

**A-Engrossed**

**House Bill 2837**

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

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

**SUMMARY**

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

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

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

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

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

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to state financial administration; creating new provisions; amending ORS 137.300 and section 58, chapter 597, Oregon Laws 2011, and section 2, chapter 631, Oregon Laws 2011; and declaring an emergency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 SECTION 15. This 2013 Act being necessary for the immediate preservation of the public  
38 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect  
39 on its passage.  
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**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: HB 5005-A**

**Carrier – House: Rep. Williamson**

**Carrier – Senate: Sen. Winters**

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

**Vote:** 26 – 0 – 0

House

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

Nays:

Exc:

Senate

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

Nays:

Exc:

**Prepared By:** Art Ayre, Department of Administrative Services

**Reviewed By:** Monica Brown, Legislative Fiscal Office

**Meeting Date:** June 6, 2013

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Agency

Department of Corrections

Biennium

2013-15

## **Budget Summary\***

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

## **Position Summary**

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

<sup>(1)</sup> Includes adjustments through December 2012

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

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

## **Summary of Public Safety Subcommittee Action**

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

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

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

#### Operations Division

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

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

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

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

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

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

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

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

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

#### Central Administration

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

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

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

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

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

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

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

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

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

#### General Services Division

The General Services Division includes the following units:

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

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

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

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

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

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

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

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

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

#### Human Resources

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

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

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

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

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

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

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

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

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

#### Community Corrections

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

Three general groups are funded through this program:

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

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

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

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

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

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

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

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

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

### Health Services

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

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

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

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

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

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

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

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

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

#### Offender Management and Rehabilitation

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

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

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

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

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

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

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

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

### Debt Service

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

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

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

#### Capital Improvements

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

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

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

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5005-A**

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

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

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

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

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

## Legislatively Approved 2013-2015 Key Performance Measures

**Agency: CORRECTIONS, DEPARTMENT of**

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

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

**Agency: CORRECTIONS, DEPARTMENT of**

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

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

**LFO Recommendation:**

Approve the 2014 and 2015 targets.

**Sub-Committee Action:**

Approved the 2014 and 2015 targets.

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 5006-B**

**JOINT COMMITTEE ON WAYS AND MEANS**

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

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

**Vote:** 26 – 0 – 0

House

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

**Nays:**

**Exc:**

Senate

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

**Nays:**

**Exc:**

**Prepared By:** Monica Brown, Legislative Fiscal Office

**Reviewed By:** Daron Hill, Legislative Fiscal Office

**Meeting Date:** July 7, 2013

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Agency

Various

Biennium

2013-15

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

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

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

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

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

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: SB 5507-A**

**Carrier – House: Rep. Smith**

**Carrier – Senate: Sen. Girod**

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

**Vote:** 22 – 4 – 0

House

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

**Nays:** Freeman, Hanna, McLane, Richardson

**Exc:**

Senate

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

**Nays:**

**Exc:**

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

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

**Meeting Date:** July 7, 2013

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Agency

Capital Construction – various agencies

Department of Veterans' Affairs

Department of Forestry

Biennium

2013-15

2011-13

2009-11

**Budget Summary**

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

**2011-13 Expenditure Limitation Adjustments**

**Department of Veterans' Affairs**

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

**2009-11 Expenditure Limitation Adjustments**

**Department of Forestry**

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

**Summary of Revenue Changes**

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

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

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

### Oregon Health Authority

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

### Department of Administrative Services

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

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

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

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

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

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

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

Department of Veterans' Affairs

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

Department of Transportation

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

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

Department of Aviation

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

Department of Fish and Wildlife

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

Department of Forestry

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

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

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

Oregon Military Department

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

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

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

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

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

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

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

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

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

#### Oregon State Police

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

#### Oregon Youth Authority

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

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

#### Department of Corrections

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

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

#### Judicial Department

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

### Legislative Administration

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

### Community Colleges and Workforce Development

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

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

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

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

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

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

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5507-A**

**Various Agencies**

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

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

**Department of Corrections**

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

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

**TRANSPORTATION PROGRAM AREA****Department of Transportation**

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

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

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

**NATURAL RESOURCES PROGRAM AREA****State Department of Fish and Wildlife**

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

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

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

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

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

**MEASURE: HB 5008-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Buckley**

**Carrier – Senate: Sen. Devlin**

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

**Vote:** 22 – 2 – 2

House

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

Nays: Freeman, Hanna

Exc: McLane, Richardson

Senate

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

Nays:

Exc:

**Prepared By:** Linda Ames, Legislative Fiscal Office

**Reviewed By:** Daron Hill, Legislative Fiscal Office

**Meeting Date:** July 8, 2013

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Agency

Emergency Board

Various Agencies

Biennium

2013-15

2011-13

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

**2013-15 Budget Summary\***

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

\*Excludes Capital Construction

## **2011-13 Supplemental Appropriations**

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

## **2013-15 Position Summary**

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

## **2013-15 Position Summary**

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

## **Summary of Revenue Changes**

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

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

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

### **Emergency Board**

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

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

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

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

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

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

### **Adjustments to Approved 2013-15 Budgets**

#### **OMNIBUS ADJUSTMENTS**

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

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

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

## **ADMINISTRATION**

### Oregon Department of Administrative Services

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

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

#### **Budget Note:**

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

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

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

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

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

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

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

**Budget Note:**

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

**Office of the Governor**

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

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

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

The following budget note was approved:

**Budget Note:**

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

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

**Department of Revenue**

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

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

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

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

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

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

The Subcommittee adopted the following budget note:

**Budget Note:**

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

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

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

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

**Secretary of State**

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

### Treasurer of State

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

## **CONSUMER AND BUSINESS SERVICES**

### Bureau of Labor and Industries

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

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### Oregon Business Development Department

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

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

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

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

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

#### Housing and Community Services Department

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

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

#### Department of Veterans' Affairs

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

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

#### **Budget Note:**

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

## **EDUCATION**

### Department of Education

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

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

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

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

The following budget notes were approved:

#### **Budget Note:**

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

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

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

**Budget Note:**

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

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

**Department of Community Colleges and Workforce Development**

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

**Oregon Health and Science University**

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

### Higher Education Coordinating Commission

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

#### **Budget Note:**

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

### Oregon University System

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

#### **Budget Note:**

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

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

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

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

**Budget Note:**

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

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

**HUMAN SERVICES**

Oregon Health Authority

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

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

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

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

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

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

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

**Budget Note:**

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

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

The report should include the following:

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

**Budget Note:**

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

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

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

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

#### Department of Human Services

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

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

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

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

### Long Term Care Ombudsman

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

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

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

## **JUDICIAL BRANCH**

### Judicial Department

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

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

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

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

### Public Defense Services Commission

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

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

## **LEGISLATIVE BRANCH**

### Legislative Administration Committee

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

### Legislative Fiscal Officer

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

## **NATURAL RESOURCES**

### State Department of Agriculture

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

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

**Budget Note:**

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

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

**Columbia River Gorge Commission**

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

**State Department of Energy**

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

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

**Department of Environmental Quality**

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

**Department of Land Conservation and Development**

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

### State Department of Fish and Wildlife

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

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

#### **Budget Note:**

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

### State Forestry Department

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

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

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

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

#### **Budget Note:**

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

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

#### Parks and Recreation Department

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

#### Department of State Lands

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

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

#### Water Resources Department

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

### **PUBLIC SAFETY**

#### Department of Corrections

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

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

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

The following budget note was approved:

**Budget Note:**

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

**Criminal Justice Commission**

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

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

The following budget note was approved:

**Budget Note:**

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

**Department of Justice**

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

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

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

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

**Budget Note:**

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

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

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

**Oregon Military Department**

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

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

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

#### Oregon State Police

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

#### Department of Public Safety Standards and Training

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

#### Oregon Youth Authority

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

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

## **TRANSPORTATION**

#### Department of Transportation

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

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

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

**Budget Note:**

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

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

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

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

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

## **Adjustments to 2011-13 Budgets**

### **Emergency Board**

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

### **Oregon University System**

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

### **Oregon Youth Authority**

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

### **Military Department**

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

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

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

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

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

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5506-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

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

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

**Vote:** 24 – 2 – 0

House

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

**Nays:** McLane, Richardson

**Exc:**

Senate

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

**Nays:**

**Exc:**

**Prepared By:** Jack Kenny, Department of Administrative Services

**Reviewed By:** Daron Hill, Legislative Fiscal Office

**Meeting Date:** July 7, 2013

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Agency

Various

Biennium

2013-15

## **Summary of Subcommittee Action**

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

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

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

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

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

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

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

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

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

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

**Budget Note:**

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

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

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

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

**Oregon University System**

**System-wide projects**

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

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

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

#### Eastern Oregon University

The Subcommittee approved the following project for Eastern Oregon University:

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

#### Oregon Institute of Technology

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

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

#### Oregon State University

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

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

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

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

#### Portland State University

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

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

### Southern Oregon University

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

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

### University of Oregon

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

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

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

Western Oregon University

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

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

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

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

**Article Xi-Q Authority**

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

Senate Bill 5506, SECTIONS 1 - 3.

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

**Pass Through Revenue Bonds**

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

**OTHER FINANCING AGREEMENTS**

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

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

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: SB 5507-A**

**Carrier – House: Rep. Smith**

**Carrier – Senate: Sen. Girod**

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

**Vote:** 22 – 4 – 0

House

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

**Nays:** Freeman, Hanna, McLane, Richardson

**Exc:**

Senate

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

**Nays:**

**Exc:**

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

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

**Meeting Date:** July 7, 2013

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Agency

Capital Construction – various agencies

Department of Veterans' Affairs

Department of Forestry

Biennium

2013-15

2011-13

2009-11

**Budget Summary**

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

**2011-13 Expenditure Limitation Adjustments**

**Department of Veterans' Affairs**

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

**2009-11 Expenditure Limitation Adjustments**

**Department of Forestry**

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

**Summary of Revenue Changes**

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

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

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

### Oregon Health Authority

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

### Department of Administrative Services

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

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

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

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

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

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

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

Department of Veterans' Affairs

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

Department of Transportation

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

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

Department of Aviation

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

Department of Fish and Wildlife

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

Department of Forestry

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

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

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

Oregon Military Department

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

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

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

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

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

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

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

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

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

#### Oregon State Police

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

#### Oregon Youth Authority

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

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

#### Department of Corrections

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

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

#### Judicial Department

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

### Legislative Administration

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

### Community Colleges and Workforce Development

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

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

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

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

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

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

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5507-A**

**Various Agencies**

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

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

**Department of Corrections**

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

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

**TRANSPORTATION PROGRAM AREA****Department of Transportation**

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

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

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

**NATURAL RESOURCES PROGRAM AREA****State Department of Fish and Wildlife**

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

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

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

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

Gilchrist Forest Land Acquisition	\$	0	\$	0	\$	5,200,000	\$	0	N/A	\$	5,200,000	0	0.00
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## A-Engrossed Senate Bill 5701

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

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

### SUMMARY

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

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

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

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

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

Declares emergency, effective on passage.

### A BILL FOR AN ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (b) Home foreclosure issues; or

21 (c) Human services caseload increases.

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

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

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

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

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

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

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

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

10 SECTION 19. Notwithstanding any other provision of law, the authorized appropriations  
 11 and expenditure limitations for the biennium beginning July 1, 2011, for the following agen-  
 12 cies and programs are changed by the amounts specified:  
 13

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14 (1) ADMINISTRATIVE.

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15  
 16  
 17 2011  
 18 Oregon Laws  
 19 Chapter/  
 20 Section Adjustment

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

1	Lottery funds	Ch. 571 3(7)	+24,276
2	Coos Bay railroad		
3	Lottery funds	Ch. 571 3(8)	+10,854
4	SAGE Center		
5	Lottery funds	Ch. 600 39(2)(a)	+6,310
6	Eastern Oregon Trade Center		
7	Lottery funds	Ch. 600 39(2)(b)	+12,560
8	Milton-Freewater		
9	flood control		
10	Lottery funds	Ch. 600 39(2)(c)	+5,720
11	Oregon Historical Society		
12	Lottery funds	Ch. 600 39(2)(d)	+8,165
13	State Treasurer:		
14	Other funds	Ch. 627 1(1)	+250,000
15	Public Employees Retirement		
16	System:		
17	Other funds	Ch. 495 1(1)	-750,000
18	Secretary of State:		
19	Executive Office, Business		
20	Services Division, Information		
21	Systems Division and Human		
22	Resources Division		
23	General Fund	Ch. 411 1(1)	-128,891
24	Elections Division		
25	General Fund	Ch. 411 1(2)	-4,006
26	Archives Division		
27	General Fund	Ch. 411 1(3)	-423
28	Oregon Liquor Control		
29	Commission:		
30	Other funds	Ch. 578 1(1)	+507,973
31	Department of Revenue:		
32	General Fund	Ch. 625 1	-1,175,191
33	Employment Relations Board:		
34	General Fund	Ch. 572 1	+1,000,000
35	Office of Governor:		
36	General Fund	Ch. 538 1	+372,362
37	Oregon Education		
38	Investment Board		
39	General Fund	Ch. 600 30	-105,000
40	State Library:		
41	General Fund	Ch. 341 1	-19,886
42			
43			
44			
45			

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(2) CONSUMER AND BUSINESS SERVICES.

1				
2				
3				
4				
5	Agency/Program/Funds	Section	Adjustment	
6				
7	Oregon Health Licensing			
8	Agency:			
9	Other funds	Ch. 539 1	-\$20,751	
10	Bureau of Labor and			
11	Industries:			
12	General Fund	Ch. 576 1	-213,815	
13	Department of Consumer and			
14	Business Services:			
15	Federal funds	Ch. 617 2	+2,434,040	
16				

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(3) ECONOMIC AND COMMUNITY DEVELOPMENT.

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19				
20				
21				
22				
23				
24	Agency/Program/Funds	Section	Adjustment	
25				
26	Oregon Business			
27	Development Department:			
28	Oregon Arts Commission			
29	General Fund	Ch. 579 1	-\$8,729	
30	Debt service			
31	Other funds	Ch. 579 2(5)	+321,885	
32	Business, innovation and			
33	trade			
34	Other funds	Ch. 579 2(1)	-277,500	
35	Lottery funds	Ch. 579		
36		3(1)(a)	-284,920	
37	Shared services			
38	Lottery funds	Ch. 579		
39		3(1)(b)	-127,418	
40	Oregon Film and Video Office			
41	Lottery funds	Ch. 579 3(1)(c)	-81,315	
42	Debt service on lottery bonds			
43	Lottery funds	Ch. 579		
44		3(1)(d)	+2,830,159	
45	Housing and Community			

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

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

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

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(5) HUMAN SERVICES.

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

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

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(6) JUDICIAL BRANCH.

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

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

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(7) LEGISLATIVE BRANCH.

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

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

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(8) NATURAL RESOURCES.

2011

Oregon Laws

Chapter/

13	Agency/Program/Funds	Section	Adjustment
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State Marine Board:

Administration and education

17	Federal funds	Ch. 187 2(1)	+\$243,200
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Marine law enforcement

19	Other funds	Ch. 187 1(2)	+757,200
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20	Federal funds	Ch. 187 2(2)	+292,800
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Facilities construction,  
maintenance and land  
acquisition

24	Other funds	Ch. 187 1(3)	+509,800
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25	Federal funds	Ch. 187 2(3)	-536,000
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State Department of Energy:

27	Other funds	Ch. 632 1	+4,249,010
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28	Federal funds	Ch. 632 3	+109,164
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Energy efficiency and  
sustainable technology

31	Lottery funds	Ch. 632 2	+75,746
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State Department of Geology  
and Mineral Industries:

34	General Fund	Ch. 186 1	-1,204
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35	Other funds	Ch. 186 2	+1,788,385
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36	Federal funds	Ch. 186 3	+1,709,304
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State Parks and Recreation

Department:

Director's office

40	Lottery funds	Ch. 584 2(1)	+45,638
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Central Services

42	Lottery funds	Ch. 584 2(2)	+280,114
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Park development

44	Lottery funds	Ch. 584 2(3)	+592,240
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45	Federal funds	Ch. 584 3(1)	+2,190,000
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1	Direct services			
2	Lottery funds	Ch. 584 2(4)		+673,108
3	Community support and grants			
4	Lottery funds	Ch. 584 2(5)		+140,142
5	Federal funds	Ch. 584 3(3)		+861,950
6	Water Resources Department:			
7	Water resources program			
8	General Fund	Ch. 416 1		-255,387
9	Debt service on lottery bonds			
10	Lottery funds	Ch. 416 2		+25,633
11	Oregon Watershed			
12	Enhancement Board:			
13	Watershed Improvement			
14	Operating Fund			
15	Lottery funds	Ch. 588 5		-784,354
16	Department of State Lands:			
17	Common School Fund			
18	programs			
19	Other funds	Ch. 412 1(1)		+1,057,597
20	Federal funds	Ch. 412 2(1)		+178,000
21	Natural Heritage			
22	Advisory Council			
23	Federal funds	Ch. 412 2(2)		+250,127
24	State Department of			
25	Agriculture:			
26	Administrative and			
27	support services			
28	General Fund	Ch. 409 1(1)		+20,125
29	Food Safety			
30	General Fund	Ch. 409 1(2)		-46,288
31	Other funds	Ch. 409 2(2)		+31,311
32	Natural Resources			
33	General Fund	Ch. 409 1(3)		-589,002
34	Agricultural Development			
35	General Fund	Ch. 409 1(4)		-193,203
36	Other funds	Ch. 409 2(4)		+10,000
37	Parks and Natural			
38	Resources Fund			
39	Lottery funds	Ch. 409 3		+932,123
40	County fair support			
41	Lottery funds	Ch. 409 5		+763
42	Department of			
43	Environmental Quality:			
44	Water quality			
45	General Fund	Ch. 536 1(2)		-169,003

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

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(9) PUBLIC SAFETY.

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

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

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

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

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2  
3  
4 SECTION 20. In addition to and not in lieu of any other appropriation, there is appro-  
5 priated to the Department of Land Conservation and Development, for the biennium begin-  
6 ning July 1, 2011, out of the General Fund, the amount of \$200,000, which may be expended  
7 for payment of expenses related to regional land use planning activities.

8 SECTION 21. In addition to and not in lieu of any other appropriation, there is appro-  
9 priated to the State Forestry Department, for the biennium beginning July 1, 2011, out of the  
10 General Fund, the amount of \$200,000, which may be expended for payment of expenses re-  
11 lated to forest policy.

12 SECTION 22. In addition to and not in lieu of any other appropriation, there is appro-  
13 priated to the Department of Land Conservation and Development, for the biennium begin-  
14 ning July 1, 2011, out of the General Fund, the amount of \$350,000, for grants to Jackson,  
15 Josephine and Douglas counties for expenses related to regional land use planning activities.

16 SECTION 23. Section 5, chapter 20, Oregon Laws 2011, as amended by section 21, chapter 496,  
17 Oregon Laws 2011, and section 47, chapter 600, Oregon Laws 2011, is amended to read:

18 **Sec. 5.** (1) The Department of Education may not spend more than \$2,928,830,000 from the State  
19 School Fund for the fiscal year beginning July 1, 2011.

20 (2) The Department of Education may not spend more than [\$2,842,830,000] \$2,845,330,000 from  
21 the State School Fund for the fiscal year beginning July 1, 2012.

22 SECTION 24. This 2012 Act being necessary for the immediate preservation of the public  
23 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect  
24 on its passage.  
25 \_\_\_\_\_

## Public Safety Program Area

The Department of Correction's (DOC) share of the \$28 million reduction is \$7.9 million General Fund. To meet this target, DOC submitted a plan which would eliminate 81 positions. DOC's plan follows the spirit of the budget note with all but one of the positions being a supervisor or management service position. When discussing this plan, it is important to set the context of the agency's budget for the 2011-13 biennium. Even before addressing this \$7.9 million issue, DOC estimates that it faces a \$48.8 million General Fund "hole" in its budget made up of four major components: (1) \$20.0 million from the unspecified reduction included in the legislatively adopted budget which has been included in DOC's budget in some amount for the past four biennia; (2) \$7.2 million in an unspecified Services and Supplies reduction that was included in most General Fund agency budgets; (3) \$15.2 million gap in funding between the amount in the budget for employee compensation and what the end result was from the bargained contracts with represented employees; and (4) \$6.4 million in increased costs of a new Hepatitis C Drug therapy that DOC is implementing.

DOC leadership has stated that they will fill this \$48.8 million General Fund gap with management actions that stay within its current budget. They have developed a plan which generally assumes the message that the Legislature gave them during the 2012 session which was to not close or significantly reduce the scope of any of DOC's 13 institutions or significantly reduce any "program" resources both within the institutions or funding that is passed to the community. The management and other actions to close the \$48.8 million gap include:

- Holding positions vacant – Currently the agency has identified almost 340 vacant positions, most of which are vacant to generate savings. Supervisory or management service positions represent 58, or 17% of these positions.
- Health services savings – including delaying the implementation of some of the Hepatitis C treatment, reducing medical supplies, and delaying indefinitely the development of an electronic health records system.
- Assuming the reimbursement to counties for Ballot Measure 73 offenders will be less than budgeted – if this assumption is wrong, the agency will have to find resources to make up the difference.
- Assuming that the agency will not hire additional staff to meet the forecasted growth in the number of inmates.
- Assuming increased resources from a variety of sources including cost of health care collections, debt service savings through refinancing, and additional federal State Criminal Alien Assistance Program (SCAAP) funding.
- Delaying payments for various software licenses until the start of the 2013-15 biennium.

Some of these actions or savings will be difficult to realize, and the likelihood of new issues appearing is possible. After DOC submitted its proposal to eliminate the 81 positions, the Department of Administrative Services (DAS) notified DOC and LFO that refinancing of existing debt generated an additional \$5.5 million General Fund in debt service savings that was not previously assumed. LFO recommends that \$2.5 million of these new resources be dedicated to fill the \$48.8 million gap described above, specifically for those items which will be difficult to realize the estimated savings. The remaining \$3.0 million should be used to offset some of the 81 position eliminations proposed to fill the \$7.9 "mid-management" gap.

Most, if not all, of these 81 positions proposed for elimination are currently filled so their elimination will mean a direct layoff or indirect layoff if the incumbent has bumping rights back into a represented position. DOC took the approach to eliminate or significantly reduce entire programs or groups of

employees instead of “thinning the soup” with smaller reductions in many areas. Specifically, DOC’s proposed plan eliminates the following positions:

- **Five supervisory positions in the General Services Division** (\$498,656) will be eliminated including a wireless communications manager and a supervising electrician which will limit flexibility in responding to emergencies (represented staff that will pick up the workload must be paid for on-call time and overtime), a business office manager and support services manager resulting in managers having to supervise staff that are over 200 miles away, and a construction project manager.
- **Five nurse manager positions** (\$587,275) across the state will be eliminated which DOC expects to result some institutions not meeting standards established by the agency and those set forth by the National Commission on Correctional Health Care. In addition, remaining nurse managers will provide significantly less direct patient care as they assume more managerial responsibilities. As the level of institutional care is affected, increased use of more expensive outside medical care may increase.
- **Eight safety specialist positions** (\$772,441) will be eliminated in the Human Resources Division. DOC asserts this will result in litigation and increased time loss. Safety related violations will not be investigated, Oregon OSHA requirements will not be followed, and workplace safety may suffer. Future workers compensation assessments will likely increase over time.
- **Two community corrections monitoring positions** (\$189,393) will be eliminated which will mean DOC will no longer be able to review compliance with SB 267 (evidenced-based programs) and monitoring of local community corrections will be reduced.
- Three positions eliminated in the Directors Office will mean that the **internal audit function within the agency will be discontinued** (\$254,966). This will limit the agency’s ability to monitor and oversee its financial and programmatic operations.
- **Six Lieutenant positions are eliminated within the Inspector General’s Office** (\$609,817) which will effectively shut down the Security Threat Management (STM) program which manages over 900 inmates. These Lieutenants act as “probation officers” to inmates who represent the most danger to the safe and secure operation of the institutions. These inmates will no longer be monitored on a daily basis and information will not be collected and shared within the institutions.
- **Almost half, or 52, of the Lieutenant positions in the Operations Division** (\$4,974,258) will be eliminated. Lieutenants represent the first step in the non-represented security hierarchy. They provide and oversee training, are the first-level supervisors with management oversight of trial service correctional officers as well as provide all evaluations of all line-staff performance. They also oversee special operations such as Tactical Teams within the institutions. DOC asserts the consequences of this reduction include: (1) a decrease in institution readiness and the ability to respond to emergencies; (2) increased overtime schedule and assignment management duties must be picked up by others; (3) violations to the Collective Bargaining Agreements may not be investigated in a timely manner potentially creating labor management issues; and (4) supervisory presence in critical areas or critical times within the prisons will be severely hampered. Most of the Lieutenants in the larger medium prisons will be eliminated leaving Captains to bear almost all of the sworn staff management responsibilities. Responsibilities will also be pushed down to represented staff. As an example, at Snake River (the largest prison in the system with roughly 3,000 inmates), the current staffing for the 3<sup>rd</sup> shift has one captain, four lieutenants, seven sergeants, two corporals, and 119 correctional officers. If these 52 Lieutenant positions are eliminated there would be one captain, one lieutenant, and the same number of represented staff.

Since most of these positions are filled, the savings from their elimination may be reduced from the costs of laying off employees. Many of these positions have bumping rights back into represented positions which will set off a series of steps which will potentially end up with employees which cost

much less than the eliminated positions being laid off. In addition, other costs like vacation pay-out and unemployment costs have not been fully factored into these estimates.

LFO reviewed these reductions in light of the existing budget reductions and vacant positions as well as the change in employment patterns over the past 10 years. Between the 2001-03 biennium and the current 2011-13 biennium, the total budgeted bed capacity (the basis for what the budget is built on) increased by 3,348, or just under 30%. Institutional staff (does not include health services staff) also increased, but at a much smaller rate of 8%. As a result the number of budgeted beds per employee increased from 4.05 to 4.80, or by 18.5%. The ratio for beds to security staff (Correctional Officers, Sergeants, Corporals, Lieutenants and Captains) increased by 17.6%, but for the non-represented or management Lieutenants and Captains the increase was 30.7% and 28.1%, respectively. For non-sworn management staff (PEM series), the increase was over 34%. Department-wide, there is a similar trend of the number of employees not keeping pace with the growth in budgeted beds for almost all areas other than Health Services and Human Resources; and in areas where the Legislature has made a policy choice to increase the level of services such as Behavioral Health and Transition and Release. Based on information provided by DOC, the management to staff ratios department-wide has increased from 1 to 9.2 in 2001-03 to the current 1 to 10.1. If DOC's proposal to address the \$7.9 million gap is implemented, the ratio increases to 1 to 12.1. None of the comparisons above take into account vacant positions – over 340 are now vacant, many of which are management service.

LFO recommends the following actions to meet the \$7.9 million target:

- As noted above, use \$3.0 million of the General Fund debt refinancing savings to reduce the number of positions as originally proposed by the agency.
- Eliminate the five managers in the General Services Division and the five nurse management positions as proposed by DOC.
- Eliminate both of the proposed Community Corrections central office positions as well as one additional management level position. This program has two higher level managers and given the other reductions it is appropriate to eliminate one of these two manager positions.
- Retain the internal audit function, but reduce the staff from three to two.
- Eliminate one of the positions in the Government Efficiencies and Communications unit, specifically one that is assigned to work on internal state government activities that other agencies are using existing staff to complete.
- Retain the safety program to insure worker and facility safety as well as to control future workers' compensation costs, but reduce the program by one position.
- Eliminate 24 of the 58 Lieutenant positions proposed by the agency including those that are part of the Security Threat Management program. The agency will need to determine which positions to retain. LFO remains concerned about the number of Lieutenant positions eliminated in its recommendation.

Based on these recommended actions, LFO also recommends a future allocation of \$922,918 from the Emergency Fund to offset position eliminations. This amount represents the difference between the DOC targeted General Fund reduction and the net value of the LFO recommended actions. Specifically, the recommended use of the debt service savings and the proposed Emergency Fund allocation are recommended to be used to maintain the safety program and to reduce the number of Lieutenant positions proposed to be eliminated.

The Department of State Police's (OSP) target is \$2,541,490 General Fund. To meet this amount, OSP submitted a list of 22 positions for elimination and seven position reclassifications. Generally the positions submitted by the agency are supervisory or management service. These positions are over

Oregon Legislative Emergency Board  
Certificate

December 12, 2012

Pursuant to the provisions of ORS 291.328, and acting under the authority of 291.326(1)(a), (b), (c), and (d); 291.371; and 291.375; this hereby certifies that the Emergency Board, meeting on December 12, 2012, took the following actions:

- 1. Treasurer of State**  
Deferred to the 2013 legislative session consideration of a request from the Treasurer of State to establish three permanent full-time positions to plan for and initiate replacement of the agency's Local Government Investment Pool Voice Response System, with the understanding that the Treasurer may continue to use existing staff and administratively established positions where necessary to both maintain the functionality of the Voice Response System and to develop a business case for the modernization of the Voice Response System.
- 2. Judicial Department**  
Increased the Other Funds expenditure limitation established for the Judicial Department by section 1, chapter 110, Oregon Laws 2012, specialty courts, by \$580,000, and increased the Other Funds expenditure limitation established for the Judicial Department by section 2(1), chapter 634, Oregon Laws 2011, Operations, by \$380,000 for expenditures of grant renewals.
- 3. Judicial Department**  
Increased the Other Funds expenditure limitation established for the Judicial Department by section 13, chapter 110, Oregon Laws 2012, capital improvement, by \$110,000 to address deferred maintenance issues with the Supreme Court Building.
- 4. Oregon Health Authority**  
Approved the transfer of General Fund appropriations, increased Other Funds expenditure limitations, increased Federal Funds expenditure limitations, and authorized the establishment of 72 positions (18.77 FTE) for the Oregon Health Authority; with the understanding that the Department of Administrative Services will unschedule General Fund, and Other Funds and Federal Funds expenditure limitation; per the attached table.
- 5. Oregon Health Authority**  
Acknowledged receipt of a report from the Oregon Health Authority on the agency's efforts to pursue a competitive bidding process for generic drugs within the Medicaid program.
- 6. Department of Human Services**  
Allocated \$40,097,207 from the special purpose appropriation made to the Emergency Board by section 15(1), chapter 110, Oregon Laws 2012, to supplement appropriations made to the Department of Human Services, approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, and increased Federal Funds expenditure limitations; with the understanding that the Department of Administrative Services will unschedule General Fund and Other Funds expenditure limitation; per the attached table.

- 7. Department of Corrections**  
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$191,768 for the Circles of Support and Accountability (COOSA) Training and Technical Assistance Project.
- 8. Department of Corrections**  
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$291,797 to provide advanced-level skills training for probation officers.
- 9. Department of Corrections  
Oregon Health Authority**  
Acknowledged receipt of a report from the Department of Corrections and Oregon Health Authority on the purchase of pharmaceutical drugs for the inmate health services program, with the understanding that the agencies will report by April 2013 on steps taken to reduce the cost of pharmaceuticals, which could include, but is not limited to: a) utilizing the Oregon Prescription Drug Program (OPDP), b) working with the Oregon Health Authority to explore 340-B eligibility, and c) resolving whether non-drug supplies can be purchased through OPDP or multiple group purchasing organizations.
- 10. Department of Justice**  
Allocated \$1,102,857 from the special purpose appropriation made to the Emergency Board by section 57(1), chapter 600, Oregon Laws 2011, to supplement the appropriation made to the Department of Justice by section 1, chapter 575, Oregon Laws 2011 for ongoing legal costs associated with the defense of the revenue stream from the Master Settlement Agreement.
- 11. Military Department**  
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$133,355 for 2012 fire season expenses.
- 12. Military Department**  
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$300,000, and increased the Federal Funds expenditure limitation established for the Military Department by section 3(3), chapter 623, Oregon Laws 2011, Community support, by \$650,000 for the Oregon Youth Challenge Program.
- 13. Department of Public Safety Standards and Training**  
Approved the submission of a federal grant application by the Department of Public Safety Standards and Training to the White House Office of National Drug Control Policy in the amount of \$100,000 for the Oregon High Intensity Drug Trafficking Area Training Initiative; and increased the Federal Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 3, chapter 586, Oregon Laws 2011, by \$50,000.

- 15. Housing and Community Services Department**  
Approved the submission of a federal grant application by the Housing and Community Services Department to the U.S. Department of Housing and Urban Development for a National Foreclosure Mitigation Counseling grant of up to \$807,804 to provide foreclosure intervention counseling to owner-occupants of single-family properties who are delinquent on their mortgages and/or at risk of default or foreclosure.
- 16. Department of Forestry**  
Acknowledged receipt of a report from the Department of Forestry on the 2012 fire season; allocated \$2,660,983 from the special purpose appropriation made to the Emergency Board by section 6(1), chapter 537, Oregon Laws 2011, for fire protection expenses, to supplement the appropriation made to the Department of Forestry by section 1(1), chapter 537, Oregon Laws 2011, Fire protection; and deferred to the 2013 legislative session consideration of the request for an allocation of \$22,093 from the general purpose Emergency Fund.
- 17. Department of Fish and Wildlife**  
Increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(2), chapter 573, Oregon Laws 2011, Wildlife Division, by \$1,219,834; increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(1), chapter 573, Oregon Laws 2011, Fish Division, by \$1,555,846; and authorized the establishment of three limited duration positions (0.75 FTE) and the reclassification of two positions; to accommodate unanticipated federal revenues and to complete federal contracts.
- 18. Department of Agriculture**  
Deferred to the 2013 legislative session consideration of the request by the Department of Agriculture for an allocation of \$446,040 from the general purpose Emergency Fund to fund research on issues surrounding growing of canola.
- 19. Department of Agriculture**  
Increased the Federal Funds expenditure limitation established for the Department of Agriculture by section 4(2), chapter 409, Oregon Laws 2011, Natural resources, by \$101,200 for a grant to help meet Korea's phytosanitary requirements for importation of blueberries.
- 20. Department of Agriculture**  
Acknowledged receipt of a report from the Department of Agriculture on use of emergency funds approved at the September 2012 meeting of the Emergency Board to help those affected by rangeland fires in Southeast Oregon.
- 22. Department of Environmental Quality**  
Increased the Federal Funds expenditure limitation established for the Department of Environmental Quality by section 5(1), chapter 536, Oregon Laws 2011, Air quality, by \$900,000, and authorized within the Federal Funds expenditure limitations established for the Department of Environmental Quality by section 5, chapter 536, Oregon Laws 2011, the transfer \$300,000 from subsection (4), Cross program, to subsection (1), Air quality, for final payments of diesel engine and exhaust improvement grants and purchase of air quality monitoring equipment.

- 23. Parks and Recreation Department**  
Approved, retroactively, the submission of a federal grant application by the Parks and Recreation Department to the U.S. Fish and Wildlife Service in the amount of \$60,000 to enhance the Sullivan Gulch Channel.
- 24. Department of Aviation**  
Increased the Other Funds Capital Construction expenditure limitation established for the Department of Aviation by section 1(10)(d), chapter 742, Oregon Laws 2007, and increased by section 1(1), chapter 79, Oregon Laws 2012, by \$48,000, for the Chiloquin Apron Rehabilitation, Obstruction Removal and Lighting project.
- 25. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application by the Department of Transportation to the Federal Motor Carrier Safety Administration in the amount of \$154,824 to support agency efforts to comply with revised federal regulations for Commercial Driver Licenses and Commercial Learner Permits.
- 26. Department of Transportation**  
Approved, retroactively, the submission of a federal grant application by the Department of Transportation to the Federal Transportation Administration in the amount of \$2,400,000 to construct a trail between Warren Creek and Lindsey Creek State Park.
- 27. Department of Transportation**  
Increased the Other Funds Capital Construction expenditure limitation established for the Department of Transportation by section 1(5), chapter 615, Oregon Laws 2011, Portland drive testing center, by \$4,187,246 for facility upgrade and remodeling.
- 28. Department of Transportation**  
Increased the Federal Funds expenditure limitation established for the Department of Transportation by section 3(4), chapter 542, Oregon Laws 2011, Public transit, by \$12,800,000 for federal transit grant reimbursement to local recipients, and increased the Other Funds expenditure limitation established for the Department of Transportation by section 2(13), chapter 542, Oregon Laws 2011, Public transit, by \$900,000 for federal cost allocation.
- 29. Department of Administrative Services**  
Acknowledged receipt of a report from the Department of Administrative Services on Improving Government expenditures that were not anticipated in its legislatively adopted budget for 2011-13, with instructions that the Department: a) unschedule the \$2 million designated for scoping the HR system replacement project until the scoping project and the replacement project are reviewed by the appropriate legislative committee, b) report during its 2013-15 budget request hearing to the Joint Committee on Ways and Means on savings and outcomes achieved by the other eleven Improving Government projects, and c) report to the Joint Committee on Ways and Means as soon as the final costs of the steam tunnel repair project are known and request the inclusion of a capital construction project to the list of 2011-13 approved projects, if necessary.
- 30. Department of Administrative Services**  
Established for the 2011-13 biennium an Other Funds expenditure limitation for the Department of Administrative Services in the amount of \$11,965,254 for distributions to taxing districts from the Shared Services Fund.

- 31. Department of Administrative Services**  
Acknowledged receipt of a report from the Department of Administrative Services on the coordination of funding requests related to removal of debris from Oregon's beaches created by the tsunami that devastated Japan in March 2011.
- 32. Citizens' Initiative Review Commission**  
Acknowledged receipt of a report from the Citizens' Initiative Review Commission on the 2012 initiative review process.
- 33. Bureau of Labor and Industries**  
Allocated \$76,069 from the Emergency Fund established by section 1, chapter 600, Oregon Laws 2011, to supplement the appropriation made to the Bureau of Labor and Industries by section 1, chapter 576, Oregon Laws 2011 to fund two positions in the Wage and Hour Division until the end of the biennium, and requested that an equivalent amount of Wage Security and Prevailing Wage Rate funds be reallocated back to the General Fund during the 2013 legislative session.
- 34. Bureau of Labor and Industries**  
Increased the Federal Funds expenditure limitation established for the Bureau of Labor and Industries by section 4, chapter 576, Oregon Laws 2011, by \$41,123 for increased caseload and program costs in federal contracts with the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.
- 35. Oregon Liquor Control Commission**  
Acknowledged receipt of a report from the Oregon Liquor Control Commission on sales, revenue, and available expenditure limitation related to agents' compensation and credit card fees, as directed by budget note.
- 36. Office of the Governor**  
**Employment Department**  
Approved, retroactively, the submission of a federal grant application by the Office of the Governor to the U.S. Department of Education and the U.S. Department of Health and Human Services in the amount of \$20.5 million for a Race-To-The-Top grant; increased the Federal Funds expenditure limitation established for the Office of the Governor by section 135, chapter 37, Oregon Laws 2012, Early Learning Council and Youth Development Council, by \$1,223,658; increased the Other Funds expenditure limitation established for the Employment Department by section 2(1), chapter 339, Oregon Laws 2011, Operating budget, by \$1,658,526; and authorized the establishment of three limited duration positions (0.39 FTE) in the Governor's Office for the Early Learning Council and two limited duration positions (0.26 FTE) in the Employment Department for the 2011-13 biennium activities under this federal grant; with the understanding that the Department of Administrative Services will unschedule the limitation increases until the funds are received from the federal government.
- 37. Office of the Governor**  
Increased the Other Funds expenditure limitation established for the Office of the Governor by section 134, chapter 37, Oregon Laws 2012, Early Learning Council and Youth Development Council, by \$825,616 to cover expenditures.

**39. Legislative Fiscal Office**

Transferred unallocated balances in the amount of \$24,968,138 from special purpose appropriations made to the Emergency Board to the general purpose appropriation legal citation, per the attached table.

/s/ Ken Rocco

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Ken Rocco, Legislative Fiscal Officer

**OREGON HEALTH AUTHORITY 2011-13**  
December 2012

Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget	Adjustments to Position Authority
<b><u>Transfers, Allocation, Establishments, and Expenditure Limitation Adjustments:</u></b>			
<b>Programs</b>			
Ch 580 1(1)	General	(678,149)	
Ch 580 2(1)	Other Limited	330,398,308	
Ch 580 4(1)	Federal Limited	98,237,280	
	Total	427,957,439	22 positions / 6.27 FTE
<b>Central Services</b>			
Ch 580 1(2)	General	678,149	
Ch 580 2(2)	Other Limited	451,206	
Ch 580 4(2)	Federal Limited	30,714,336	
	Total	31,843,691	50 positions / 12.50 FTE
<b>Department Total</b>			
	General	-	
	Other Limited	330,849,514	
	Federal Limited	128,951,616	
	Total	459,801,130	72 positions / 18.77 FTE
Ch 580 5(3)	Other Non-limited	21,320,100	
<b><u>Request Department of Administrative Services to unschedule:</u></b>			
<b>Programs</b>			
Ch 580 1(1)	General Fund	5,237,309	
<b>Shared Services</b>			
Ch 580 2(3)	Other Limited	1,444,016	
<b>Central Services</b>			
Ch 580 4(2)	Federal Limited	10,000,000	

<b>DEPARTMENT OF HUMAN SERVICES 2011-13</b>		
December 2012		
<b>Division/Appropriation</b>		<b>Adjustments to Legislatively</b>
<b>Reference</b>	<b>Fund Type</b>	<b>Approved Budget</b>
<b>Transfers, Allocations, and Expenditure Limitation Adjustments:</b>		
<b>Children, Adults and Families</b>		
Ch 621 1(2), OL 2011	General	15,208,014
Ch 621 2(2), OL 2011	Other	(6,136,367)
Ch 621 3(2), OL 2011	Federal	18,987,971
	Total	28,059,618
<b>Seniors and People with Disabilities</b>		
Ch 621 1(3), OL 2011	General	25,763,775
Ch 621 2(3), OL 2011	Other	7,665,889
Ch 621 3(3), OL 2011	Federal	67,721,385
	Total	101,151,049
<b>Central Services</b>		
Ch 621 1(1), OL 2011	General	101,918
Ch 621 2(1), OL 2011	Other	60,000,000
	Total	60,101,918
<b>Debt Service</b>		
Ch 621 1(4), OL 2011	General	(976,500)
<b>Shared Services</b>		
Ch 621 2(4), OL 2011	Other	3,450
<b>Department Total</b>		
	General	40,097,207
	Other	61,532,972
	Federal	86,709,356
	Total	188,339,535
<b>Request Department of Administrative Services to unschedule:</b>		
<b>Central Services</b>		
Ch 621 1(1), OL 2011	General	101,918
Ch 621 2(1), OL 2011	Other	60,000,000

Special Purpose Appropriation Transfer Detail		
Oregon Laws 2011 Chapter/Section	Agency/Purpose	Amount
Chapter 625, sec. 6(1)	Department of Revenue - Elderly Rental Assistance Program payments	(300,000)
Chapter 600, sec. 57(1)	Department of Justice - Tobacco Master Settlement Agreement litigation and Defense of Criminal Convictions program	(897,143)
<b>Oregon Laws 2012</b>		
Chapter/Section	Agency/Purpose	
Chapter 110, sec. 15(1)	Various Agencies - Allotment mitigation, home foreclosure, human services caseload costs	(12,270,995)
Chapter 110, sec. 16(1)	Various Agencies - Allotment mitigation for Community College Support Fund, Department of Education Grant-in-Aid, Oregon Health and Sciences University	(10,000,000)
Chapter 110, sec. 4(1)	Public Defense Services Commission - Trial level public defense	(1,500,000)
<b>Total transfers from special purpose appropriations</b>		
		(24,968,138)
Chapter 600, sec. 1, OL 2011	Emergency Board – General Purpose	24,968,138
Net General Fund Change		0