,542,210,861
080 - E-Boards				
080 - May 2014 E-Board	3	22.63	12,057,882	5,175,979
081 - September 2014 E-Board	5	6.00	9,174,911	6,788,714
Subtotal Emergency Board Packages	8	28.63	21,232,793	11,964,693
Subtotal Policy Packages	2,257	2,031.70	4,564,650,832	169,455,305
Total 2015-17 Governor's Budget	40,563	38,531.30	66,494,820,272	17,723,630,859
Percentage Change From 2013-15 Leg Approved Budget	0.62%	1.68%	5.55%	11.37%
Percentage Change From 2015-17 Current Service Level	2.08%	1.65%	7.23%	1.03%

<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
770,773,174	10,139,818,252	16,206,089,039	14,081,182,189	3,273,712,189
(6,532,766)	(89,783,563)	(8,532,728)	-	-
764,240,408	10,050,034,689	16,197,556,311	14,081,182,189	3,273,712,189
-	4,363,106	2,518,797	-	-
-	1,462,991	923,206	-	-
-	5,826,097	3,442,003	-	-
87,913,887	3,594,534,713	1,218,582,488	(505,835,561)	-
852,154,295	13,650,395,499	17,419,580,802	13,575,346,628	3,273,712,189
1.60%	9.25%	16.53%	-11.86%	-3.73%
10.56%	34.62%	7.49%	-3.59%	-

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: EDUCATION

Community Coll & Workforce Dvlpmnt, Dept of

General Fund	418,486,093	497,468,644	-
Lottery Funds	7,144,078	9,521,027	-
Other Funds	16,855,176	116,212,901	-
Federal Funds	92,470,516	126,410,085	-
All Funds	534,955,863	749,612,657	-

Education, Dept of

General Fund	5,472,460,243	6,776,595,798	7,309,257,475
Lottery Funds	600,065,030	369,745,185	313,073,933
Other Funds	159,068,260	233,051,909	260,188,555
Federal Funds	1,300,199,303	1,355,403,253	1,411,332,783
All Funds	7,531,792,836	8,734,796,145	9,293,852,746

Higher Education Coordinating Commission

General Fund	-	2,903,360	1,682,714,757
Lottery Funds	-	-	56,530,138
Other Funds	-	1,957,474	57,983,395
Federal Funds	-	347,571	130,720,226
All Funds	-	5,208,405	1,927,948,516

Oregon Education Investment Board

General Fund	-	21,008,299	20,448,682
All Funds	-	21,008,299	20,448,682

Oregon Health and Science University

General Fund	66,041,261	72,562,387	-
Other Funds	31,305,192	231,675,116	-
All Funds	97,346,453	304,237,503	-

Oregon Office of Student Access and Completion

General Fund	98,238,105	115,806,520	-
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Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: EDUCATION

Oregon Office of Student Access and Completion

Lottery Funds	240	2,546,223	-
Other Funds	19,329,741	20,173,727	-
All Funds	117,568,086	138,526,470	-

Oregon University System

General Fund	668,264,553	736,372,155	-
Lottery Funds	22,938,784	33,571,489	-
All Funds	691,203,337	769,943,644	-

Teacher Standards & Practices Comm

Other Funds	4,932,111	5,004,014	6,264,770
Federal Funds	12,893	35,000	-
All Funds	4,945,004	5,039,014	6,264,770

Education Total

General Fund	6,723,490,255	8,222,717,163	9,012,420,914
Lottery Funds	630,148,132	415,383,924	369,604,071
Other Funds	231,490,480	608,075,141	324,436,720
Federal Funds	1,392,682,712	1,482,195,909	1,542,053,009
All Funds	\$8,977,811,579	\$10,728,372,137	\$11,248,514,714

PROGRAM AREA: HUMAN SERVICES

Commission for the Blind

General Fund	1,148,036	1,598,027	2,705,186
Other Funds	2,612,522	2,025,381	992,528
Federal Funds	11,175,815	12,321,894	12,347,941
All Funds	14,936,373	15,945,302	16,045,655

Human Services, Dept. of

General Fund	2,181,831,985	2,324,079,188	2,680,281,716
Other Funds	442,634,121	501,842,250	499,773,473

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: HUMAN SERVICES

Human Services, Dept. of

Federal Funds	5,791,775,289	6,463,843,621	6,837,612,563
All Funds	8,416,241,395	9,289,765,059	10,017,667,752

Long Term Care Ombudsman

General Fund	1,583,563	3,784,880	6,128,415
Other Funds	644,092	703,321	536,299
All Funds	2,227,655	4,488,201	6,664,714

Oregon Health Authority

General Fund	1,692,058,113	1,959,909,729	2,209,589,887
Lottery Funds	10,098,261	10,592,532	10,353,121
Other Funds	5,181,124,350	5,798,520,275	5,744,757,540
Federal Funds	5,171,177,291	8,739,587,680	10,826,668,780
All Funds	12,054,458,015	16,508,610,216	18,791,369,328

Psychiatric Security Review Board

General Fund	1,749,915	2,372,291	2,616,492
Other Funds	216,225	110,734	2,168
All Funds	1,966,140	2,483,025	2,618,660

Human Services Total

General Fund	3,878,371,612	4,291,744,115	4,901,321,696
Lottery Funds	10,098,261	10,592,532	10,353,121
Other Funds	5,627,231,310	6,303,201,961	6,246,062,008
Federal Funds	10,974,128,395	15,215,753,195	17,676,629,284
All Funds	\$20,489,829,578	\$25,821,291,803	\$28,834,366,109

PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

General Fund	1,359,596,909	1,448,294,183	1,549,047,785
Other Funds	376,646,879	39,926,693	62,806,459

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: PUBLIC SAFETY

Corrections, Dept of

Federal Funds	9,124,963	8,631,833	6,829,602
All Funds	1,745,368,751	1,496,852,709	1,618,683,846

Criminal Justice Comm, Oregon

General Fund	4,760,995	23,851,046	73,510,819
Other Funds	71,880	479,680	494,109
Federal Funds	16,386,362	7,163,318	1,580,917
All Funds	21,219,237	31,494,044	75,585,845

District Attorneys and their Deputies

General Fund	10,565,984	10,849,009	11,642,436
All Funds	10,565,984	10,849,009	11,642,436

Justice, Dept of

General Fund	58,984,867	66,289,084	81,544,405
Other Funds	222,044,320	270,223,006	284,914,168
Federal Funds	115,982,323	159,638,271	165,040,193
All Funds	397,011,510	496,150,361	531,498,766

Military Dept, Oregon

General Fund	27,975,478	21,863,993	26,221,529
Other Funds	115,189,900	113,902,017	114,842,052
Federal Funds	226,182,554	287,230,606	288,235,764
All Funds	369,347,932	422,996,616	429,299,345

Oregon Youth Authority

General Fund	255,625,166	275,662,044	290,870,806
Other Funds	8,306,362	19,553,725	47,140,954
Federal Funds	27,194,810	34,680,919	36,133,077
All Funds	291,126,338	329,896,688	374,144,837

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: PUBLIC SAFETY

Parole & Post Prison Supervision, State Board of

General Fund	3,533,911	4,189,720	4,700,065
Other Funds	-	10,536	10,852
All Funds	3,533,911	4,200,256	4,710,917

Police, Dept of State

General Fund	221,267,355	240,590,265	274,870,857
Lottery Funds	6,549,992	7,166,858	7,587,900
Other Funds	82,358,056	93,291,730	98,822,356
Federal Funds	8,214,066	9,446,084	9,762,593
All Funds	318,389,469	350,494,937	391,043,706

Public Safety Standards & Training, Dept of

General Fund	10,593,375	9,788,298	9,550,476
Other Funds	90,542,544	35,668,666	37,691,949
Federal Funds	15,605	258,893	260,660
All Funds	101,151,524	45,715,857	47,503,085

Public Safety Total

General Fund	1,952,904,040	2,101,377,642	2,321,959,178
Lottery Funds	6,549,992	7,166,858	7,587,900
Other Funds	895,159,941	573,056,053	646,722,899
Federal Funds	403,100,683	507,049,924	507,842,806
All Funds	\$3,257,714,656	\$3,188,650,477	\$3,484,112,783

PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Employment Dept

Other Funds	1,654,652,468	1,762,616,947	1,628,747,199
Federal Funds	1,642,935,795	433,009,460	253,707,848
All Funds	3,297,588,263	2,195,626,407	1,882,455,047

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT

Housing & Community Svcs Dept

General Fund	16,374,753	19,401,247	15,738,955
Lottery Funds	10,464,680	9,428,966	11,931,835
Other Funds	765,829,292	1,065,850,927	1,178,703,330
Federal Funds	262,459,677	225,493,813	231,253,006
All Funds	1,055,128,402	1,320,174,953	1,437,627,126

Oregon Business Development Department

General Fund	3,842,479	8,371,867	19,048,619
Lottery Funds	129,621,500	117,636,290	144,071,688
Other Funds	277,970,118	299,946,379	446,272,741
Federal Funds	24,904,462	38,841,307	39,477,743
All Funds	436,338,559	464,795,843	648,870,791

Veterans' Affairs, Oregon Dept of

General Fund	6,394,644	9,600,742	13,370,086
Other Funds	205,509,545	385,625,107	399,807,516
Federal Funds	26,702,288	300,000	1
All Funds	238,606,477	395,525,849	413,177,603

Economic & Community Development Total

General Fund	26,611,876	37,373,856	48,157,660
Lottery Funds	140,086,180	127,065,256	156,003,523
Other Funds	2,903,961,423	3,514,039,360	3,653,530,786
Federal Funds	1,957,002,222	697,644,580	524,438,598
All Funds	\$5,027,661,701	\$4,376,123,052	\$4,382,130,567

PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

General Fund	12,134,881	19,460,351	23,740,197
Lottery Funds	7,199,518	6,473,272	6,346,795
Other Funds	50,402,029	55,589,067	58,544,483

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Agriculture, Oregon Dept of

Federal Funds	11,285,459	15,320,730	15,563,978
All Funds	81,021,887	96,843,420	104,195,453

Columbia River Gorge Comm

General Fund	779,799	891,000	1,689,660
Other Funds	-	5,000	5,152
All Funds	779,799	896,000	1,694,812

Energy, Dept of

Lottery Funds	2,164,181	2,166,050	3,833,330
Other Funds	136,877,997	226,508,452	188,728,466
Federal Funds	31,841,586	2,977,119	3,195,351
All Funds	170,883,764	231,651,621	195,757,147

Environmental Quality, Dept of

General Fund	25,011,532	30,961,259	35,176,364
Lottery Funds	4,502,197	3,873,265	3,813,355
Other Funds	222,014,159	270,152,674	276,538,126
Federal Funds	28,811,248	28,010,107	28,600,660
All Funds	280,339,136	332,997,305	344,128,505

Fish & Wildlife, Oregon Dept of

General Fund	6,777,283	17,704,434	27,678,949
Lottery Funds	5,824,398	4,921,716	4,190,244
Other Funds	183,659,786	185,369,107	174,683,746
Federal Funds	108,741,697	134,778,425	138,895,412
All Funds	305,003,164	342,773,682	345,448,351

Forestry, Dept of

General Fund	53,860,677	97,836,604	68,834,256
Lottery Funds	2,437,861	5,408,132	8,574,885

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Forestry, Dept of

Other Funds	174,569,610	343,086,494	244,928,202
Federal Funds	24,526,686	34,108,167	31,678,698
All Funds	255,394,834	480,439,397	354,016,041

Geology & Mineral Industries, Dept of

General Fund	2,464,702	2,582,015	2,860,141
Other Funds	9,009,907	7,955,725	4,400,088
Federal Funds	3,894,652	4,429,263	1,429,502
All Funds	15,369,261	14,967,003	8,689,731

Land Conservation & Development, Dept of

General Fund	10,382,331	12,667,032	15,066,943
Other Funds	874,713	960,315	484,999
Federal Funds	5,617,444	6,014,070	6,260,925
All Funds	16,874,488	19,641,417	21,812,867

Land Use Board of Appeals

General Fund	1,319,536	1,573,758	1,784,624
Other Funds	61,346	87,401	28,641
All Funds	1,380,882	1,661,159	1,813,265

Lands, Dept of State

General Fund	681,266	-	-
Other Funds	52,021,439	40,797,388	42,909,018
Federal Funds	4,417,118	2,881,911	1,634,429
All Funds	57,119,823	43,679,299	44,543,447

Marine Board, Oregon State

Other Funds	22,664,349	26,214,465	26,211,590
Federal Funds	5,351,936	7,450,387	7,464,524

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: NATURAL RESOURCES

Marine Board, Oregon State

All Funds	28,016,285	33,664,852	33,676,114
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Parks & Recreation Dept

General Fund	-	980,000	-
Lottery Funds	75,351,082	86,964,694	79,518,186
Other Funds	97,659,973	112,681,149	95,313,562
Federal Funds	8,445,700	11,858,367	11,077,385
All Funds	181,456,755	212,484,210	185,909,133

Water Resources Dept

General Fund	20,359,290	27,284,614	30,908,571
Lottery Funds	587,540	574,025	4,441,160
Other Funds	8,654,128	34,736,737	72,863,335
Federal Funds	780,727	1,275,264	1,302,403
All Funds	30,381,685	63,870,640	109,515,469

Watershed Enhancement Board, Oregon

Lottery Funds	62,582,581	58,227,336	59,963,820
Other Funds	899,683	1,852,224	17,921,067
Federal Funds	30,224,432	32,817,029	37,339,587
All Funds	93,706,696	92,896,589	115,224,474

Natural Resources Total

General Fund	133,771,297	211,941,067	207,739,705
Lottery Funds	160,649,358	168,608,490	170,681,775
Other Funds	959,369,119	1,305,996,198	1,203,560,475
Federal Funds	263,938,685	281,920,839	284,442,854
All Funds	\$1,517,728,459	\$1,968,466,594	\$1,866,424,809

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: TRANSPORTATION

Aviation, Dept of

Other Funds	5,461,765	6,297,654	6,602,953
Federal Funds	1,849,401	4,778,379	7,334,014
All Funds	7,311,166	11,076,033	13,936,967

Transportation, Oregon Dept of

General Fund	1,970,000	11,060,000	37,697,995
Lottery Funds	72,614,922	93,953,970	113,842,213
Other Funds	3,036,351,179	4,121,655,887	3,222,050,100
Federal Funds	132,933,388	141,411,637	131,782,380
All Funds	3,243,869,489	4,368,081,494	3,505,372,688

Transportation Total

General Fund	1,970,000	11,060,000	37,697,995
Lottery Funds	72,614,922	93,953,970	113,842,213
Other Funds	3,041,812,944	4,127,953,541	3,228,653,053
Federal Funds	134,782,789	146,190,016	139,116,394
All Funds	\$3,251,180,655	\$4,379,157,527	\$3,519,309,655

PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Accountancy, Board of

Other Funds	1,833,249	2,104,122	2,469,720
All Funds	1,833,249	2,104,122	2,469,720

Construction Contractors Board

Other Funds	12,623,574	16,287,732	14,540,074
All Funds	12,623,574	16,287,732	14,540,074

Consumer and Business Svcs, Dept of

Other Funds	374,105,283	415,251,329	422,765,449
Federal Funds	2,800,470	5,636,901	3,292,312

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Consumer and Business Svcs, Dept of

All Funds	376,905,753	420,888,230	426,057,761
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Health Related Licensing Boards

Medical Imaging - OF	649,139	856,351	915,791
Mortuary Board - OF	1,170,556	1,446,342	1,554,010
Naturopathic Medicine - OF	554,932	653,339	704,543
Occupational Therapists - OF	289,761	380,132	453,824
Speech-Language Path. and Audio. - OF	372,427	544,232	690,471
Veterinary Medical Examiners - OF	579,583	756,229	933,465
All Boards	3,616,398	4,636,625	5,252,104

Labor & Industries, Bureau of

General Fund	11,007,503	11,846,552	12,309,578
Other Funds	9,343,555	11,750,519	12,141,889
Federal Funds	1,253,026	1,683,613	1,481,005
All Funds	21,604,084	25,280,684	25,932,472

Licensed Prof Counselors and Therapists, Board of

Other Funds	877,340	1,128,319	1,517,167
All Funds	877,340	1,128,319	1,517,167

Licensed Social Workers, Board of

Other Funds	1,244,783	1,395,325	1,411,153
All Funds	1,244,783	1,395,325	1,411,153

Nursing, Board of

Other Funds	12,452,336	14,493,701	14,810,185
All Funds	12,452,336	14,493,701	14,810,185

Oregon Board of Chiropractic Examiners

Other Funds	1,345,507	1,480,033	1,905,258
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Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: CONSUMER & BUSINESS SERVICES			
Oregon Board of Chiropractic Examiners			
All Funds	1,345,507	1,480,033	1,905,258
Oregon Board of Dentistry			
Other Funds	2,314,426	2,606,916	3,052,614
All Funds	2,314,426	2,606,916	3,052,614
Oregon Board of Psychologist Examiners			
Other Funds	939,957	1,038,215	1,198,540
All Funds	939,957	1,038,215	1,198,540
Oregon Health Licensing Agency			
Other Funds	6,948,084	3,882,241	-
All Funds	6,948,084	3,882,241	-
Oregon Medical Board			
Other Funds	8,989,112	10,729,843	11,548,994
All Funds	8,989,112	10,729,843	11,548,994
Pharmacy, Board of			
Other Funds	4,684,935	5,957,609	6,872,049
All Funds	4,684,935	5,957,609	6,872,049
Public Utility Commission			
Other Funds	110,279,396	120,172,943	110,679,634
Federal Funds	3,118,132	2,474,000	699,607
All Funds	113,397,528	122,646,943	111,379,241
Real Estate Agency			
Other Funds	6,198,690	7,277,657	7,123,799
All Funds	6,198,690	7,277,657	7,123,799

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: CONSUMER & BUSINESS SERVICES

Tax Practitioners, State Board of

Other Funds	1,045,923	1,183,845	1,243,084
All Funds	1,045,923	1,183,845	1,243,084

Consumer & Business Services Total

General Fund	11,007,503	11,846,552	12,309,578
Other Funds	558,842,548	621,376,974	618,531,713
Federal Funds	7,171,628	9,794,514	5,472,924
All Funds	\$577,021,679	\$643,018,040	\$636,314,215

PROGRAM AREA: ADMINISTRATION

Administrative Svcs, Dept of

General Fund	9,008,749	11,714,443	26,887,625
Lottery Funds	11,852,384	12,561,770	20,330,821
Other Funds	1,055,383,567	1,031,219,159	1,145,824,490
All Funds	1,076,244,700	1,055,495,372	1,193,042,936

Employment Relations Board

General Fund	1,903,465	2,061,040	2,407,843
Other Funds	1,723,240	2,140,264	2,043,485
All Funds	3,626,705	4,201,304	4,451,328

Governor, Office of the

General Fund	50,737,961	11,401,846	11,627,183
Lottery Funds	1,758,023	3,376,215	3,750,871
Other Funds	15,557,628	2,910,655	3,153,939
Federal Funds	2,744,411	-	-
All Funds	70,798,023	17,688,716	18,531,993

Oregon Advocacy Commissions Office

General Fund	365,513	425,525	1,044,049
Other Funds	7,884	40,960	42,189

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
PROGRAM AREA: ADMINISTRATION			
Oregon Advocacy Commissions Office			
All Funds	373,397	466,485	1,086,238
Oregon Government Ethics Commission			
Other Funds	1,518,135	1,976,802	2,277,208
All Funds	1,518,135	1,976,802	2,277,208
Oregon Liquor Control Comm			
Other Funds	137,037,933	151,875,699	175,054,696
All Funds	137,037,933	151,875,699	175,054,696
Public Employees Retirement System, Oregon			
Other Funds	7,854,854,725	9,366,028,980	9,650,195,214
All Funds	7,854,854,725	9,366,028,980	9,650,195,214
Racing Commission, Oregon			
Other Funds	4,923,397	5,905,502	6,022,524
All Funds	4,923,397	5,905,502	6,022,524
Revenue, Dept of			
General Fund	146,312,349	166,641,759	190,359,651
Other Funds	29,032,621	64,202,113	66,308,855
All Funds	175,344,970	230,843,872	256,668,506
Secretary of State			
General Fund	12,500,138	8,663,845	8,894,589
Other Funds	36,900,243	50,265,885	54,190,915
Federal Funds	4,115,805	5,045,103	6,641,584
All Funds	53,516,186	63,974,833	69,727,088
State Library			
General Fund	2,868,303	1,629,976	3,720,335

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: ADMINISTRATION

State Library

Other Funds	5,684,714	2,810,561	6,109,428
Federal Funds	4,514,751	2,478,210	5,057,254
All Funds	13,067,768	6,918,747	14,887,017

Treasury, Oregon State

Other Funds	37,240,266	46,683,387	57,336,453
All Funds	37,240,266	46,683,387	57,336,453

Administration Total

General Fund	223,696,478	202,538,434	244,941,275
Lottery Funds	13,610,407	15,937,985	24,081,692
Other Funds	9,179,864,353	10,726,059,967	11,168,559,396
Federal Funds	11,374,967	7,523,313	11,698,838
All Funds	\$9,428,546,205	\$10,952,059,699	\$11,449,281,201

PROGRAM AREA: LEGISLATIVE BRANCH

Indian Svcs, Comm on

General Fund	376,203	488,767	491,624
Other Funds	1,645	6,586	6,784
All Funds	377,848	495,353	498,408

Legislative Administration Committee

General Fund	28,217,422	34,719,500	35,390,700
Other Funds	2,767,600	38,527,458	2,458,348
All Funds	30,985,022	73,246,958	37,849,048

Legislative Assembly

General Fund	33,225,889	42,111,410	42,934,412
Other Funds	145,971	372,400	381,750
All Funds	33,371,860	42,483,810	43,316,162

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: LEGISLATIVE BRANCH

Legislative Counsel Committee

General Fund	8,039,603	10,441,182	10,882,677
Other Funds	1,831,416	2,243,871	2,041,227
All Funds	9,871,019	12,685,053	12,923,904

Legislative Fiscal Officer

General Fund	5,532,954	3,896,578	4,165,674
Other Funds	-	3,179,547	3,343,858
All Funds	5,532,954	7,076,125	7,509,532

Legislative Revenue Officer

General Fund	1,969,632	2,796,123	2,869,062
All Funds	1,969,632	2,796,123	2,869,062

Legislative Branch Total

General Fund	77,361,703	94,453,560	96,734,149
Other Funds	4,746,632	44,329,862	8,231,967
All Funds	\$82,108,335	\$138,783,422	\$104,966,116

PROGRAM AREA: JUDICIAL BRANCH

Judicial Dept

General Fund	365,417,114	402,814,725	421,962,691
Other Funds	47,973,194	69,478,242	123,611,545
Federal Funds	1,198,808	1,233,153	1,598,284
All Funds	414,589,116	473,526,120	547,172,520

Judicial Fitness and Disability, Comm on

General Fund	169,135	206,651	212,022
All Funds	169,135	206,651	212,022

Public Defense Svcs Comm

General Fund	230,208,646	249,684,307	260,858,855
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Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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PROGRAM AREA: JUDICIAL BRANCH

Public Defense Svcs Comm

Other Funds	3,799,452	4,474,644	3,841,565
All Funds	234,008,098	254,158,951	264,700,420

Judicial Branch Total

General Fund	595,794,895	652,705,683	683,033,568
Other Funds	51,772,646	73,952,886	127,453,110
Federal Funds	1,198,808	1,233,153	1,598,284
All Funds	\$648,766,349	\$727,891,722	\$812,084,962

PROGRAM AREA: MISCELLANEOUS PROGRAMS

Emergency Board

General Fund	-	76,906,819	157,315,141
All Funds	-	76,906,819	157,315,141

Miscellaneous Programs Total

General Fund	-	76,906,819	157,315,141
All Funds	-	\$76,906,819	\$157,315,141

PROGRAM AREA: ALL PROGRAM AREAS

All Agencies

General Fund	13,624,979,659	15,914,664,891	17,723,630,859
Lottery Funds	1,033,757,252	838,709,015	852,154,295
Other Funds	23,454,251,396	27,898,041,943	27,225,742,127
Federal Funds	15,145,380,889	18,349,305,443	20,693,292,991
All Funds	\$53,258,369,196	\$63,000,721,292	\$66,494,820,272

NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES

Administrative Svcs, Dept of	\$172,833,887	\$46,647,239	\$75,522,964
Employment Dept	\$27,459,259	\$27,147,751	-
Justice, Dept of	\$133,075,946	\$164,929,871	\$175,569,399

Schedule V. Schedule of Total Expenditures by Program Area, Agency, and Fund (continued)

<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
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NON-ADD EXPENDITURES ** INCLUDED IN TOTAL EXPENDITURES

Oregon Health Authority	\$1,193,351,552	\$1,541,297,901	\$1,645,718,505
Secretary of State	\$16,346,412	\$26,303,527	\$27,750,780
Treasury, Oregon State	\$37,240,266	\$46,683,387	\$57,336,453
All Funds	\$1,580,307,322	\$1,853,009,676	\$1,981,898,101

* 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. Summary of Total Expenditures by Category by Fund

<i>Fund</i>	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
Personal Services			
General Fund	2,122,871,269	2,864,242,763	3,200,664,648
Lottery Funds	69,332,751	81,218,127	83,175,034
Other Funds	2,069,506,474	2,464,680,838	2,488,650,863
Other Funds - NA	(220,326,375)	(229,809,844)	(229,918,538)
Federal Funds	1,020,267,364	1,194,772,003	1,187,130,618
Total	\$5,281,977,858	\$6,604,913,731	\$6,959,621,163
Services & Supplies			
General Fund	1,064,138,391	1,129,964,160	1,268,246,801
Lottery Funds	30,385,625	46,958,585	42,050,339
Other Funds	2,623,104,904	3,737,696,773	3,174,346,866
Other Funds - NA	(1,335,918,023)	(1,593,200,531)	(1,718,538,926)
Federal Funds	686,958,911	790,043,875	748,989,748
Total	\$4,404,587,831	\$5,704,663,393	\$5,233,633,754
Capital Outlay			
General Fund	15,475,194	17,986,459	22,394,037
Lottery Funds	14,318,051	1,725,269	1,851,855
Other Funds	204,936,586	318,335,243	487,895,194
Other Funds - NA	(8,050,297)	(16,201,951)	(20,253,316)
Federal Funds	72,358,264	45,544,405	48,848,752
Total	\$307,088,095	\$383,591,376	\$560,989,838
Special Payments			
General Fund	10,064,335,159	11,529,066,680	12,733,158,948
Lottery Funds	660,902,134	461,842,062	469,814,666
Other Funds - NA	(16,012,627)	(13,797,350)	(13,187,321)
Other Funds	14,592,226,861	17,357,158,539	17,237,386,086
Federal Funds	13,338,667,588	16,291,909,786	18,681,554,876
Total	\$38,656,131,742	\$45,639,977,067	\$49,121,914,576
Debt Service			
General Fund	358,159,646	373,404,829	499,166,425
Lottery Funds	258,818,691	246,964,972	255,262,401
Other Funds - NA	-	-	-
Other Funds	2,384,169,249	2,167,160,874	1,855,565,017
Federal Funds	27,128,762	27,035,374	26,768,997
Total	\$3,028,276,348	\$2,814,566,049	\$2,636,762,840
Total - All Expenditures			
General Fund	13,624,979,659	15,914,664,891	17,723,630,859
Lottery Funds	1,033,757,252	838,709,015	852,154,295
Other Funds	21,873,944,074	26,045,032,267	25,243,844,026
Other Funds - NA	(1,580,307,322)	(1,853,009,676)	(1,981,898,101)
Federal Funds	15,145,380,889	18,349,305,443	20,693,292,991
Total	\$51,678,061,874	\$61,147,711,616	\$64,512,922,171

() Non-add expenditures displayed for information only; not included in totals.

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
EDUCATION			
Community Coll & Workforce Dvlpmnt, Dept of	60.45	57.70	-
Education, Dept of	448.14	485.39	519.33
Higher Education Coordinating Commission	-	20.65	123.85
Oregon Education Investment Board	-	15.00	16.00
Oregon Office of Student Access and Completion	26.92	25.67	-
Teacher Standards & Practices Comm	24.23	20.00	25.46
EDUCATION TOTAL	559.74	624.41	684.64
HUMAN SERVICES			
Commission for the Blind	44.21	46.98	50.71
Human Services, Dept. of	7,319.54	7,477.62	7,710.84
Long Term Care Ombudsman	11.25	16.81	24.50
Oregon Health Authority	4,109.69	4,139.97	4,347.21
Psychiatric Security Review Board	11.76	11.00	11.00
HUMAN SERVICES TOTAL	11,496.45	11,692.38	12,144.26
PUBLIC SAFETY			
Corrections, Dept of	4,415.74	4,441.68	4,456.58
Criminal Justice Comm, Oregon	9.00	8.38	11.00
District Attorneys and their Deputies	36.00	36.00	36.00
Justice, Dept of	1,273.17	1,266.83	1,279.28
Military Dept, Oregon	458.59	477.51	476.01
Oregon Youth Authority	1,009.31	989.79	977.00
Parole & Post Prison Supervision, State Board of	14.00	15.67	16.00
Police, Dept of State	1,227.98	1,245.63	1,277.00
Public Safety Standards & Training, Dept of	129.54	133.06	136.97
PUBLIC SAFETY TOTAL	8,573.33	8,614.55	8,665.84
ECONOMIC & COMMUNITY DEVELOPMENT			
Employment Dept	1,426.05	1,286.63	1,122.53
Housing & Community Svcs Dept	191.97	150.33	126.00
Oregon Business Development Department	126.05	131.88	141.74

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	2011-13 Actuals	2013-15 Leg Approved Budget	2015-17 Governor's Budget
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ECONOMIC & COMMUNITY DEVELOPMENT

Veterans' Affairs, Oregon Dept of	93.20	82.13	88.00
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	1,837.27	1,650.97	1,478.27

NATURAL RESOURCES

Agriculture, Oregon Dept of	343.64	352.92	373.25
Energy, Dept of	118.60	112.81	106.50
Environmental Quality, Dept of	714.92	704.87	723.73
Fish & Wildlife, Oregon Dept of	1,227.36	1,258.99	1,195.85
Forestry, Dept of	863.16	871.72	887.16
Geology & Mineral Industries, Dept of	48.59	49.20	22.08
Land Conservation & Development, Dept of	55.13	57.68	62.26
Land Use Board of Appeals	5.00	5.75	6.00
Lands, Dept of State	105.42	106.00	105.92
Marine Board, Oregon State	39.50	39.50	38.00
Parks & Recreation Dept	603.63	592.15	575.26
Water Resources Dept	144.46	154.55	167.58
Watershed Enhancement Board, Oregon	31.50	32.00	35.50
NATURAL RESOURCES TOTAL	4,300.91	4,338.14	4,299.09

TRANSPORTATION

Aviation, Dept of	12.33	12.50	12.25
Transportation, Oregon Dept of	4,511.65	4,467.47	4,416.81
TRANSPORTATION TOTAL	4,523.98	4,479.97	4,429.06

CONSUMER & BUSINESS SERVICES

Accountancy, Board of	7.00	8.00	8.00
Construction Contractors Board	75.00	74.50	62.00
Consumer and Business Svcs, Dept of	924.50	911.97	926.72
Health Related Licensing Boards			
Mortuary Board	5.71	5.71	6.00
Naturopathic Medicine	2.50	2.50	2.50
Occupational Therapists	1.25	1.25	1.50
Medical Imaging	3.25	3.00	3.00

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
CONSUMER & BUSINESS SERVICES			
Speech-Language Path. and Audio.	1.40	2.00	2.50
Veterinary Medical Examiners	2.75	2.75	3.75
Labor & Industries, Bureau of	100.50	98.38	100.67
Licensed Prof Counselors and Therapists, Board of	3.50	3.50	4.50
Licensed Social Workers, Board of	5.50	6.00	6.00
Nursing, Board of	47.38	47.80	47.80
Oregon Board of Chiropractic Examiners	4.50	4.88	5.10
Oregon Board of Dentistry	7.00	7.00	8.00
Oregon Board of Psychologist Examiners	3.50	3.50	4.00
Oregon Health Licensing Agency	33.00	17.50	-
Oregon Medical Board	38.79	38.33	39.79
Pharmacy, Board of	17.75	19.00	20.00
Public Utility Commission	127.51	127.25	125.97
Real Estate Agency	30.25	29.75	29.00
Tax Practitioners, State Board of	4.00	4.00	4.00
CONSUMER & BUSINESS SERVICES TOTAL	1,446.54	1,418.57	1,410.80
ADMINISTRATION			
Administrative Svcs, Dept of	801.67	793.90	972.23
Employment Relations Board	13.00	13.00	13.00
Governor, Office of the	70.47	56.50	57.50
Oregon Advocacy Commissions Office	2.00	2.00	5.00
Oregon Government Ethics Commission	8.00	7.88	8.00
Oregon Liquor Control Comm	231.00	225.13	246.00
Public Employees Retirement System, Oregon	363.99	367.23	380.00
Racing Commission, Oregon	13.27	13.27	13.27
Revenue, Dept of	990.52	1,016.66	1,021.34
Secretary of State	195.69	200.61	213.69
State Library	41.26	19.63	39.26
Treasury, Oregon State	83.48	89.89	111.08
ADMINISTRATION TOTAL	2,814.35	2,805.70	3,080.37

Schedule VII. Number of Full-Time Equivalent Positions by Program Area, Agency (continued)

	<i>2011-13 Actuals</i>	<i>2013-15 Leg Approved Budget</i>	<i>2015-17 Governor's Budget</i>
LEGISLATIVE BRANCH			
Indian Svcs, Comm on	2.00	2.00	2.00
Legislative Administration Committee	100.86	100.65	100.65
Legislative Assembly	251.27	251.27	251.27
Legislative Counsel Committee	45.28	45.60	45.60
Legislative Fiscal Officer	20.50	21.00	21.00
Legislative Revenue Officer	7.00	8.00	8.00
LEGISLATIVE BRANCH TOTAL	426.91	428.52	428.52
JUDICIAL BRANCH			
Judicial Dept	1,742.95	1,763.60	1,832.59
Judicial Fitness and Disability, Comm on	0.50	0.50	0.75
Public Defense Svcs Comm	75.23	75.79	77.11
JUDICIAL BRANCH TOTAL	1,818.68	1,839.89	1,910.45
STATE OF OREGON TOTAL FTE POSITIONS	37,798.16	37,893.10	38,531.30

Per ORS 291.216 (9)(b) and (c), 4,229 positions were vacant on July 1, 2014. The vacancy rate on the date was 11.12 percent. Oregon University System data is not included.

Statutory Limits

REVENUES IN EXCESS OF ESTIMATE (ORS 291.349)

This law was passed in 1979. It directs the state to give credits to taxpayers if certain conditions are met. Personal income taxpayers receive a credit if all other General Fund revenue is more than two percent above forecast. This is commonly known as the “kicker.” In November 2000, voters passed Measure 86 which places the “kicker” in the Oregon Constitution.

The calculation is based on the forecast that is issued at the end of each legislative session. Actual receipts collected for the two-year period are compared with this forecast. 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.

Individual taxpayers receive their credits in the form of a refund against the prior tax year. The Department of Revenue manages this process. The credit for individual taxpayers appears on tax forms for the year the biennium ends. 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 twelve.

The Governor’s Budget proposal for the next two years is based on the December 2014 revenue forecast. This forecast does not anticipate a kicker credit for individual taxpayers for 2013-15. The budget does anticipate \$56.2 million additional corporate and excise tax collections to be dedicated to the public education to benefit kindergarten through grade twelve programs.

APPROPRIATIONS LIMIT (ORS 291.357)

The 2001 Legislature passed House Bill 3997 that set a new limit on state appropriations. It replaced ORS 391.355 that set limits only on the General Fund. 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 2014 revenue forecast projects Oregon’s total personal income for the next biennium to be \$374.04 billion. Based on that figure, the eight percent limit is \$29.92 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 2015-17, the Governor’s Budget, when adjusted as described above, totals about 7.64 percent of personal income.

FULL-TIME EQUIVALENT POSITIONS (ORS 240.185)

This law limits the number of state positions. The limit equals 1.5 percent of the state’s population in the previous year. This is counted on a full-time equivalent basis.

The Office of the Governor, the Secretary of State, the Treasurer of State, 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 3,964,750 as of July 1, 2014, and 4,058,700 as of July 1, 2016. Using these numbers, the position cap is at 59,471 and 60,881 full-time equivalent at the beginning and end of the 2015-17 biennium.

The Governor's Budget includes 38,531 full-time equivalent positions. Of these, 3,306 are exempt from the limit. This puts the number of counted full-time equivalent positions at 35,225. This is well below the legal limit.

APPENDICES

SECTION Q



Adaptation, adapt (in facilities)

Changes to the interior arrangements or other physical characteristics of a facility or permanently installed equipment so it can be better used for its current purpose or adapted to a new one. Can include code compliance.

Allocation

Lottery Funds and Criminal Fine Account (CFA) funds are allocated to an agency by the Legislature. An allocation is a cash transfer of either Lottery or CFA funds. Allocated funds cannot be spent without expenditure limitation.

Allotment

An allotment is used to monitor quarterly spending of an agency. Agencies must submit spending plans to the Department of Administrative Services each quarter for approval. Upon approval, the requested funds are made available for expenditure through an allotment.

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.

Article XI-Q Bond

A financing agreement for real and personal property owned and operated by the state. Article XI-Q bonds, for which enabling legislation was

approved in 2011, have replaced Certificates of Participation (COPs) for financing projects.

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 Position Information Control System (PICS). The result is the base budget.

Biennium

A period of two fiscal years. Oregon state government's biennium runs from July 1 of an odd numbered year through June 30 of the next odd numbered year.

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 Outlay

An expenditure category 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 (COPs)

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 Detail Cross References (DCRs).

Construction

Building, installing, or assembling a new structure. Adding to, expanding, altering, converting, or replacing a structure. Moving a structure to a new location. Includes site preparation and equipment installed and made part of the structure.

Construction Costs

Direct costs, including labor, materials, and equipment rental. For total related costs, see *Project Costs*.

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 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. It may also include maintenance needs resulting from unforeseen circumstances such as wind storms, premature failure of facilities components, etc.

Emergency Board

The legislative committee with constitutional and statutory authority to make fiscal decisions for the Legislature when the Legislature is not in session.

Emergency Fund

A fund from which the Emergency Board can provide General Fund appropriations to agencies for needs that arise after their budget is approved, or for programs approved but not funded during the legislative session.

Essential Package

A package to adjust the base budget, not to request new programs or expansions. Essential Packages may adjust for one-time costs, programs phased in or out, vacancy factors, non-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.

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.

Facility

A building or structure, including utility and other support systems. A real property improvement. A campus or group of structures. See *Real Property Improvements*.

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.

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 *Biennium*.

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 the Legislature can decide to apply to virtually any governmental purpose, agency, or program. Taxes and earnings on invested moneys are the main sources of General Fund in Oregon. See *Appropriation*.

Governor’s Budget

The constitutionally-required budget recommended to the Legislature by the Governor. The Governor first reviews and decides on agencies’ requests for funding. The Governor’s Budget must be submitted by December 1 of even-numbered years. A newly-elected Governor has until the following February 1 to publish a budget.

Interagency Transfer

A transfer of funds between agencies. Agencies must balance all interagency transfers before requesting an ORBITS audit.

Joint Committee on Ways and Means

A standing committee of senators and representatives appointed by their presiding officers. The Committee reviews the management and recommended budgets of entities that receive or administer state funds. It recommends the amounts of revenues and expenditures for the legislature’s approved budget.

Judicial Branch

The branch of state government that interprets all state laws. Includes state courts. The Chief Justice of the Supreme Court is the chief executive of the branch.

Legislative Branch

The Legislative Assembly and its staff. The branch of state government that enacts state laws, grants agencies statutory powers and duties, and adopts the state budget. The Legislative Branch in Oregon consists of a Senate with 30 elected members and a House of Representatives with 60 elected members.

Legislative Fiscal Office

Analyzes and presents a wide range of budget and related data on state programs to the Legislature. Staff to the Joint Ways and Means Committee and the state Emergency Board.

Legislative Concept

Relating to an agency or statute. Major or minor policy and program changes and non-policy technical adjustments or corrections to the current Oregon Revised Statutes. Approved concepts are sent to Legislative Counsel for bill drafting.

Legislative Session

The Legislative Assembly convenes annually in 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 receipted by the receiving agency as Lottery Funds; (3) all interest earned on Lottery Funds while held by an agency. Lottery Funds lose their identity, for budget purposes, when expended. Ballot Measure 66 requires that certain Lottery Funded agencies track and report Lottery Funds expenditures at a more detailed level.

Maintenance

Keeping property in good operating condition. Does not add value to or extend the economic life of a property. Commonly includes inspecting, calibrating, lubricating, and cleaning. Maintenance costs are categorized as Services and Supplies expenditures.

Management Service

Supervisory, confidential, or managerial employees excluded from collective bargaining.

Modified Current Service Level

Current Service Level less adjustment for revenue reductions.

Nonlimited Expenditures

Expenditures for which the Legislature defines purposes, but sets no dollar limits. They are subject to allotment control. The budget document describes them. The appropriation bill

defines their allowed purposes. Revenue may be continuously appropriated for them. Their nature may be that they cannot be avoided, stopped, or reduced by agency action. Other factors often limit their ultimate costs.

Other Payroll Expenses (OPE)

Expenses other than salaries paid for state employees. These include retirement payments, Social Security taxes, and health insurance costs.

ORBITS

Oregon's Budget Information Tracking System (ORBITS) is a system used to prepare budget requests. It compiles, maintains, and reports revenue, expenditure, and position data for budget preparation and execution.

Other Funds

Money received by an agency other than General Fund or Federal Funds. It is restricted by law to defined purposes. The agency may be allowed to spend it directly under its Other Funds expenditure limitation. Examples include lottery revenues, gasoline taxes, driver's licenses, hunting licenses, and many fees for service.

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 services.

Position Information Control System (PICS)

A computerized statewide database of authorized position details for budget preparation and execution.

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.

Real Property Improvements

Buildings, structures, and the like meant to be permanently attached. 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.

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, quasipublic agencies, and others.

Special Session

Meeting of the Legislature between regularly scheduled sessions. May be called by the Governor or the Legislature.

State Agency or Agency

Variouly 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.

Unfunded Mandate

Under the Oregon Constitution, the state is responsible to pay the costs of new work or programs that the state requires of local governments.

Vacancy Factor

A calculation to project budget savings expected from staff turnover during the biennium.

LEGISLATIVE BILL TABLES

2015-17 Appropriation Bills

AGENCY APPROPRIATION BILLS - ALPHABETICALLY BY AGENCY

Agency Name	House Bills	Senate Bills
Accountancy, Oregon Board of		SB 5501
Administrative Services, Department of		SB 5502
Advocacy Commissions Office, Oregon	HB 5001	
Agriculture, Department of	HB 5002	
Agriculture, Department of - Fee Bill	HB 5003	
Aviation, Department of	HB 5004	
Blind, Commission for the		SB 5503
Bond Limit	HB 5005	
Capital Construction	HB 5006	
Chiropractic Examiners, State Board of	HB 5007	
Chiropractic Examiners, State Board of - Fee Bill	HB 5008	
Licensed Social Workers, Board of	HB 5009	
Columbia River Gorge Commission	HB 5010	
Construction Contractors Board	HB 5011	
Consumer and Business Services, Department of	HB 5012	
Corrections, Department of		SB 5504
Counselors & Therapists, Board of Lic. Prof.	HB 5013	
Criminal Fine Account		SB 5505
Criminal Justice Commission		SB 5506
Dentistry, Board of	HB 5014	
District Attorneys and their Deputies	HB 5015	
Education, Department of	HB 5016	
Education, Department of - State School Fund	HB 5017	
Emergency Fund		SB 5507
Employment Department		SB 5508
Employment Relations Board		SB 5509
Energy, Department of		SB 5510
Environmental Quality, Department of	HB 5018	
Fish and Wildlife, Department of		SB 5511
Forestry, Department of	HB 5019	
Geology and Mineral Industries, State Department of		SB 5512
Government Ethics Commission, Oregon	HB 5020	
Governor, Office of the	HB 5021	
Health Related Licensing Boards	HB 5023	
Higher Education Coordinating Commission	HB 5024	
Higher Education Coordinating Commission - Fee Bill	HB 5025	

2015-17 Appropriation Bills

AGENCY APPROPRIATION BILLS - ALPHABETICALLY BY AGENCY (CONTINUED)

Agency Name	House Bills	Senate Bills
Housing and Community Services Department		SB 5513
Human Services, Department of	HB 5026	
Judicial Department		SB 5514
Judicial Fitness		SB 5515
Justice, Department of		SB 5516
Labor and Industries, Bureau of		SB 5517
Land Conservation and Development, Department of	HB 5027	
Land Use Board of Appeals	HB 5028	
Legislative Agencies		SB 5518
Legislative Administration Committee		
Legislative Assembly		
Legislative Counsel Committee		
Legislative Fiscal Officer		
Legislative Revenue Officer		
Indian Services, Commission on		
Library, Oregon State		SB 5519
Licensed Social Workers, Board of	HB 5009	
Liquor Control Commission, Oregon		SB 5520
Long Term Care Ombudsman		SB 5521
Lottery Allocation	HB 5029	
Lottery Bond	HB 5030	
Marine Board, Oregon State		SB 5522
Medical Board, Oregon		SB 5523
Medical Imaging - Fee Bill	HB 5031	
Military Department	HB 5032	
Nursing, Oregon State Board of		SB 5524
Oregon Business Development Department		SB 5525
Oregon Education Investment Board	HB 5022	
Oregon Health Authority		SB 5526
Oregon Health Authority - Fee Bill		SB 5527
Parks and Recreation Department		SB 5528
Parole & Post Prison Supervision, State Board of		SB 5529
Pharmacy, Board of		SB 5530
Police, Department of State		SB 5531
Psychiatric Security Review Board		SB 5532
Psychologist Examiners, Board of	HB 5033	
Public Defense Services Commission		SB 5533
Public Employees' Retirement System	HB 5034	
Public Safety Standards and Training, Department of		SB 5534

2015-17 Appropriation Bills

AGENCY APPROPRIATION BILLS - ALPHABETICALLY BY AGENCY (CONTINUED)

Agency Name	House Bills	Senate Bills
Public Utility Commission		SB 5535
Racing Commission		SB 5536
Real Estate Agency		SB 5537
Revenue, Department of	HB 5035	
Secretary of State	HB 5036	
State Lands, Department of	HB 5037	
Tax Practitioners	HB 5038	
Teacher Standards and Practices Commission		SB 5538
Tobacco Settlement Funds Account Allocation	HB 5039	
Transportation, Department of	HB 5040	
Treasury, Oregon State	HB 5041	
Veterans' Affairs, Department of		SB 5539
Water Resources, Department of	HB 5042	
Watershed Enhancement Board		SB 5540
Watershed Enhancement Board - Local Grants		SB 5541
Youth Authority, Oregon		SB 5542

2015-17 Senate Bills

AGENCY APPROPRIATION BILLS - BY BILL NUMBER

Agency Name	Bill Number
Accountancy, Oregon Board of	SB 5501
Administrative Services, Department of	SB 5502
Blind, Commission for the	SB 5503
Corrections, Department of	SB 5504
Criminal Fine Account	SB 5505
Criminal Justice Commission	SB 5506
Emergency Fund	SB 5507
Employment Department	SB 5508
Employment Relations Board	SB 5509
Energy, Department of	SB 5510
Fish and Wildlife, Department of	SB 5511
Geology and Mineral Industries, State Department of	SB 5512
Housing and Community Services Department	SB 5513
Judicial Department	SB 5514
Judicial Fitness	SB 5515
Justice, Department of	SB 5516
Labor and Industries, Bureau of	SB 5517
Legislative Agencies	SB 5518
Legislative Administration Committee	
Legislative Assembly	
Legislative Counsel Committee	
Legislative Fiscal Officer	
Legislative Revenue Officer	
Indian Services, Commission on	
Library, Oregon State	SB 5519
Liquor Control Commission, Oregon	SB 5520
Long Term Care Ombudsman	SB 5521
Marine Board, Oregon State	SB 5522
Medical Board, Oregon	SB 5523
Nursing, Oregon State Board of	SB 5524
Oregon Business Development Department	SB 5525
Oregon Health Authority	SB 5526
Oregon Health Authority - Fee Bill	SB 5527
Parks and Recreation Department	SB 5528
Parole & Post Prison Supervision, State Board of	SB 5529
Pharmacy, Board of	SB 5530
Police, Department of State	SB 5531
Psychiatric Security Review Board	SB 5532
Public Defense Services Commission	SB 5533

2015-17 Senate Bills (continued)

AGENCY APPROPRIATION BILLS - BY BILL NUMBER

Agency Name	Bill Number
Public Safety Standards and Training, Department of	SB 5534
Public Utility Commission	SB 5535
Racing Commission	SB 5536
Real Estate Agency	SB 5537
Teacher Standards and Practices Commission	SB 5538
Veterans' Affairs, Department of	SB 5539
Watershed Enhancement Board	SB 5540
Watershed Enhancement Board - Local Grants	SB 5541
Youth Authority, Oregon	SB 5542

2015-17 House Bills

AGENCY APPROPRIATION BILLS - BY BILL NUMBER

Agency Name	Bill Number
Advocacy Commissions Office, Oregon	HB 5001
Agriculture, Department of	HB 5002
Agriculture, Department of - Fee Bill	HB 5003
Aviation, Department of	HB 5004
Bond Limit	HB 5005
Capital Construction	HB 5006
Chiropractic Examiners, State Board of	HB 5007
Chiropractic Examiners, State Board of - Fee Bill	HB 5008
Licensed Social Workers, Board of	HB 5009
Columbia River Gorge Commission	HB 5010
Construction Contractors Board	HB 5011
Consumer and Business Services, Department of	HB 5012
Counselors & Therapists, Board of Lic. Prof.	HB 5013
Dentistry, Board of	HB 5014
District Attorneys and their Deputies	HB 5015
Education, Department of	HB 5016
Education, Department of - State School Fund	HB 5017
Environmental Quality, Department of	HB 5018
Forestry, Department of	HB 5019
Government Ethics Commission, Oregon	HB 5020
Governor, Office of the	HB 5021
Oregon Education Investment Board	HB 5022
Health Related Licensing Boards	HB 5023
Higher Education Coordinating Commission	HB 5024
Higher Education Coordinating Commission - Fee Bill	HB 5025
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Oregon Economic Analysis Staff: State Economist Mark McMullen, Senior Economists Michael Kennedy and Josh Lehner, and Senior Demographer Kanhaiya Vaidya

Carlee Justis, Karen Adams, and the rest of the staff at the Department of Administrative Services Publishing and Distribution.



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