

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 2712-C**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. G. Smith**

**Carrier – Senate: Sen. Nelson**

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

**Vote:** 22 – 2 – 1

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant  
– Nays: Freeman, Thatcher  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters  
– Nays:  
– Exc: Verger

**Prepared By:** John Borden, Legislative Fiscal Office

**Reviewed By:** Robin LaMonte and Doug Wilson Legislative Fiscal Office

**Meeting Date:** June 29, 2011

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**Agency**  
Various Agencies

**Budget Page**  
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**LFO Analysis Page**  
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**Biennium**  
2011-13

**Budget Summary\***

	2009-11 Legislatively Approved Budget	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ Change	% Change
<u>Department of Corrections</u>						
Other Funds				\$ 3,223,179	+3,223,179	

**Summary of Revenue Changes**

House Bill 2712 updates and simplifies the current statutory revenue and distribution structure related to criminal fines, assessments, and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions. All of the fine amounts are permanent and become effective January 1, 2012. The measure increases judicial discretion on the amount of fine to impose to 50 percent and reduces the violation fines imposed below current law. Judicial discretion in school, construction, and safety corridor zones is increased to 75 percent of the presumptive fine.

The measure temporarily extends for six months the criminal surcharges from House Bill 2287 (2009) for the period July 1, 2011 to January 1, 2012.

The revenue impact estimates include House Bill 2287 (2009) offense surcharges imposed on convictions before June, but received after that date.

The measure also accounts for a July 2011 Department of Revenue distribution from the Judicial System Surcharge Account for revenues received in June 2011.

Local justice, county, and municipal courts will remit \$60 to the state for its portion of the fine amount in lieu of the old Unitary Assessment and county assessment. The current practice of remitting one half of the fine amount, if the violation was cited by a State Police Officer is retained. Local courts will also remit the local court security assessment, and the State Court Facilities Security Account assessment.

Revenue generated in future biennia is expected to decline as the criminal violation surcharges sunset and judicial discretion is exercised.

The revenue generated by all criminal fines and assessments is to be deposited into the Criminal Fines Account, which was formerly entitled the Criminal Fine and Assessment Account.

## Summary of Subcommittee Action

House Bill 2712 updates and simplifies the current statutory revenue and distribution structure related to criminal fines, assessments, and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions. The measure does not make any change to current law misdemeanor or felony structure. The introduced version of the measure was the product of the Joint Interim Committee on State Justice System Revenues.

The major provisions of the measure are:

- Establishes a presumptive fine thereby eliminating the need for calculation of a foundation amount, base fine amount, and the minimum fine amount;
- Establishes the presumptive fine by statute, applies this fine statewide, and eliminates variability in fine amounts based on the court into which a person is cited;
- Eliminates the unitary assessment and the county assessment by consolidating them into the presumptive fine;
- Provides for judicial discretion to reduce the presumptive fine by up to 50 percent;
- Increases the judicial discretion in school, construction, and safety corridor zones fine to 75 percent of the presumptive fine; and
- Adds \$3 to the uniform presumptive fine amounts for state court facilities and security.

The following table compares the current law violation amounts with those in the measure:

Violation	Presumptive Fine	
	Current Law	HB 2712
Class A Violation	\$472	\$435
Class B Violation	\$287	\$260
Class C Violation	\$190	\$160
Class D Violation	\$142	\$110

This bill does not affect the distribution of fine revenue, which remains the same as current law. The measure eliminates the Unitary Assessment and the county assessment and replaces it with a flat fine amount, a portion of which is to be remitted to the state in lieu of the Unitary Assessment and the county assessment.

Allocations from the Criminal Fines Account

Existing entities that receive funds from the Criminal Fines Account are not affected by this bill and will receive a full biennial (24 month) allocation from the Account. The following table displays, by agency and program, the revenues allocated by the Subcommittee from the Criminal Fine Account for a 24 month period:

#	Eligible Entity	ORS	Purpose	Agency/Entity	24-Month Allocation*
1	Department of Public Safety Standards and Training		Criminal justice training and standards operations	Department of Public Safety Standards and Training	\$21,424,867
2	Department of Human Services	409.292(1)(a) to (c)	Domestic Violence Fund	Department of Human Services	\$2,224,675
3	Department of Human Services		Sexual Assault Victims Fund	Department of Human Services	\$533,332
4	Oregon Health Authority	431.623	Emergency Medical Services and Trauma Systems Program	Oregon Health Authority	\$331,824
5	Department of Justice		Criminal Injuries Compensation Account	Department of Justice	\$7,099,827
6	Department of Justice	147.390	Services to Children – Child Abuse Medical Assessments	Department of Justice	\$631,551
	Department of Justice		Child Abuse Multidisciplinary Intervention Account	Department of Justice	\$7,812,599
7	Department of Justice	418.746 to 418.796	Statewide system of regional assessment centers	Department of Justice	\$746,798

The following entities will receive revenue distributions for the first six months of the 2011-13 biennium under the current law. Thereafter, they will receive an 18 month allocation from the Criminal Fines Account. The following table displays, by agency and program, the revenues allocated by the Subcommittee from the Criminal Fine Account for an 18 month period:

#	Eligible Entity	ORS	Purpose	Agency/Entity	18-Month Allocation*
8	State Court Facilities and Security Account	137.309 1.178	State court facilities and security	Oregon Judicial Department	\$2,862,376
9	State Court Facilities and Security Account	1.178	State court facilities	Oregon Judicial Department	\$2,278,919
10	Court Security Program	137.308 1.182	State and local court security account	Oregon Judicial Department	\$4,701,919
11	Alcohol and Drug Abuse Prevention  [includes: Methamphetamine Assessment]	430.345 137.308	813.270; 813.830; 813.840  137.290(2)(B)(b), (c), & (d)	Oregon Health Authority – Diversion program for indigent.	\$42,884
12	Law Enforcement Medical Liability Account	414.815 137.309	Medical treatment for prisoners	Department of Human Services	\$506,244
13	Driving Under the Influence Enforcement	813.095; 153.630	Enforcement of laws concerning driving while under the influence of intoxicants.	Department of State Police	\$190,004
14	Community Corrections	137.309	Jail construction and maintenance	Department of Corrections	\$3,223,179
15	Arrest and Return for Extradition	133.865	Governor’s expenses relating to extradition	Governor’s Office	\$22,500
16	Intoxicated Driver Program	813.270 813.240	Treatment for persons in DUII diversion	Oregon Health Authority	\$4,323,000

\* New Criminal Fines Account entities will receive revenue distributions under current law for the first six-months of the 2011-13 biennium and then a Criminal Fines Account allocation for 18 months of the 2011-13 biennium under HB 2712.

Except for the Department of Corrections, the agencies above have sufficient expenditure limitation in their primary budget appropriation bills to expend these revenue allocations.

The Committee approved the following budget note related to revenue generated from \$3 being added to every civil filing fee and criminal fine. The revenue will be allocated from the Criminal Fines Account to the Judicial Department's State Court Facility and Security Account during the 2012 Legislative session.

### **Budget Note**

Legislative leadership will appoint an advisory committee on State Court Facilities. The Advisory Committee will recommend the priorities for the expenditure of funds from the State Court Facility and Security Account for capital improvements to county courthouses.

The Advisory Committee on Court Facilities will consist of two members appointed by the Senate President and two members appointed by the Speaker of the House, two ex-officio members appointed by the Chief Justice of the Oregon Supreme Court and one ex-officio member appointed by the Association of Oregon Counties.

In developing its priorities, the Advisory Committee will consider the recommendations in the "State of Oregon, Oregon Court Facilities Assessment" report issued in September 2008, and other facilities issues reported by the Association of Oregon Counties and the Oregon Judicial Department.

The Advisory Committee also will develop a report that includes a recommendation regarding the funding of 2011-13 biennium State Court facility projects and any matching funds provided by local government. The Committee will submit its recommendations to the Chief Justice and to the 2012 Legislature.

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 2940-B**

**Carriers – House: Rep. Gelsler  
Rep. Eyre Brewer**

**Carrier – Senate: Sen. Verger**

**JOINT COMMITTEE ON WAYS AND MEANS**

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

**Vote:** 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Michael Kennedy, Department of Administrative Services

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

**Meeting Date:** June 15, 2011

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**Agency**  
Department of Corrections

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**Biennium**  
2011-13

**Budget Summary\***

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
General Fund				\$ 100,095	\$ 100,095	

**Summary of Public Safety Subcommittee Action**

House Bill 2940 modifies the classification of the crime of strangulation, changing it from a Class A misdemeanor to a Class C felony under certain conditions. The bill also stipulates that repeat offenses are valid as enhancement factors.

For the Department of Corrections, the impact of the measure will be to increase Community Corrections costs by \$52,112 General Fund, as well as increase the cost of incarcerating persons sentenced under this measure by \$47,983 General Fund. The Subcommittee recommended an appropriation of \$100,095 General Fund to the Department to cover the costs resulting from this measure.

**Summary of Performance Measure Action**

There are no performance measures associated with this bill.

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

**HB 2940-B**

Department of Corrections  
Michael Kennedy - (503)373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
Operations									
Services and Supplies	\$ 47,983	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,983	0	0.00
Community Corrections									
Special Payments: Distributions to Counties	\$ 52,112	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,112	0	0.00
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 100,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,095</u>	<u>0</u>	<u>0.00</u>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<u>\$ 100,095</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,095</u>	<u>0</u>	<u>0</u>

\*Excludes Capital Construction Expenditures

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5505-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

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

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

**Vote:** 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Michael A. Kennedy, Department of Administrative Services

**Reviewed By:** Doug Wilson, Legislative Fiscal Office

**Meeting Date:** June 29, 2011

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**Agency**

Department of Corrections

**Budget Page**

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**LFO Analysis Page**

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**Biennium**

2011-13

## **Budget Summary**

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 1,076,425,526	\$ 1,362,037,833	\$ 1,259,396,074	\$ 1,189,007,722	\$ 112,582,196	10.5%
General Fund Debt Service	\$ 129,747,698	\$ 143,225,678	\$ 141,962,853	\$ 136,994,153	\$ 7,246,455	5.6%
General Fund Capital Improvement	\$ 2,155,594	\$ 2,692,531	\$ 2,635,425	\$ 2,543,185	\$ 387,591	18.0%
Other Funds	\$ 40,360,050	\$ 34,565,851	\$ 31,237,396	\$ 27,653,787	\$ (12,706,263)	-31.5%
Other Funds Debt Service Limited	\$ 2,910,092	\$ -	\$ -	\$ -	\$ (2,910,092)	-100.0%
Other Funds Capital Improvement	\$ 700,000	\$ -	\$ -	\$ -	\$ (700,000)	-100.0%
Other Funds Nonlimited	\$ 688,639	\$ -	\$ -	\$ -	\$ (688,639)	-100.0%
Other Funds Debt Service Nonlimited	\$ 108,157,628	\$ -	\$ -	\$ -	\$ (108,157,628)	-100.0%
Federal Funds	\$ 115,458,346	\$ 6,175,821	\$ 6,171,725	\$ 6,908,809	\$ (108,549,537)	-94.0%
Federal Funds Debt Service Nonlimited	\$ 1	\$ 1	\$ 1,262,826	\$ 1,262,826	\$ 1,262,825	126282500.0%
<b>Total</b>	<b>\$ 1,476,603,574</b>	<b>\$ 1,548,697,715</b>	<b>\$ 1,442,666,299</b>	<b>\$ 1,364,370,482</b>	<b>\$ (112,233,092)</b>	<b>-7.6%</b>

## **Position Summary**

Authorized positions	4,734	4,682	4,482	4,511	(223)
Full-time equivalent positions (FTE)	4,618.20	4,615.55	4,536.57	4,420.74	(197.46)

(1) Includes adjustments through March 2011

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The agency is mainly supported by General Fund. For 2011-13, the General Fund at \$1.33 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. The budget includes just under \$27.7 million Other Funds. 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 Capital Construction Subcommittee Action**

The Department of Corrections (Department) manages adult and 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 Department also operates work-related programs to meet the requirements of Ballot Measure 17. There are two significant cost drivers for the Department's budget. First is the number of incarcerated offenders in the prison system, which has resulted in a large construction program to expand the number of beds, increasing healthcare costs and a growing number of staff to supervise the inmate population. The second driver is the cost of staff compensation.

The Subcommittee recommended a budget of \$1,328.5 million General Fund and \$1,364.4 million total funds with 4,420.74 full-time equivalent positions (FTE). This represents a 9.9 percent increase in General Fund resources from the 2009-11 Legislatively Approved budget and an 8.2 percent decrease in total funds resources for the same period. The increase in General Fund is primarily driven by the backfill of one-time federal funds in 2009-11. After factoring out this impact, there would have been an increase in the General Fund of less than one half of one percent for the period. Major features of this budget include:

- Adding back \$12.0 million General Fund to the alcohol/drug treatment, workforce development and cognitive programs in the Transitional Services Division to restore most of the reductions in these programs made in the Governor's budget.
- Providing \$1 million General Fund for re-entry programs at the local level. A related budget note is included.
- Continuing many of the allotment related reductions taken in 2009-11 including the closure of the minimum security facility at the State Penitentiary in Salem, elimination of the General Fund work crews, suspension of non-mandatory staff training, and staff reductions in both the central operations and in institutions.
- Eliminating over 220 positions from the level in the 2009-11 Legislatively Approved budget.
- Reversing three major sentencing changes included in the Governor's budget including selected Measure 11 changes (\$635,870 GF), implementation of earned time policies patterned on the federal government's policies (\$2.3 million), and suspension of selected provisions of Measure 57 for another two years.
- Two major sentencing changes are assumed in this budget – (1) a change which generally means those DUII offenders sentenced under Ballot Measure 73 will serve their time in jail instead of prison (SB 395); and (2) a continuation for another two years of the limit on the time served for probation revocations to 60 days.

- Assuming over \$28 million in undesignated reductions for the agency to absorb including the \$20 million that was part of the Governor's budget and the remainder the result of the 6.5 percent reduction in Services and Supplies made in almost all General Fund budgets.

The Subcommittee recommended packages that eliminated standard inflation for Services and Supplies in the agency (Package 086) reducing the General Fund by \$14.9 million and by \$15.5 million total funds. Another department-wide reduction was to reduce Personal Services by 5.5 percent (Package 087) saving \$47.0 million General Fund and \$47.8 million total funds. It is assumed that collective bargaining and policy decisions related to compensation will facilitate the Personal Service reductions. These are statewide packages that occur in every division.

The Subcommittee also recommended Package 801 reducing Services and Supplies by 6.5 percent, in addition to the elimination of standard inflation referenced above. Initially this would have reduced the budget by \$18.2 million General Fund but \$11.0 million was identified in other resources to offset a portion of the reduction due to fixed costs that the Department has little control over.

The recommended budget for this agency includes a reduction of General Fund for a supplemental ending balance taken in Package 819 for those divisions with General Fund. This \$48.2 million reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

The department will make all necessary revenue adjustments to reflect actions previously taken in the Governors' Balanced Budget and actions reflected in the 2011-13 Legislatively Adopted 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 recommended a budget of \$609.3 million General Fund and \$618.3 million total funds with 3,244.90 full-time equivalent positions. This represents an 18.6 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 3.1 percent decrease in total funds expenditures. The increase in General Fund is almost entirely due to the backfill of one-time federal funds in 2009-11. After factoring out this impact, the General Fund decrease would have been 2.0 percent for the period.

The Subcommittee recommended Package 085 to continue actions taken in the 2009-11 allotment reductions totaling \$14.6 million General Fund. In this package, the Oregon State Penitentiary minimum facility is assumed closed for the duration of the 2011-13 biennium. The package also

includes the suspension of all General Fund work crews, elimination of non-mandated training, elimination of four safety managers, and implements a cost sharing arrangement in which inmates pay a fee to compensate the agency for operating inmate trust accounts.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's Budget. The package included a delay in the opening of the Deer Ridge medium facility for the duration of the 2011-13 biennium but also restored the funding for the Oregon State Penitentiary minimum facility. The package also included policy changes that were recommended as part of former Governor Kulongoski's Reset Cabinet. These policy changes included delaying the implementation of Measure 57, increased "opt out" for select Measure 11 offenses, and adoption of the federal earned time and prerelease provisions. The reductions due to sentencing changes are reversed in Package 815. Finally, a \$20 million unspecified reduction was taken in this package. Total net savings of this package are \$24.1 million General Fund and 135 positions (28.61 FTE).

The Subcommittee recommended Package 810 to eliminate management positions in the Operations Division. Four positions (4.0 FTE) are eliminated specifically, with the associated responsibilities assumed by other staff. In addition, funding for five other management positions is taken without identifying the specific positions. These positions do not necessarily need to be in this division. The agency is directed to identify the positions at a later date and to notify the Legislative Fiscal Office and the Budget and Management Division. Total savings in this package is \$2.2 million General Fund.

The Subcommittee recommended Package 811 to adjust the budget for changes in the inmate population forecast. The Office of Economic Analysis published the new forecast on April 1, 2011, revising the projected number of inmates downward slightly. The impact is a \$1.1 million General Fund reduction made in this package.

The recommended budget includes Package 812, which makes reductions totaling \$8.9 million General Fund (71.60 FTE) related to 2009-11 allotment reductions above those taken in Package 085. The package includes eliminating positions associated with the suspension of General Fund work crews, as well as adjustments to the savings from delaying the opening of the Deer Ridge medium facility and the closure of the minimum facility at the State Penitentiary.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this package, 21 General Fund and Other Funds positions (19.77 FTE) are eliminated for a General Funds savings of \$488,650 General Fund and \$2.1 million Other Funds. Reasons for taking the positions include long term vacancies and efficiencies.

The recommended budget includes Package 814. The package adds back \$4.8 million in General Fund resources and 158 positions (53.58 FTE) related to the delay in the opening of the Deer Ridge medium facility. The reduction accounting for the delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815, which adds back resources associated with sentencing policy changes assumed in Package 090 that are now not expected to occur. These included further delay of Measure 57, changes for specific Measure 11 offenses, and adoption of

federal earned time and prerelease provisions. The package also includes a \$500,000 reduction related to increased efforts on the agency's part to provide transitional leave to eligible offenders. The net cost of this package is \$3.8 million General Fund and 10 positions (1.40 FTE) are added.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. In this division, the package also adds back 15 positions (13.03 FTE) associated with the transport unit that was inadvertently left out during the development of the Governor's budget.

#### Central Administration

Central Administration includes the Offices of the Director, Inspector General, Planning and Budget, Population Management, and Internal Audits. This unit provides overall direction and administration, and budget and financial accountability. The largest share of the expenditures in this budget unit is for all of the agency's central government service charges including those paid to DAS for risk management.

The Subcommittee budget is \$63.3 million General Fund and \$63.8 million total funds with 104.03 full-time equivalent positions. This represents a 20.1 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 14.3 percent increase in total funds expenditures. Almost all of the increase is due to the transfer of the Inspector General's Office from the Public Service Division to this division.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes adjustments related to the delay in the opening of the Deer Ridge medium facility. The package also includes a number of organizational changes that make the budget reflect how business is conducted in the agency. These include moving new prison construction and community development from this division to the Public Services Division and the Inspector General's office from the Public Services Division to this division. Total net increase due to this package is \$11.7 million General Fund and 52 positions (52.00 FTE).

The recommended budget includes Package 092, which shifts a number of positions from Certificates of Participation funding to General Fund (\$897,459). The positions, originally associated with new prison construction, now perform duties that are more appropriately funded with General Fund. Package 817 transfers funding for these positions to Capital Construction.

The Subcommittee recommended Package 273, which makes adjustments to the agency's budget associated with the passage of Ballot Measure 73 in 2010. The measure increases sentences associated with certain DUII offenses and second time sex offenses. In this division, the package contains \$12,000 General Fund to cover legal expenses related to the measure.

The recommended budget includes Package 810 to make adjustments to the agency's budget. In this package, funding for rental beds that the department no longer needs is eliminated. The package also assumes a more efficient use of the Department of Justice's legal services. Total savings in the package amount to \$700,000 General Fund.

The Subcommittee recommended Package 813 to eliminate one internal auditor position for a savings of \$177,071 General Fund.

The recommended budget includes Package 814. The package adds back \$17,886 General Fund related to the delay in the opening of the Deer Ridge medium facility. The delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take affect again in 2012. For this division the costs are \$138,923 General Fund for four positions (0.75 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. For this division a net reduction of \$1.9 million General Fund is made.

#### Public Services

The Public Services Division includes the functions relating to rules coordination, research and evaluation, prison construction, and public affairs communication. The Subcommittee budget for this Division is \$3.3 million General Fund with 13.00 full-time equivalent positions. This represents a 59.5 percent decrease in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 64.8 percent decrease in total funds expenditures. Most of the decrease is due to the transfer of the Inspector General's Office from this division to Central Administration (Director's Office).

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes a number of organizational changes that make the budget reflect how business is conducted in the agency. These include moving new prison construction and community development from Central Administration to the Public Services Division and the inspector general's office from the Public Services Division to Central Administration. This package results in a net \$11.9 million General Fund reduction (-53.00 FTE).

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying the opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated for a savings of \$217,832 General Fund.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, seven positions (7.00 FTE), including hearings officers, inspectors, support positions, a lieutenant, and a manager, are eliminated (\$1.1 million General Fund savings). Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. Finally, the package shifts

two positions that were funded with General Fund in this division to Capital Construction Other Funds limitation originated in the 2009-11 biennium. The net result for this division is a \$635,506 General Fund increase and an Other Funds limitation decrease of \$987,224. Six positions (6.00 FTE) are either eliminated or transferred.

#### General Services Division

The General Services Division includes the following units:

- ***Fiscal Services*** provides central accounting, inmate trust accounting, 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 recommended a budget of \$49.0 million General Fund and \$55.5 million total funds with 255.60 full-time equivalent positions. This represents a 16.7 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 12.1 percent increase in total funds expenditures.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package for this division includes a delay in the opening of the Deer Ridge medium facility for the duration of the 2011-13 biennium saving \$295,383 General Fund and five positions (2.29 FTE).

The recommended budget includes Package 092, which shifts a number of positions from Certificates of Participation funding to General Fund. The positions, originally associated with new prison construction, now perform duties that are more appropriately funded with General Fund. Total General Fund increase due to this package is \$1.3 million.

The recommended budget includes Package 812, which makes \$200,306 in General Fund reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility (\$200,306 General Fund). One position (1.00 FTE) is eliminated.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget due to long term vacancies and efficiencies. In this division, two management positions, supply specialists, accounting technicians, distribution center workers, and information systems positions are eliminated for a General Fund savings of \$749,238 and the elimination of 11 positions (11.00 FTE).

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take affect again in 2012. For this division the costs are \$270,667 General Fund (\$304,235 total funds) for three positions (1.42 FTE). The project manager position is established as a limited duration position.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. These include shifting expenses between divisions and expenditure categories. The package also adjusts the organizational shifts contained in Package 090. For this division, a reduction of two positions (2.00 FTE) and \$183,053 General Fund is taken.

#### Transitional Services

The programs of the Transitional Services Division are generally provided inside the prison walls and are designed to reduce the risk of future criminal conduct by offenders under the supervision of the agency and counties. Through programs including workforce development (e.g., education and cognitive/life skills) and substance abuse treatment, the agency works toward preparing the incarcerated offender for a successful transition back into the community when released, which reduces recidivism. This division is also responsible for administering the community corrections program, the interstate compact, jail inspections, religious services, sentence computation, inmate classification, victim services, and offender records.

The Subcommittee recommended a budget of \$64.9 million General Fund and \$74.9 million total funds with 155.41 full-time equivalent positions. This represents an 11.8 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget and a 10.1 percent increase in total funds expenditures.

The Subcommittee recommended Package 085 to continue actions taken in the 2009-11 allotment reductions. In this package, the Oregon State Penitentiary minimum facility is closed for the duration of the 2011-13 biennium. For the Transitional Services Division, this means a \$1.2 million General Fund reduction in treatment and training services associated with this facility.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. In this division, the package reduces non-mandatory alcohol and drug treatment, cognitive behavioral treatment, and vocational training services by a total of \$3.4 million General Fund. Approximately \$12.0 million of General Fund resources remain for these programs in this budget.

The Subcommittee recommended Package 810 which provides \$1.0 million General Fund for re-entry grants. The package also reduces enhanced community treatment grants from the \$15 million contained in the Governor's budget to \$10 million. This replicates the amount provided in the 2009-11 Legislatively Approved Budget.

The Subcommittee added the following budget note relating to re-entry grants:

**Budget Note:**

The Department of Corrections shall explore the design and implementation of a re-entry services pilot project. Working under existing statutory authority, the department is encouraged to develop and enter into an agreement with a county or counties to provide evidence-based treatment, employment preparation including work release and transitional planning for inmates who are scheduled to release within 90 to 180 days of the projected release date. The elements of the pilot project are to be equal to or better than the current transition opportunities available at the department. The department, in consultation with the pilot county or counties, shall set a rate of reimbursement for the program. The department will assess the pilot to determine whether or not the county or counties programs meet the established standards and to the extent possible, whether the results of the pilot program are cost-effective.

The department shall report its findings to the Emergency Board or appropriate legislative committee prior to January 2013.

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated and the General Fund budget is reduced by \$247,255.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, 12 positions (12.00 FTE), including correctional counselors and support staff, are eliminated with a General Fund budget reduction of \$1.6 million. Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take effect again in 2012. For this division the costs are \$200,793 General Fund and six positions (1.12 FTE) are established.

The Subcommittee recommended Package 816 to carry forward \$729,095 in Federal Funds expenditure limitation associated with the Second Chance Act grant for re-entry related activities.

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$18,598 General Fund to this division.

The following Budget Note was approved by the Subcommittee regarding on-the-job training to assist in the re-entry efforts of released inmates.

**Budget Note:**

The Oregon Department of Corrections will encourage county community corrections programs to conduct outreach efforts in recruiting local employers to participate in On-the-Job training programs that benefit the reentry population.

**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 \$14.5 million General Fund with 67.75 full-time equivalent positions. This represents a 25.3 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The increase is due in part to the transfer of staff from other divisions to the Human Resources Division. This division is funded entirely with General Fund.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes a delay in opening the Deer Ridge medium facility for the duration of the 2011-13 biennium. The package also transfers seven safety manager positions (7.00 FTE) from the Operations Division to the Human Services Division. The net increase in General Fund by this package is \$1.3 million.

The recommended budget includes Package 812, which makes reductions related to 2009-11 allotment reductions above those taken in Package 085. The package includes adjustments to the savings from delaying opening the Deer Ridge medium facility. One position (1.00 FTE) is eliminated and the budget is reduced by \$169,995 General Fund.

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, three human resource-related analysts and support positions (3.00 FTE) are eliminated reducing the General Fund budget by \$367,157. Reasons for taking the positions include long term vacancies and efficiencies.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another

two years. This budget assumes it will take affect again in 2012. For this division the costs are \$38,360 General Fund and one position (0.25 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$3,914 General Fund to this division's budget.

### Community Corrections

The Community Corrections grant program provides funding to counties except where the Department has assumed responsibility for the 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*** are 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.

The positions included in this program unit are supervision staff for two counties (Douglas and Linn) where the Department has assumed responsibility for the community corrections program.

The Subcommittee recommended a budget of \$187.3 million General Fund and \$189.5 million total funds with 53.33 full-time equivalent positions. This represents a 10.1 percent decrease in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The decrease is due to changes in sentencing laws relating to community corrections and changes in the size and mix of the community corrections population.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The package includes the continuation of the inactive status provision that was part of House Bill 3508 (2009) for a savings of \$1.1 million. The package also provides \$200,000 in Federal Funds limitation related to the carry forward of funds from a drug court grant provided through the Criminal Justice Commission.

The Subcommittee recommended Package 273, which makes adjustments to the agency's budget associated with the passage of Ballot Measure 73 in 2010. The measure increases sentences associated with certain DUII offenses and second time sex offenses. In this division, the package contains \$12.6 million for reimbursement payments to counties associated with local jail time served by Measure 73 offenders. This budget

assumes 2011 legislation that assumes most Measure 73 offenders will serve their mandatory sentences in jail and not prison. It also assumes that counties will be reimbursed for pre-trial and post trial incarceration of those sentenced under Measure 73 at the same rate as assumed for the local control population under ORS 423.530. This funding is not for payment of costs related to probation jail sanctions and revocation after the initial jail sentence imposed by the court at the initial sentencing. Any costs related to sanctions and revocations after the initial jail term are covered by the general Community Corrections grants. The funds for the Measure 73 reimbursement payments to counties are added to the Community Corrections budget unit, but are a separate pool of funds and not included as part of the Community Corrections program established by Senate Bill 1145 (1995).

The Subcommittee recommended Package 811 to adjust the budget for changes in the forecast of the community corrections population. The Office of Economic Analysis published the new forecast on April 1, 2011. The package adds \$42,890 General Fund for the supervision of offenders on probation and post-prison supervision.

The Subcommittee recommended Package 815 to adjust the budget for one sentencing change which limits probation revocations to 60 days in jail saving \$9.8 million General Fund.

#### 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, behavioral health services for inmates with mental illness as well as the developmentally disabled and those with co-occurring mental/substance abuse disorders, and pharmacy services/medical supplies.

The Subcommittee recommended a budget of \$197.4 million General Fund and \$203.9 million total funds with 524.72 full-time equivalent positions. This represents an 8.5 percent increase in General Fund expenditures from the 2009-11 Legislatively Approved Budget. The increase is primarily due to rising healthcare costs generally and increasing employee costs.

The recommended budget includes Package 090, which was developed to meet budgetary targets for the Governor's budget. The \$2.0 million General Fund package includes a delay in opening the Deer Ridge medium facility for the duration of the 2011-13 biennium resulting in the decrease of 23 positions (10.08 FTE).

The Subcommittee recommended Package 813 to make position-related adjustments to the agency's budget. In this division, 72 positions (66.50 FTE), including health care professionals, managers, dental staff, pharmacy staff, and mental health staff, are eliminated saving \$10.4 million General Fund. Reasons for taking the positions include long term vacancies, efficiencies, and clean-up of position authority.

The recommended budget includes Package 814 which adds back \$3.5 million in General Fund resources and 40 positions (19.03 FTE) related to the delay in opening the Deer Ridge medium facility. The delay was taken twice in the development of the Governor's budget and needs to be added back to make the agency's budget whole.

The Subcommittee recommended Package 815 to adjust the budget to reflect the continuation of Measure 57 effective January 1, 2012. Measure 57 was originally approved by Oregon voters in 2008. It institutes mandatory minimum sentences for repeat property and drug offenders. The 2009 Legislature suspended the measure until January 1, 2012 and the Governor's budget assumed that it would be suspended for at least another two years. This budget assumes it will take affect again in 2012. For this division the costs are \$421,092 General Fund and nine positions (2.46 FTE).

The Subcommittee recommended Package 817 to make technical adjustments to the agency's budget. The package realigns Department of Justice costs to the appropriate divisions adding \$25,271 General Fund to this budget.

The following budget note was approved by the Subcommittee dealing with identifying efficiencies in the purchase of pharmaceutical drugs for the inmate health services program.

**Budget Note:**

By November 1, 2011, the department shall provide to the Oregon Prescription Drug Program (OPDP) an electronic record of all pharmaceutical purchases for the 2011 fiscal year for the purpose of comparing the cost of such purchases against the cost as might have been incurred by purchasing through OPDP for fiscal year 2011. By December 1, 2011, the department and OPDP shall jointly report to the legislature the results of this comparison of costs and recommendations for the most cost effective purchasing of pharmaceutical supplies.

**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 recommended a budget for debt service costs of \$137.0 million General Fund and \$138.3 million total funds. This represents a 5.6 percent increase in General Fund resources for debt service when compared with the 2009-11 Legislatively Approved Budget. The growth is due to increases in the debt service needs for COPs and bonds already issued since this budget assumes no new bonding authority. There may be adjustments to the total debt service need in another bill during this legislative session.

The Subcommittee recommended Package 092, which shifts \$1,262,825 in General Fund debt service costs to Federal Funds. The shift is associated with the issuance of Build America Bonds, for which the federal government pays interest costs.

#### 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 \$2.5 million General Fund representing an 18.0 percent increase in General Fund when compared with the 2009-11 Legislatively Approved Budget. The increase is primarily due to the department's decision not to roll up any of the cuts related to 2009-11 allotment reductions for this purpose. The department's aging physical plant and the need for maintenance and emergency related repairs drove this decision.

#### Capital Construction

This budget unit includes expenditure authority for acquisition or construction of any structure or group of structures; all land acquisitions; assessments; and improvements or additions to an existing structure, which are to be completed within a six-year period with an aggregate cost of \$1,000,000 or more. The expenditure limitation for each project is in effect for six years. Capital Construction expenditure limitation is generally included in a separate bill but no new capital construction increases are planned at this time.

The Subcommittee recommended Package 817 to shift two positions from General Fund in the Public Service Division to Capital Construction Other Funds limitation originated in the 2009-11 biennium. This action frees up just under \$1.0 million General Fund in this budget.

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

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

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

**SB 5505-A**

**Department of Corrections  
Michael A. Kennedy (503) 373-0083**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$1,208,328,818	\$0	\$42,544,230	\$108,846,267	\$115,458,346	\$1	\$1,475,177,662	4,734	4,618.20
2011-13 ORBITS printed Current Service Level (CSL)*	\$1,507,956,042	\$0	\$34,565,851	\$0	\$6,175,821	\$1	\$1,548,697,715	4,682	4,615.55
2011-13 Governor's Recommended Budget *	\$1,403,994,352	\$0	\$31,237,396	\$0	\$6,171,725	\$1,262,826	\$1,442,666,299	4,482	4,536.57
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<b><u>Operations</u></b>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(772,709)	0	0	0	0	0	(772,709)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	(2,172,679)	0	0	0	0	0	(2,172,679)	(4)	(4.00)
Package 811: April 2011 Forecast Related Changes									
Services and Supplies	(1,110,104)	0	0	0	0	0	(1,110,104)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(8,704,733)	0	0	0	0	0	(8,704,733)	(72)	(71.60)
Services and Supplies	(158,613)	0	0	0	0	0	(158,613)	0	0.00
Package 813: Position Related Actions									
Personal Services	(488,650)	0	(2,055,086)	0	0	0	(2,543,736)	(21)	(19.77)
Package 814: Other Adjustments									
Personal Services	7,001,817	0	0	0	0	0	7,001,817	158	53.58
Services and Supplies	(2,219,342)	0	0	0	0	0	(2,219,342)	0	0.00
Package 815: Sentencing Related Changes									
Personal Services	3,144,473	0	0	0	0	0	3,144,473	10	1.40
Services and Supplies	657,929	0	0	0	0	0	657,929	0	0.00
Package 817: Technical Adjustments									
Personal Services	(1,496,890)	0	0	0	0	0	(1,496,890)	15	13.03
Services and Supplies	2,003,772	0	0	0	5,904	0	2,009,676	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(18,629,315)	0	0	0	0	0	(18,629,315)	0	0.00
Services and Supplies	(3,469,517)	0	0	0	0	0	(3,469,517)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>Central Administration</b>									
Package 273: Measure 73									
Personal Services	(177,767)	0	0	0	0	0	(177,767)	(1)	(1.00)
Services and Supplies	(25,126)	0	0	0	0	0	(25,126)	0	0.00
Package 810: LFO Analyst Adjustments									
Services and Supplies	(700,000)	0	0	0	0	0	(700,000)	0	0.00
Package 813: Position Related Actions									
Personal Services	(177,071)	0	0	0	0	0	(177,071)	(1)	(1.00)
Package 814: Other Adjustments									
Services and Supplies	17,886	0	0	0	0	0	17,886	0	0.00
Package 815: Restore Measure 57									
Personal Services	138,923	0	0	0	0	0	138,923	4	0.75
Package 817: Technical Adjustments									
Personal Services	(1,467,419)	0	173,449	0	0	0	(1,293,970)	0	0.00
Services and Supplies	(445,147)	0	25,821	0	109	0	(419,217)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(2,294,202)	0	0	0	0	0	(2,294,202)	0	0.00
<b>Public Services</b>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(10,491)	0	0	0	0	0	(10,491)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(217,832)	0	0	0	0	0	(217,832)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(1,082,120)	0	0	0	0	0	(1,082,120)	(7)	(7.00)
Package 817: Technical Adjustments									
Personal Services	613,767	0	(653,402)	0	0	0	(39,635)	(6)	(6.00)
Services and Supplies	21,739	0	(333,822)	0	0	0	(312,083)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(117,929)	0	0	0	0	0	(117,929)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>General Services</b>									
Package 273: Measure 73									
Personal Services	(212,106)	0	0	0	0	0	(212,106)	(2)	(1.50)
Services and Supplies	(30,252)	0	0	0	0	0	(30,252)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(266,159)	0	0	0	0	0	(266,159)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(200,306)	0	0	0	0	0	(200,306)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(749,238)	0	(774,137)	0	0	0	(1,523,375)	(11)	(11.00)
Package 815: Restore Measure 57									
Personal Services	270,667	0	33,568	0	0	0	304,235	3	1.42
Package 817: Technical Adjustments									
Personal Services	(422,517)	0	0	0	0	0	(422,517)	(2)	(2.00)
Services and Supplies	239,464	0	0	0	1,960	0	241,424	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(1,476,367)	0	0	0	0	0	(1,476,367)	0	0.00
Services and Supplies	(302,388)	0	0	0	0	0	(302,388)	0	0.00
<b>Transitional Services</b>									
Package 090: BAM Analyst Adjustments									
Services and Supplies	12,000,000	0	0	0	0	0	12,000,000	0	0.00
Package 273: Measure 73									
Personal Services	(90,301)	0	0	0	0	0	(90,301)	(1)	(0.50)
Services and Supplies	(25,126)	0	0	0	0	0	(25,126)	0	0.00
Special Payments: Distributions to Counties	(14,066,786)	0	0	0	0	0	(14,066,786)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(556,460)	0	0	0	0	0	(556,460)	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									
Services and Supplies	1,000,000	0	0	0	0	0	1,000,000	0	0.00
Special Payments	(5,000,000)	0	0	0	0	0	(5,000,000)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(247,255)	0	0	0	0	0	(247,255)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(1,566,277)	0	0	0	0	0	(1,566,277)	(12)	(12.00)
Package 815: Restore Measure 57									
Personal Services	200,793	0	0	0	0	0	200,793	6	1.12
Package 816: Grant Related Changes									
Services and Supplies	0	0	0	0	729,095	0	729,095	0	0.00
Package 817: Technical Adjustments									
Services and Supplies	18,598	0	0	0	16	0	18,614	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(786,632)	0	0	0	0	0	(786,632)	0	0.00
Services and Supplies	(887,905)	0	0	0	0	0	(887,905)	0	0.00
Capital Outlay	(2,355)	0	0	0	0	0	(2,355)	0	0.00
Special Payments	(678,293)	0	0	0	0	0	(678,293)	0	0.00
<b>Human Resources</b>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(55,979)	0	0	0	0	0	(55,979)	0	0.00
Package 812: Roll-up of Additional 2009-11 Reductions									
Personal Services	(169,995)	0	0	0	0	0	(169,995)	(1)	(1.00)
Package 813: Position Related Actions									
Personal Services	(367,157)	0	0	0	0	0	(367,157)	(3)	(3.00)
Package 815: Restore Measure 57									
Personal Services	38,360	0	0	0	0	0	38,360	1	0.25
Package 817: Technical Adjustments									
Services and Supplies	3,914	0	0	0	0	0	3,914	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies	(526,360)	0	0	0	0	0	(526,360)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b><u>Community Corrections</u></b>									
Package 273: Measure 73									
Special Payments	12,632,823	0	0	0	0	0	12,632,823	0	0.00
Package 811: April 2011 Forecast Related Changes									
Special Payments	42,890	0	0	0	0	0	42,890	0	0.00
Package 815: Sentencing Related Changes									
Special Payments	(9,800,000)	0	0	0	0	0	(9,800,000)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Special Payments	(6,794,386)	0	0	0	0	0	(6,794,386)	0	0.00
<b><u>Health Services</u></b>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	(5,550,005)	0	0	0	0	0	(5,550,005)	0	0.00
Package 813: Position Related Actions									
Personal Services	(10,428,063)	0	0	0	0	0	(10,428,063)	(72)	(66.50)
Package 814: Other Changes									
Personal Services	3,174,464	0	0	0	0	0	3,174,464	40	19.03
Services and Supplies	298,312	0	0	0	0	0	298,312	0	0.00
Package 815: Restore Measure 57									
Personal Services	421,092	0	0	0	0	0	421,092	9	2.46
Package 817: Technical Adjustments									
Services and Supplies	25,271	0	0	0	0	0	25,271	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(3,923,122)	0	0	0	0	0	(3,923,122)	0	0.00
Services and Supplies	(3,235,860)	0	0	0	0	0	(3,235,860)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b><u>Debt Service</u></b>									
Package 819: Supplemental Statewide Ending Balance									
Debt Service	(4,968,700)	0	0	0	0	0	(4,968,700)	0	0.00
<b><u>Capital Improvement</u></b>									
Package 819: Supplemental Statewide Ending Balance									
Capital Outlay	(92,240)	0	0	0	0	0	(92,240)	0	0.00
<b><u>Capital Construction</u></b>									
Package 817: Technical Adjustments									
Personal Services	0	0	0	0	0	0	0	2	2.00
<b>TOTAL ADJUSTMENTS</b>	<b>(\$75,449,292)</b>	<b>\$0</b>	<b>(\$3,583,609)</b>	<b>\$0</b>	<b>\$737,084</b>	<b>\$0</b>	<b>(\$78,295,817)</b>	<b>29</b>	<b>(115.83)</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$1,328,545,060</b>	<b>\$0</b>	<b>\$27,653,787</b>	<b>\$0</b>	<b>\$6,908,809</b>	<b>\$1,262,826</b>	<b>\$1,364,370,482</b>	<b>4,511</b>	<b>4,420.74</b>
% Change from 2009-11 Leg Approved Budget	9.9%	0.0%	-35.0%	-100.0%	-94.0%	126282500.0%	-7.5%	-4.7%	-4.3%
% Change from 2011-13 Current Service Level	-11.9%	0.0%	-20.0%	0.0%	11.9%	126282500.0%	-11.9%	-3.7%	-4.2%
% Change from 2011-13 Governor's Recommended Budget	-5.4%	0.0%	-11.5%	0.0%	11.9%	0.0%	-5.4%	0.6%	-2.6%

\* Excludes Capital Construction Expenditures

## Legislatively Proposed 2011-2013 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 2012	Target 2013
1 - Percentage of inmates in compliance with 40-hour work/education requirements of the constitution (Ballot Measure 17).		Approved KPM	70.41	80.00	80.00
2 - Percentage of high and medium-risk inmates that complete a program prioritized in their corrections plan.		Approved KPM	83.00	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	29.00	30.00	30.00
4 - The rate of Class 1 assaults on individual staff per month (rate per 1000 employees).		Approved KPM	1.48	1.50	1.50
5 - The rate of inmate walk-a-ways from outside work crews per month.		Approved KPM	0.17	1.00	1.00
6 - Reduce the annual average electricity and natural gas usage. Measure on a BTU per square foot basis.		Approved KPM	15,231.00	14,468.00	14,278.00
7 - Number of inmates sanctioned for Level 1 misconducts--(monthly average/1,000 inmates).		Approved KPM	9.76	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	0.00	0.00	0.00
10 - Percent of inmates who successfully complete transitional leave.		Approved KPM	86.20	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	88.00	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	81.00	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.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
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	89.00	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	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.	Overall	Approved KPM	89.00	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	89.00	90.00	90.00
12 - Percent of total inmate care encounters that occur offsite.		Approved KPM	0.90	1.00	1.00
13 - Number of workers compensation time loss days per 100 employees on a fiscal year basis.		Approved KPM	76.45	66.15	66.15

**LFO Recommendation:**

LFO recommends retaining the current set of performance measures for the next two years. It does recommend to change the targets on three of the measures generally based on actual results over the last few years. Changes are recommended for #2, dealing with correctional plans, where the history is significantly different than the target so LFO recommends increasing the target to 75%. The target for #3, which measures recidivism, should be reduced to 30% from the current 32% since recent performance has been lower than even 30%. Finally, the target for #4 should be lowered to 1.5 reflecting the recent history on assaults on staff. LFO is concerned that some of the reductions in this budget may have an adverse affect on some of the measures. Reductions to programing, as well as staff cuts and crowding, could impact a number of the measures. In addition, LFO is still recommending, as in previous biennia, a measure for health care costs. The current health measure indirectly measures costs but there is not a measure dealing with overall inmate health or costs within the institutions.

**Sub-Committee Action:**

Approve the LFO recommendation.

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5508-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Richardson  
Carrier – Senate: Sen. Devlin**

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

**Vote:** 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters  
– Nays:  
– Exc: Verger

**Prepared By:** Sheila Baker, Legislative Fiscal Office

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

**Meeting Date:** June 29, 2011

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<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

**2011-13 Budget Summary\***

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	-	-	\$ 25,000,000	\$ 25,000,000
General Fund - Special Purpose Appropriations				
Department of Human Services/ Oregon Health Authority			\$ 8,000,000	\$ 8,000,000
Department of Justice			\$ 2,000,000	\$ 2,000,000
<b><u>Various Agencies -- see Attachment A</u></b>				
General Fund	-	-	\$ (3,802,558)	\$ (3,802,558)
General Fund Debt Service	-	-	\$ (17,335,341)	\$ (17,335,341)
Lottery Funds	-	-	\$ (72,114)	\$ (72,114)
Lottery Funds Debt Service	-	-	\$ (24,405,711)	\$ (24,405,711)
Other Funds	-	-	\$ (8,304,448)	\$ (8,304,448)
Other Funds Debt Service	-	-	\$ (25,605,072)	\$ (25,605,072)
Federal Funds	-	-	\$ (2,633,061)	\$ (2,633,061)
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	-	-	\$ 1,325,000	\$ 1,325,000
Lottery Funds Debt Service	-	-	\$ 903,119	\$ 903,119
Other Funds	-	-	\$ 19,514,631	\$ 19,514,631
<b><u>Office of the Governor</u></b>				
General Fund	-	-	\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-	\$ 825,616	\$ 825,616
<b><u>Secretary of State</u></b>				
General Fund	-	-	\$ 80,000	\$ 80,000
Other Funds	-	-	\$ 380,312	\$ 380,312
Federal Funds	-	-	\$ 634,419	\$ 634,419

\*Excludes Capital Construction

**2011-13 Budget Summary\***

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>				
<b><u>Oregon Health Licensing Agency</u></b>				
Other Funds	-	-	\$ 46,356	\$ 46,356
<b><u>Real Estate Agency</u></b>				
Other Funds	-	-	\$ 496,400	\$ 496,400
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Oregon Business Development Department</u></b>				
Lottery Funds	-	-	\$ 1,300,000	\$ 1,300,000
Other Funds	-	-	\$ 106,207	\$ 106,207
Other Funds Nonlimited	-	-	\$ 10,000,000	\$ 10,000,000
<b><u>Housing and Community Services Department</u></b>				
Other Funds	-	-	\$ (4,879,057)	\$ (4,879,057)
<b><u>Department of Veterans' Affairs</u></b>				
General Fund	-	-	\$ 800,000	\$ 800,000
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Education</u></b>				
General Fund	-	-	\$ 2,327,153	\$ 2,327,153
Lottery Funds	-	-	\$ 2,822,847	\$ 2,822,847
Other Funds	-	-	\$ 625,000	\$ 625,000
<b><u>Department of Community Colleges and Workforce Development</u></b>				
General Fund	-	-	\$ 3,900,000	\$ 3,900,000
General Fund Debt Service	-	-	\$ (363,510)	\$ (363,510)
<b><u>Oregon University System</u></b>				
General Fund	-	-	\$ (8,974,046)	\$ (8,974,046)
General Fund Debt Service	-	-	\$ 5,660,047	\$ 5,660,047
Other Funds	-	-	\$ 1,753,642	\$ 1,753,642

\*Excludes Capital Construction

**2011-13 Budget Summary\***

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Department of Human Services</u></b>				
General Fund	-	-	\$ 2,753,263	\$ 2,753,263
Federal Funds	-	-	\$ 5,077,079	\$ 5,077,079
<b><u>Oregon Health Authority</u></b>				
General Fund	-	-	\$ 600,000	\$ 600,000
Other Funds	-	-	\$ 14,205,000	\$ 14,205,000
Federal Funds	-	-	\$ 23,360,000	\$ 23,360,000
<b><u>JUDICIAL BRANCH</u></b>				
<b><u>Judicial Department</u></b>				
General Fund	-	-	\$ 30,497,095	\$ 30,497,095
General Fund Debt Service	-	-	\$ (486,738)	\$ (486,738)
Other Funds	-	-	\$ (28,627,911)	\$ (28,627,911)
<b><u>LEGISLATIVE BRANCH</u></b>				
<b><u>Legislative Counsel Committee</u></b>				
Other Funds	-	-	\$ (275,000)	\$ (275,000)
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>				
<b><u>State Department of Agriculture</u></b>				
Lottery Funds	-	-	\$ 543,000	\$ 543,000
<b><u>State Department of Energy</u></b>				
Other Funds	-	-	\$ 500,000	\$ 500,000
<b><u>State Department of Fish and Wildlife</u></b>				
Other Funds Debt Service	-	-	\$ 726,928	\$ 726,928

\*Excludes Capital Construction

**2011-13 Budget Summary\***

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>State Forestry Department</u></b>				
Other Funds	-	-	\$ 114,881	\$ 114,881
<b><u>Water Resources Department</u></b>				
General Fund	-	-	\$ 487,062	\$ 487,062
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>				
<b><u>Oregon Criminal Justice Commission</u></b>				
Other Funds	-	-	\$ 176,384	\$ 176,384
<b><u>Department of Justice</u></b>				
General Fund	-	-	\$ 600,000	\$ 600,000
<b><u>Oregon Military Department</u></b>				
General Fund Debt Service	-	-	\$ 618,000	\$ 618,000
Other Funds	-	-	\$ 7,657,737	\$ 7,657,737
<b><u>Oregon Youth Authority</u></b>				
General Fund	-	-	\$ 300,000	\$ 300,000
<b><u>TRANSPORTATION PROGRAM AREA</u></b>				
<b><u>Department of Transportation</u></b>				
General Fund	-	-	\$ 2,000,000	\$ 2,000,000
Other Funds	-	-	\$ 13,053,627	\$ 13,053,627
<b>2011-13 Budget Summary</b>				
<b>General Fund Total</b>	-	-	\$ 58,985,427	\$ 58,985,427
<b>Lottery Funds Total</b>	-	-	\$ (18,908,859)	\$ (18,908,859)
<b>Other Funds Total</b>	-	-	\$ 1,665,617	\$ 1,665,617
<b>Federal Funds Total</b>	-	-	\$ 27,264,053	\$ 27,264,053

\*Excludes Capital Construction

**2009-11 Supplemental Appropriations**

	<u>2009-11 Legislatively Approved Budget</u>	<u>2009-11 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Public Utility Commission</u></b>			
Other Funds	-	\$ 10,000	\$ 10,000
<b><u>Oregon University System (Department of Higher Education)</u></b>			
Federal Funds	-	\$ 3,550	\$ 3,550
<b><u>Judicial Department</u></b>			
General Fund	-	\$ 499,999	\$ 499,999
<b><u>Public Defense Services Commission</u></b>			
General Fund	-	\$ 802,570	\$ 802,570
<b><u>Oregon Watershed Enhancement Board</u></b>			
Federal Funds	-	\$ 800,000	\$ 800,000
<b><u>Department of Transportation</u></b>			
Lottery Funds Debt Service	-	\$ 2	\$ 2

**2011-13 Position Summary**

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Office of the Governor</u></b>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	2.50	2.50
<b><u>Secretary of State</u></b>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	0.50	0.50
<b><u>Department of Community Colleges and Workforce Development</u></b>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<b><u>Department of Education</u></b>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<b><u>State Commission on Children and Families</u></b>				
Authorized Positions	-	-	0	0
Full-time Equivalent (FTE) positions	-	-	(0.25)	(0.25)
<b><u>State Department of Energy</u></b>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00
<b><u>Water Resources Department</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 2011 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 Senate Bill 939, plus other actions to reduce state agency expenditures.

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

Senate Bill 5508 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 \$25 million General Fund to the Emergency Board for general purposes.

Senate Bill 5508 makes two special purpose appropriations to the Emergency Board, totaling \$10 million General Fund:

- \$8 million General Fund for the Department of Human Services and/or the Oregon Health Authority for caseloads or costs for programs and services. This appropriation is in addition to the resources, and the special purpose appropriation to the Emergency Board, included in the budget bills for the Department of Human Services (House Bill 5030) and the Oregon Health Authority (Senate Bill 5529).
- \$2 million General Fund for the Department of Justice for: 1) the on-going legal costs associated with the state's defense of the revenue stream generated from the Master Settlement Agreement entered into with major tobacco companies; and 2) the Defense of Criminal Convictions program. This appropriation is in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2012, any remaining funds become available to the Emergency Board for general purposes.

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

### **OMNIBUS ADJUSTMENTS**

Omnibus adjustments reflect savings in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, including the State Data Center; Secretary of State audit assessments; and Office of Administrative Hearings charges. Agencies will need to reconcile these changes in the appropriate line items with consideration for the 6.5% overall reduction in services and supplies applied to most agency budgets and reductions in uniform/self-support rent charges. Debt service costs are also adjusted based on

updated bonding information, including a net \$24.4 million reduction in Lottery Funds debt service costs. The combined results of these changes on individual agency budgets are shown in Attachment A. Total savings are \$21.1 million General Fund, \$24.5 million Lottery Funds, \$33.9 million Other Funds, and \$2.6 million Federal Funds.

## **ADMINISTRATION**

### Oregon Department of Administrative Services

Senate Bill 5508 includes General Fund appropriations to the Department for the following programs:

- \$100,000 for the Confluence Project, a collaborative effort of Pacific Northwest tribes, civic groups from Washington and Oregon, artists, architects, and landscape designers. Each of its seven sites along the Columbia River features an art installation interpreting the area's ecology and history.
- \$400,000 for the Boardman Health Clinic, which gives Columbia River Community Health Services the amount needed to complete the funding package for this project. The new 15,000 square foot medical facility replaces a 5,000 square foot building that can no longer expand with the existing footprint.
- \$400,000 for Southwestern Oregon Community College's Curry Campus project. The money will help finish equipping and furnishing the facility.
- \$425,000 for Port Orford to purchase a building for the planned marine reserve research and interpretive center.

The Subcommittee added \$19,514,631 Other Funds for costs of issuance and special payments associated with the distribution of proceeds from several Lottery Bond sales; projects are detailed below and approved in the Lottery Bond bill (House Bill 5036). Also included is \$903,119 Lottery Funds to cover the 2011-13 debt service on those bonds.

- \$3,251,756 Other Funds for disbursement to the Port of Morrow for the purpose of Willow Creek/Sage Center Improvements, including construction of sidewalks or other walkways. For debt service, \$173,981 Lottery Funds is approved.
- \$6,478,890 Other Funds for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center. For debt service, \$346,294 Lottery Funds is approved.
- \$2,950,809 Other Funds for disbursement to the Milton-Freewater Water Control District for public infrastructure improvements, including levee restoration/repair projects and bridge projects in Milton-Freewater and surrounding areas. For debt service, \$157,711 Lottery Funds is approved.
- \$2,549,322 Other Funds for disbursement to the Oregon Historical Society for payment of mortgage costs associated with the society's storage facility in Gresham. For debt service, \$225,133 Lottery Funds is approved.
- \$4,283,854 Other Funds for disbursement to the Lane Transit District for the West Eugene EmX Extension; this project supports the acquisition, construction and procurement of the components of an extension of the bus rapid transit system in west Eugene. Debt service for this project was included as part of the omnibus adjustments mentioned previously.

### Office of the Governor

The Subcommittee appropriated \$3 million General Fund and increased Federal Funds expenditure limitation by \$825,616 for the purpose of implementing Senate Bill 909, which creates the Oregon Education Investment Board and the Early Learning Council. Three positions (2.50 FTE) were also approved: a Chief Investment Officer and Early Learning Systems Director (both Principal Executive/Manager G) and one half-

time Executive Support Specialist 2. An estimated \$354,067 General Fund will be spent on Personal Services and services and supplies. The Governor's Office anticipates expending the balance of the General Fund resources for professional services contracts for change management, development of a school-readiness assessment tool, and development of a comprehensive early childhood education and care budget. The federal funds, from the federal State Early Childhood Advisory Council grant received during the 2009-11 biennium, will support the Early Learning System Director, the half-time executive support position, associated services and supplies and Professional Services costs for the work of the Early Learning Council.

#### Secretary of State

The budget for the Secretary of State is increased by \$80,000 General Fund for House Bill 2257, which expands electronic filing requirements of statements to the Elections Division; by \$380,312 Other Funds for House Bill 3247, which requires the agency to establish the "One Stop Shop for Oregon Business" internet portal; and by \$634,419 Federal Funds for two federal grants, with the understanding that the Department of Administrative Services will unschedule the Federal Funds expenditure limitation pending award of the grants. One limited-duration Operations and Policy Analyst 2 position (0.50 FTE) is also established for development of the internet portal. The General Fund appropriation is to finance one-time costs and will be phased out in development of the agency's 2013-15 biennium budget. All but \$75,000 of the Other Funds for the internet portal will also be phased out in the development of the 2013-15 biennium budget. The remaining \$75,000 is projected to cover the ongoing maintenance costs of the internet portal.

### **CONSUMER AND BUSINESS SERVICES**

#### Oregon Health Licensing Agency

The Subcommittee approved \$46,356 Other Funds expenditure limitation to support licensing and regulatory oversight of Polysomnographic Technologists within the Respiratory Therapist and Polysomnographic Technologist Licensing Board, as established in Senate Bill 723. The Other Funds revenue results from applications, licensure, renewals, and other fees associated with licensing the Polysomnographic Technologists.

#### Real Estate Agency

The Other Funds expenditure limitation for the agency is increased by \$496,400 to cover expenses for an online licensing system. The agency received a \$500,000 limitation for this project during the 2009-11 biennium. However, due to delays in project implementation, vendor payments will not be made until the first quarter of the 2011-13 biennium.

### **ECONOMIC AND COMMUNITY DEVELOPMENT**

#### Oregon Business Development Department

Senate Bill 5508 establishes \$1.3 million in new Lottery Funds expenditure limitation for the Department. Of this amount, \$1 million is established for identifying regional governance solutions to improve economic development opportunities and for developing a West Coast strategy to create jobs while reducing carbon emissions and the costs of doing business by retrofitting and redesigning the built environment. The remaining \$300,000 is established for a pilot project providing economic gardening services. An additional \$106,207 Other Funds expenditure limitation is provided for payment of costs to issue lottery revenue bonds for the Department. Bond proceeds will provide the source

of these Other Funds. These bonds are associated with the authorization in House Bill 5036 of \$10,000,000 of lottery revenue bond proceeds for infrastructure financing. A total of \$10,000,000 of lottery revenue bond proceeds will be deposited into the Special Public Works Fund and the Water/Waste Water Fund, where they will be used to provide loans and grants to municipalities with eligible infrastructure projects. The Department is authorized to make these loans and grant payments as Nonlimited Other Funds. The Lottery Funds, Other Funds, and Nonlimited Other Funds expenditures are one-time expenditures that will be phased out in the development of the Department's 2013-15 biennium budget.

Of the Lottery Funds available to the Department in the 2011-13 biennium budget, the amount of \$20,000 is designated for the purpose of promoting Oregon businesses at the 2011 and 2012 China International Fairs for Investment & Trade in Xiamen, China.

#### Housing and Community Services Department

Other Funds expenditure limitation for the Housing and Community Services Department is reduced by \$4,879,057 to reconcile the amount of Lottery Bond proceeds approved in the Capital Construction budget for the purpose of preserving low income housing with expiring federal subsidies. The low income housing preservation package is anticipated to provide gap financing to preserve about 125 units of affordable housing. The total amount approved is \$5,000,000 Other Funds for project costs and \$120,943 Other Funds for costs of issuance.

#### Department of Veterans' Affairs

Senate Bill 5508 appropriates a total of \$800,000 General Fund to the Department of Veterans' Affairs for the following purposes:

- \$350,000 to augment payments to county veterans' service organizations for the 2011-13 biennium.
- \$350,000 in one-time funding for interim operation of the Military HelpLine service for veterans until federal funding is secured for the service by the Oregon Military Department.
- \$100,000 in one-time funding to provide assistance with medical transportation to veterans who use wheelchairs.

## **EDUCATION**

#### Department of Education

The State School Fund is adjusted in Senate Bill 5508 to reflect a rebalance of statewide resources, decreasing General Fund and increasing Lottery Funds expenditure limitation by \$2,822,847.

The Subcommittee approved a one-time appropriation of \$150,000 General Fund for the For Inspiration and Recognition of Science and Technology (FIRST) program.

The Oregon Court of Appeals affirmed a ruling against the Department of Education for breach of contract with Vantage Learning which provided standardized testing in Oregon schools. The resulting judgments total \$3.5 million plus accrued interest at 9% per annum from October 2006 to date of payment, which will exceed \$5 million in total. The Subcommittee approved \$5 million General Fund to assist in covering this liability. The Department estimates that approximately \$2.4 million may be available within its existing 2009-11 legislatively approved budget that would otherwise be reverted to the General Fund. The Department is to first utilize its 2009-11 legislatively approved budget to the greatest

extent possible to address the payments due to Vantage Learning; any remaining balance due may be paid from this new appropriation. Any remaining funds from the \$5 million will be disappropriated when the Legislature convenes in 2012.

One position (1.00 FTE) is established for the Director of the Office of Regional Educational Services approved in Senate Bill 250.

The Subcommittee approved an increase of \$625,000 Other Funds expenditure limitation for the Oregon School for the Deaf (OSD) to support building improvements, repairs and maintenance costs, with the understanding that the Department of Administrative Services (DAS) will unschedule \$450,000 pending a joint report from DAS Facilities Division and OSD. The \$175,000 that is not uncheduled is for replacing carpet in the elementary/middle school building and the building used for the infirmary, food service and administration, as the old carpet is a safety hazard for children. Consistent with the direction provided by the Emergency Board in December 2010, the agency and DAS shall bring forward a five-year maintenance plan that is inclusive of funding available within the existing operating budget, community donations, proceeds from the sale of the School for the Blind, and any resources available from other state agencies. The report should also include an update on facility utilization with the improvements sponsored by the Extreme Makeover: Home Edition program. This report shall be considered in conjunction with the work of a legislative interim work group to review deferred maintenance needs and sustainability of the OSD and the staffing model prepared by ODE in response to a budget note adopted with House Bill 5020 (2011) prior to rescheduling the balance of the expenditure limitation.

#### Department of Community Colleges and Workforce Development

The Subcommittee approved a net increase of \$3.54 million General Fund for the following purposes:

- \$3.4 million General Fund for Oregon's National Career Readiness Certificate (NCRC) and on-the-job training programs which support the Governor's "Getting Oregon Back to Work" initiative. The Subcommittee also approved establishing one limited duration Program Analyst position (1.00 FTE) to support the NCRC. The position is grant funded and the Department has sufficient Federal Funds expenditure limitation.
- \$500,000 General Fund for a one-time expenditure of \$100,000 to the Trucking Solutions Consortium for administration and \$400,000 for a loan program for students participating in commercial driver license training. These loans are not part of a State program and funding is provided only to establish the private program.
- Decreased debt service by \$363,510 to reflect updated principal and interest payments following the April 2011 sale of Article XI-G bonds.

#### Oregon University System

The Oregon University System (OUS) budget is adjusted in Senate Bill 5508 to reflect the fiscal impact of Senate Bill 242. The OUS budget was reduced \$7,440,000 General Fund to reflect the System now retaining interest on all monies it receives. The interest on tuition and other revenues was previously deposited in the General Fund. To mitigate the impact of this change on the General Fund, OUS agreed to a reduction in its base budget to offset the lost General Fund revenues. OUS is further directed to phase-out an additional \$14,603,000 General Fund during development of its 2013-15 budget request to reflect the 2013-15 lost General Fund revenue estimate of \$22,043,000. Additional changes due to approval of Senate Bill 242 include a \$1,947,230 General Fund reduction to eliminate funding included in the budget to pay Department of Justice costs now that OUS will no longer be represented by the State. OUS estimates it will cost more to retain outside legal counsel, however, so the budget was increased by \$2,307,230 Other Funds to accommodate the increase in legal costs. Reductions of \$236,816 General Fund and

\$1,018,168 Other Funds are made to reflect OUS not paying DAS assessments after July 1, 2012. Additional Other Funds adjustments related to the fiscal impact of Senate Bill 242 include adding \$250,000 for a risk management consultant, \$200,000 for a study on alternative health plans, and \$14,580 due to increasing the membership of the Board of Higher Education to 15 people. Overall, these changes reduce the OUS budget for education and general services by \$9.6 million General Fund and add \$1.8 million Other Funds expenditure limitation. For complete details on the fiscal effects of Senate Bill 242, see the fiscal impact statement issued for Senate Bill 242-C.

Senate Bill 5508 also appropriates \$5,660,047 General Fund for debt service on outstanding Article XI-Q general obligation bonds. The budget for OUS included no debt service for these bonds, which have largely replaced the use of Certificates of Participation.

The Subcommittee approved an additional \$500,000 General Fund for Dispute Resolution services at the University of Oregon and an additional \$150,000 General Fund for the Labor Education Research Center at the University of Oregon. Both increases were made as one time additions in General Fund support for the 2011-13 biennium only.

## **HUMAN SERVICES**

### Oregon Health Authority

The Subcommittee approved an additional \$13.9 million Other Funds and \$23.3 million Federal Funds expenditure limitation for the increased hospital benefits for clients in the Oregon Health Plan Standard program. These increased benefits were part of the hospital provider tax expansion, but were contingent on the passage of Senate Bill 204. For this reason the limitation was not included in Senate Bill 5529, the budget bill for the Oregon Health Authority. The Subcommittee also approved the addition of \$600,000 General Fund to mitigate the reduction to the reimbursement rate for durable medical equipment.

In addition, \$300,000 Other Funds expenditure limitation was added to Public Health to restore funding to the Oregon Trauma System. The Seniors Farmers Market Program was increased by \$5,000 Other Funds and \$60,000 Federal Funds expenditure limitation. Revenues from increased medical marijuana fees will fund the state portion of these two items.

The Subcommittee directed the following budget note related to contracts for managed care plans:

### **BUDGET NOTE**

The Oregon Health Authority (OHA) priority shall be to renew contracts of prepaid managed care plans under contract January 1, 2011 within budgetary constraints. The OHA shall not use a competitive bid process or similar process in the renewal of the contracts for prepaid managed care organizations. OHA will work cooperatively with plans to develop capitation rates using realistic pricing structures which are actuarially sound and which address the fiscal viability of the plans given the budget reductions. This structure should reflect the legislatively approved budget and its reductions as well as the need for federal approval in the most expeditious and fiscally prudent manner.

### Department of Human Services

The Subcommittee added \$1.5 million Federal Funds expenditure limitation to the Children, Adults and Families budget, based on a federal bonus for Oregon's low negative error rate in administering the Supplemental Nutrition Assistance Program (SNAP/food stamps). The agency expects to use the one-time federal award to offset General Fund expenditures in program administration. The General Fund will be shifted to the Temporary Assistance to Needy Families (TANF) program budget to continue, for at least the first year of the biennium, the \$50 monthly Post-TANF payments for families who are transitioning from TANF cash assistance to employment. House Bill 5030, the department's budget bill, anticipated eliminating these payments for the full 2011-13 biennium as a budget savings action.

The Subcommittee approved an additional \$500,000 General Fund for Oregon Project Independence. Together with funding in House Bill 5030, this brings program funding to \$9.5 million General Fund for the 2011-13 biennium.

After completion of the DHS budget in House Bill 5030, DHS discovered that the budgeted funding level for Type B Area Agencies on Aging (AAAs), who determine long-term care service and financial eligibility and provide adult protective services for seniors and people with physical disabilities, was not sufficient to fund the AAAs at 85% equity relative to state office costs as was intended. The funding level in House Bill 5030 would instead fund Type B AAAs at 83.7% equity. The Subcommittee approved \$279,161 General Fund and \$260,139 Federal Funds to fund the AAAs at 85% equity through February 2012. This allows time for DHS and the AAAs to review the funding allocation model, overall costs, revenues and caseload trends, with the intent that DHS and the AAAs make a recommendation to the 2012 Legislative Assembly for addressing this issue for the balance of the 2011-13 biennium.

An additional \$2 million General Fund and \$3.3 million Federal Funds was approved to partially restore rate reductions slated for certain providers of developmental disability (DD) comprehensive services. The budget continues the DD provider rate reductions implemented as part of the DHS allotment reductions for the 2009-11 biennium, but the added funding will avoid, at least through February 2012, further reductions otherwise expected for the 2011-13 biennium. The added funding will delay the October 1, 2011 4% comprehensive services rate reduction through February 2012 for Adult Supportive Living Services, Adult and Children's 24-Hour DD Residential Services, Employment Services and Children's Proctor Care; and fund brokerage administration at 89% of equity. The funding will not impact the following reductions set to take effect October 1, 2011: 10% reduction to Adult DD Foster Care providers and Community Developmental Disability Programs; a further 4% reduction in Children's DD Foster Care; and a 4% reduction to non-Alternatives to Employment program transportation.

### State Commission on Children and Families

An additional 0.25 FTE reduction is made as a technical adjustment to reflect the Commission's final staffing plan to implement its legislatively adopted budget in Senate Bill 5550.

## **JUDICIAL BRANCH**

### Judicial Department

The Subcommittee approved adjustments to the budget for the Judicial Department as follows:

- House Bill 2710 transfers funding of the Collection and Revenue Management Program from Other Funds back to the General Fund. This results in a \$28.2 million Other Funds expenditure limitation reduction, with General Fund appropriations of \$9.3 million for third party debt collection fees and \$18.9 million for Personal Service and services and supplies costs. This action does not result in any change to the Department's positions or FTE.
- A General Fund appropriation of \$2 million for Trial and Appellate level operations costs.
- General Fund appropriations for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000).
- An Other Funds reduction of \$405,816 for the costs of issuance for Oregon eCourt Program Article XI-Q bonds. The Department's budget will retain \$100,000 for the \$6 million of Article XI-Q bonds approved in House Bill 5005.
- A General Fund Debt Service reduction of \$486,738, which reflects a lower Article XI-Q bond issuance for the Oregon eCourt Program than was assumed in the Governor's recommended budget.

## **LEGISLATIVE BRANCH**

### Legislative Counsel Committee

The Other Funds expenditure limitation for the Legislative Counsel Committee is decreased by \$275,000 for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000). For the 2011-13 biennium, these two entities will receive a General Fund appropriation through the Oregon Judicial Department (see the Judicial Branch program area narrative above).

## **NATURAL RESOURCES**

### State Department of Agriculture

Lottery funds expenditure limitation is increased by \$543,000 on a one-time basis to accommodate 2009-11 carry forward for weed control activities. Due to the excessively wet spring, the Department was unable to complete all the weed control projects originally planned for the 2009-11 biennium.

### State Department of Energy

Senate Bill 5508 increases the Department's Other Funds expenditure limitation by \$100,000 for financing and technical assistance to school districts for investments in energy efficiency in the 2011-13 biennium; this includes one limited-duration finance position (1.00 FTE). It also increases Other Funds by \$400,000 for the expenses of one limited-duration Governor's energy policy advisor position (1.00 FTE), for supporting the development of a 10-year plan for energy, and for coordinating other activities related to energy policy within the Office of the Governor and the Department.

The following budget note was approved:

## **BUDGET NOTE**

The Department of Energy will establish a work group to develop policy recommendations to be provided to the Legislature during the February 2012 session relating to large single load customers that result in small utilities being re-designated as large utilities under the renewable portfolio standard. Members of the workgroup shall consist of nine members, appointed as follows:

- The Department of Energy shall appoint:
  - two representatives of the Umatilla Electric Cooperative;
  - one representative of the environmental community;
  - one representative of the natural resource community; and
  - one representative of consumer owned utilities.
- The Co-Speakers of the House of Representatives shall appoint two members, one from each caucus, who shall serve as ex-officio members.
- The Senate President shall appoint two members, one from each caucus, who shall serve as ex-officio members.

A representative of the Governor's office, designated by the Governor, is also invited to participate.

The work group shall:

- examine issues and develop policy recommendations relating to small utilities that have large single load customers, which result in the utilities being reclassified as large utilities under the renewable portfolio standard;
- examine complications resulting from contract requirements between the Bonneville Power Administration and preferred energy customers for Tier II energy contracts, and make recommendations for potential rule or policy changes; and
- submit a report, including findings and recommendations, to the Department of Energy and the interim legislative committees relating to energy and consumer protection no later than February 1, 2012.

### Department of Environmental Quality

The Subcommittee approved the following budget note relating to the implementation of new water quality standards:

## **BUDGET NOTE**

By February 15, 2013, DEQ shall report to the Seventy-seventh Legislative Assembly on the status of the water quality standards rules proposed for adoption in June 2011, including whether the rules were adopted by the Environmental Quality Commission (EQC) and approved by the Environmental Protection Agency (EPA). If the standards are adopted and approved, the report shall also include, but need not be limited to:

- the number and types of variances granted;
- a summary of the conditions contained in the variances;
- for each variance application received by DEQ, the cost incurred by a permittee to prepare the variance application as made available by the applicant; and,
- information provided by permittees who applied for a variance on the estimated costs associated with implementing the pollution prevention plan required by the variance and other related fiscal impacts.

By February 15, 2015, DEQ shall report to the Seventy-eighth Legislative Assembly on the status and implementation of the human health toxics standards and any related standards adopted by the EQC and approved by EPA after June 2011. The report shall also include but not be limited to the information listed above.

#### State Department of Fish and Wildlife

Senate Bill 5508 establishes \$726,928 Other Funds expenditure limitation for State Department of Fish and Wildlife debt service payments for the agency's headquarters building project to be financed with Article XI-Q bonds authorized in HB 5005.

#### State Forestry Department

The Subcommittee approved an increase of \$414,881 Other Funds for the cost of issuance related to the sale of lottery bonds (\$1.9 million) authorized in House Bill 5036 for the purchase of land in the Gilchrist Forest. The Subcommittee reduced the Private Forests Other Funds expenditure limitation by \$300,000 to remove limitation related to contract services funded by the harvest tax revenue. These services will be accommodated within the Department's total budget authorization for the 2011-13 biennium.

#### Water Resources Department

Senate Bill 5508 appropriates \$487,062 General Fund to restore a Water Availability Modeler position (\$152,972), a Groundwater Hydrogeologist position (\$159,090) and groundwater research funds (\$125,000) that the Governor's recommended budget proposed to eliminate, and provide \$50,000 services and supplies to contract data systems maintenance and software applications related to the program. Restoring the two positions (2.00 FTE) enables the department to maintain water availability models and hydrographic data needed to make decisions when water right applications, permits, and transfers are evaluated; and identify aquifer boundaries, define water budgets, document the interaction between surface water and groundwater and quantify the impacts of future allocations on senior users and the water resource.

### **PUBLIC SAFETY**

#### Oregon Criminal Justice Commission

Other Funds expenditure limitation for the Criminal Justice Commission is increased by \$176,384 to provide sufficient limitation for payment to drug courts to comply with the 2005 law that requires the Commission pay 20% of forfeiture collections to drug courts.

### Department of Justice

The Subcommittee appropriated \$600,000 General Fund to the Department of Justice for two Crime Victims' programs. The Child Abuse Multidisciplinary Account (CAMI) is to receive \$458,940 General Fund and the Oregon Domestic and Sexual Violence Abuse program is to receive \$141,060 General Fund. These appropriations are in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

### Oregon Military Department

The Subcommittee approved \$7.5 million Other Funds expenditure limitation for the expenditure of Article XI-M seismic rehabilitation bonds approved in House Bill 5005. Additionally, the Subcommittee appropriated \$618,000 in General Fund debt service for the Article XI-M bonds and added \$114,000 Other Funds expenditure limitation for the cost of issuance.

The Subcommittee approved a \$43,737 Other Funds expenditure limitation increase for the cost of issuance of The Dalles Readiness Center's Article XI-Q bonds, as approved in House Bill 5005. This issuance, which will occur late in the 2011-13 biennium, does not have any associated General Fund debt service during the biennium.

### Oregon Youth Authority

An additional \$300,000 General Fund is appropriated to the Oregon Youth Authority to enhance funding for east Multnomah County gang intervention services.

## **TRANSPORTATION**

### Department of Transportation

The Subcommittee added \$2 million General Fund for Senior and Disabled Transportation operating grants in the Oregon Transportation Department's Public Transit division. Public transit activities include offering mobility grants to communities to ensure equality of opportunity to access transportation systems and services for seniors and individuals with disabilities.

The Subcommittee approved an increase of \$12,503,912 Other Funds expenditure limitation to implement provisions of House Bill 5036 authorizing issuance of lottery bonds for Connect Oregon IV for multimodal transportation projects. This amount includes the cost of issuance and the amount of bond proceeds that is anticipated to be distributed during the biennium.

An additional \$549,715 Other Funds expenditure limitation was approved to correct a calculation error in vacancy savings for Motor Carrier Transportation (\$193,815), Transportation Program Development (\$334,957), and the Transportation Safety Program (\$20,943).

## Adjustments to 2009-11 Budgets

### Public Utility Commission

Senate Bill 5508 increases the Commission's Other Funds expenditure limitation by \$10,000 for the Board of Maritime Pilots related to Attorney General charges associated with rate cases.

### Oregon University System (Department of Higher Education)

Federal Funds expenditure limitation for the Oregon University System is increased by \$3,550. Unallocated federal American Recovery and Reinvestment Act funding is added for 2009-11 to ensure the correct distribution of these funds is maintained between the education sectors as required by the granting authority.

### Judicial Department

The Judicial Department budget is increased with a \$499,999 General Fund appropriation for operations. The amount of the appropriation is to ensure that the Department receives seven quarters of House Bill 2287 revenues (\$22,002,005) as anticipated in the Department's 2009-11 legislatively approved budget.

### Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$802,570 for the Public Defense Services Account for trial-level public defense. The amount of the appropriation is to ensure that the agency receives seven quarters of House Bill 2287 revenues (\$12,380,573) as anticipated in the Commission's 2009-11 legislatively approved budget.

### Oregon Watershed Enhancement Board

Expenditure limitation for this Board is increased by \$800,000 Federal Funds to pay out federal land acquisition grants that the agency expects to expend late in the current biennium.

### Department of Transportation

The Subcommittee added \$2 Lottery Funds expenditure limitation for debt service payments for Connect Oregon II for multimodal transportation projects and the Southeast Metro Milwaukie Extension bonds.

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

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	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,691)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-06	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	-	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(249)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(6,360)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	(404)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
<b>CONSUMER AND BUSINESS SERVICES</b>								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetary Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
HEALTH RELATED LICENSING BRDS	Oregon State Veterinary Medical Examining Board	HB 5028	07	OF	-	-	4,633	-
OREGON HEALTH LICENSING AGENCY	Operating Expenses	HB 5026	01	OF	-	-	(19,614)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	01	GF	(10,650)	-	-	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	02	OF	-	-	(3,637)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	04	FF	-	-	-	(819)
PUBLIC UTILITY COMMISSION	Utility program	SB 5542	01-01	OF	-	-	(5,168)	-
PUBLIC UTILITY COMMISSION	Residential Service Protection Fund	SB 5542	01-02	OF	-	-	(286)	-
PUBLIC UTILITY COMMISSION	Administration	SB 5542	01-03	OF	-	-	(17,065)	-
PUBLIC UTILITY COMMISSION	Board of Maritime Pilots	SB 5542	01-04	OF	-	-	(71)	-
PUBLIC UTILITY COMMISSION	Operating Expenses	SB 5542	02	FF	-	-	-	(36)
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	01	OF	-	-	(506,788)	-
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	02	FF	-	-	-	(2,438)
REAL ESTATE AGENCY	Operating Expenses	SB 5544	01	OF	-	-	(33,430)	-
BOARD OF NURSING	Operating Expenses	SB 5527	01	OF	-	-	(55,413)	-
OREGON MEDICAL BOARD	Operating Expenses	SB 5526	01	OF	-	-	(2,002)	-
PHARMACY, OREGON BOARD OF	Operating Expenses	SB 5536	01	OF	-	-	2,463	-
<b>ECONOMIC DEVELOPMENT</b>								
OREGON BUSINESS DEVELOPMENT DEF Arts		SB 5528	01	GF	(1,316)	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	02-01	OF	-	-	(912)	-
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	02-02	OF	-	-	(9,335)	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	02-03	OF	-	-	(1,923)	-
OREGON BUSINESS DEVELOPMENT DEF Arts & Cultural Trust		SB 5528	02-04	OF	-	-	(1,614)	-
OREGON BUSINESS DEVELOPMENT DEF Debt Service		SB 5528	02-05	OF	-	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	03-01a	LF	-	(8,976)	-	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	03-01b	LF	-	(11,753)	-	-
OREGON BUSINESS DEVELOPMENT DEF Debt service on lottery bonds		SB 5528	03-01d	LF	-	(7,636,301)	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	04-01	FF	-	-	-	(8)
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	04-02	FF	-	-	-	(158)
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	01	GF	822	-	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	02-01	OF	-	-	140,692	-
DEPT OF HOUSING/COMMUNITY SVCS	Debt service on lottery bonds	SB 5515	03	LF	-	(893,958)	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	04	FF	-	-	-	26,833
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	01-03	GF	(572)	-	-	-
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	02-01	OF	-	-	(39,377)	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	02-01	OF	-	-	1,204,757	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	05	FF	-	-	-	(365,884)
<b>EDUCATION</b>								
TEACHER STANDARDS/PRACTICES	Operating Expenses	SB 5545	01	OF	-	-	7,367	-
STUDENT ASSISTANCE COMMISSION	Office of Degree Authorization	HB 5043	01-04	GF	(359)	-	-	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	02	OF	-	-	(5,890)	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	01-03	GF	(3,546)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	01-01	GF	(79,021)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	01-02	GF	(6,578)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	01-03	GF	(6,176)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	01-04	GF	(760)	-	-	-

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF HIGHER EDUCATION	Debt service on outstanding general obligation bonds	SB 5532	01-05-a	GF	(4,613,989)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Debt service for COPs	SB 5532	01-05-b	GF	(8,483,611)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Repayment to Dept of Energy (Debt Service)	SB 5532	01-05-c	GF	2,085,658	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	02-01	OF	-	-	(247,055)	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	02-02	OF	-	-	(2,191)	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	02-03	OF	-	-	(1,361)	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	02-04	OF	-	-	(1,466)	-
DEPARTMENT OF HIGHER EDUCATION	Debt service on lottery bonds	SB 5532	04	LF	-	(2,450,028)	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	01-01	GF	(9,475)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	02-01	OF	-	-	(4,956)	-
COMMUNITY COLLEGES DEPARTMENT	Oregon Youth Conservation Corps	HB 5011	02-02	OF	-	-	(67)	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	03	FF	-	-	-	(18,423)
COMMUNITY COLLEGES DEPARTMENT	Debt service on lottery bonds	HB 5011	08	LF	-	(586,989)	-	-
DEPT OF EDUCATION	Operations	HB 5020	01-01	GF	(242,493)	-	-	-
DEPT OF EDUCATION	Operations	HB 5020	03-01	OF	-	-	(95,444)	-
DEPT OF EDUCATION	Oregon State Schools for the Deaf	HB 5020	03-02	OF	-	-	(2,358)	-
DEPT OF EDUCATION	Youth Corrections Education Program	HB 5020	03-05	OF	-	-	(1,229)	-
DEPT OF EDUCATION	Operations	HB 5020	04-01	FF	-	-	-	(75,881)
DEPT OF EDUCATION	Debt service on lottery bonds	HB 5020	07	LF	-	(935,761)	-	-
DEPT OF EDUCATION	Debt service on lottery bonds (OEF)	HB 5020	08	LF	-	(322,502)	-	-
<b>HUMAN SERVICES</b>								
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	01	GF	(1,439)	-	-	-
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	02	OF	-	-	(183)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	01	GF	(1,512)	-	-	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	02	OF	-	-	(5,298)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	03	FF	-	-	-	(41,149)
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	01	GF	(552)	-	-	-
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	02	OF	-	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	01-01	GF	(5,183)	-	-	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	01-02	GF	(693,929)	-	-	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	01-03	GF	(250,138)	-	-	-
DEPT OF HUMAN SERVICES	Debt Service	HB 5030	01-04	GF	(73,213)	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	02-01	OF	-	-	(946)	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	02-02	OF	-	-	(38,928)	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	02-03	OF	-	-	(6,453)	-
DEPT OF HUMAN SERVICES	Shared Services	HB 5030	02-04	OF	-	-	(175,921)	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	03-01	FF	-	-	-	30,542
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	03-02	FF	-	-	-	(824,071)
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	03-03	FF	-	-	-	(400,838)
COMMISSION ON CHILDREN/FAMILIES	General Fund	SB 5550	01	GF	(5,608)	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	01-01	GF	(578,758)	-	-	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	01-02	GF	(8,386)	-	-	-
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	01-04	GF	96,134	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	02-01	OF	-	-	(164,642)	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	02-02	OF	-	-	(2,149)	-
OREGON HEALTH AUTHORITY	Shared Services	SB 5529	02-03	OF	-	-	(306,791)	-

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	02-04	OF	-	-	(7,053,790)	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	04-01	FF	-	-	-	(412,885)
OREGON HEALTH AUTHORITY	Central Services	SB 5529	04-02	FF	-	-	-	57,432
<b>JUDICIAL BRANCH</b>								
JUDICIAL FIT OR DISABILITY COM	Operations	SB 5517	01-01	GF	(45)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	01-02	GF	(136,824)	-	-	-
JUDICIAL DEPARTMENT	Mandated payments	SB 5516	01-03	GF	(272)	-	-	-
JUDICIAL DEPARTMENT	Debt Service	SB 5516	01-05	GF	(2,790,843)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	02-01	OF	-	-	(801)	-
JUDICIAL DEPARTMENT	Operations	SB 5516	04	FF	-	-	-	(7)
PUBLIC DEFENSE SERVICES	Appellate Division	SB 5540	01-01	GF	(12,289)	-	-	-
PUBLIC DEFENSE SERVICES	Contract and Business Services Division	SB 5540	01-03	GF	(3,410)	-	-	-
<b>LEGISLATIVE BRANCH</b>								
LEGISLATIVE ADMIN COMMITTEE	General program	SB 5520	01-01	GF	(17,594)	-	-	-
LEGISLATIVE ASSEMBLY	Presiding Officers, caucuses, desks	SB 5520	04-01	GF	(24,066)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - interim	SB 5520	05-01	GF	(1,624)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - session	SB 5520	05-02	GF	(2,375)	-	-	-
LEGISLATIVE COUNSEL COMMITTEE	Operating Expenses	SB 5520	09	GF	(5,286)	-	-	-
LEGISLATIVE FISCAL OFFICER	Operating Expenses	SB 5520	12	GF	(2,667)	-	-	-
LEGISLATIVE REVENUE OFFICE	Operating Expenses	SB 5520	13	GF	(756)	-	-	-
INDIAN SERVICES COMMISSION	Operating Expenses	SB 5520	14	GF	(201)	-	-	-
<b>NATURAL RESOURCES</b>								
MARINE BOARD	Administration and education	SB 5525	01-01	OF	-	-	(11,610)	-
MARINE BOARD	Administration and education	SB 5525	02-01	FF	-	-	-	(466)
DEPARTMENT OF ENERGY	Operations	SB 5511	01	OF	-	-	(14,134)	-
DEPARTMENT OF ENERGY	Operations	SB 5511	03	FF	-	-	-	(181)
DEPT OF GEOLOGY AND INDUSTRIES	General Fund	SB 5514	01	GF	(2,846)	-	-	-
DEPT OF GEOLOGY AND INDUSTRIES	Other funds	SB 5514	02	OF	-	-	(663)	-
DEPT OF GEOLOGY AND INDUSTRIES	Federal funds	SB 5514	03	FF	-	-	-	(927)
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	01-02	OF	-	-	(50,836)	-
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	02-02	LF	-	(32,312)	-	-
LAND USE APPEALS BOARD	General Fund	HB 5034	01	GF	(597)	-	-	-
LAND USE APPEALS BOARD	Other funds	HB 5034	02	OF	-	-	(24)	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	01	GF	(15,771)	-	-	-
DEPT OF WATER RESOURCES	Debt service on lottery bonds	HB 5049	02	LF	-	152,455	-	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	03-01	OF	-	-	(2,485)	-
DEPT OF WATER RESOURCES	Water development fund	HB 5049	03-02	OF	-	-	(31)	-
DEPT OF WATER RESOURCES	Operating Expenses	HB 5049	04	FF	-	-	-	(22)
WATERSHED ENHANCEMENT BOARD	Watershed Improvement Operating Fund	SB 5547	05	LF	-	(8,025)	-	-
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	06	FF	-	-	-	(133)
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	07	OF	-	-	(15)	-
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	01-01	OF	-	-	(33,568)	-
DEPARTMENT OF STATE LANDS	Oregon Removal-Fill Mitigation Fund	HB 5042	01-02	OF	-	-	(44)	-
DEPARTMENT OF STATE LANDS	Natural Heritage Advisory Council	HB 5042	01-03	OF	-	-	(10)	-
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	01-04	OF	-	-	(1,056)	-

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	02-01	FF	-	-	-	(24)
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	02-03	FF	-	-	-	(1,020)
DEPT OF AGRICULTURE	Food Safety	HB 5002	01-02	GF	(4,323)	-	-	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	01-03	GF	(2,085)	-	-	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	01-04	GF	(2,506)	-	-	-
DEPT OF AGRICULTURE	Administrative and Support Services	HB 5002	02-01	OF	-	-	(2,243)	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	02-02	OF	-	-	(11,003)	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	02-03	OF	-	-	(12,017)	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	02-04	OF	-	-	(8,294)	-
DEPT OF AGRICULTURE	Parks and Natural Resources Fund	HB 5002	03	LF	-	(4,557)	-	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	04-01	FF	-	-	-	(47)
DEPT OF AGRICULTURE	Natural Resources	HB 5002	04-02	FF	-	-	-	(475)
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	04-03	FF	-	-	-	(487)
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	01-01	GF	(507)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	01-02	GF	(1,856)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	01-03	GF	(54)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	01-04	GF	(23)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	02-01	OF	-	-	(7,575)	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	02-02	OF	-	-	(4,865)	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	02-03	OF	-	-	(4,227)	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	02-04	OF	-	-	(6)	-
DEPT OF ENVIRONMENTAL QUALITY	Agency management	HB 5022	02-05	OF	-	-	(125,857)	-
DEPT OF ENVIRONMENTAL QUALITY	Parks and Natural Resources Fund	HB 5022	03	LF	-	(856)	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	05-01	FF	-	-	-	(814)
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	05-02	FF	-	-	-	(1,188)
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	05-03	FF	-	-	-	(1,348)
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	05-04	FF	-	-	-	(97)
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	01-01	GF	(257)	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	01-02	GF	(35)	-	-	-
DEPT OF FISH AND WILDLIFE	Administration Division	SB 5513	01-03	GF	(22,619)	-	-	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	02-01	OF	-	-	(4,106)	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	02-02	OF	-	-	(3,552)	-
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	02-03	OF	-	-	(99,257)	-
DEPT OF FISH AND WILDLIFE	Capital Improvement	SB 5513	02-04	OF	-	-	(172)	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	04-01	FF	-	-	-	(3,120)
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	04-02	FF	-	-	-	(987)
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	04-03	FF	-	-	-	(57)
DEPT OF FORESTRY	Fire Protection	HB 5023	01-01	GF	(25,985)	-	-	-
DEPT OF FORESTRY	Private forests	HB 5023	01-02	GF	(6,436)	-	-	-
DEPT OF FORESTRY	Debt Service	HB 5023	01-03	GF	(48,018)	-	-	-
DEPT OF FORESTRY	Agency administration	HB 5023	02-01	OF	-	-	(81,246)	-
DEPT OF FORESTRY	Protection from fire	HB 5023	02-02	OF	-	-	(66,576)	-
DEPT OF FORESTRY	State forests	HB 5023	02-03	OF	-	-	(61,666)	-
DEPT OF FORESTRY	Private forests	HB 5023	02-04	OF	-	-	(7,257)	-
DEPT OF FORESTRY	Debt Service	HB 5023	02-06	OF	-	-	(19,077)	-
DEPT OF FORESTRY	Equipment pool	HB 5023	02-07	OF	-	-	(26,752)	-
DEPT OF FORESTRY	Facilities maintenance and management	HB 5023	02-08	OF	-	-	(64)	-
DEPT OF FORESTRY	Debt service on lottery bonds	HB 5023	03	LF	-	175,837	-	-

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF FORESTRY	Agency administration	HB 5023	04-01	FF	-	-	-	(472)
DEPT OF FORESTRY	Protection from fire	HB 5023	04-02	FF	-	-	-	(5,779)
DEPT OF FORESTRY	Private forests	HB 5023	04-04	FF	-	-	-	(2,808)
DEPT OF LAND CONSERV/TN/DEVELOP	Planning program	HB 5032	01-01	GF	(8,499)	-	-	-
DEPT OF LAND CONSERV/TN/DEVELOP	Operating expenses	HB 5032	02	OF	-	-	(55)	-
DEPT OF LAND CONSERV/TN/DEVELOP	Planning program	HB 5032	03	FF	-	-	-	(3,008)
COLUMBIA RIVER GORGE COMMISSION	Operating Expenses	HB 5010	01	GF	(54)	-	-	-
<b>PUBLIC SAFETY</b>								
BOARD OF PAROLE/POST PRISON	General Fund	SB 5535	01	GF	(1,693)	-	-	-
OREGON STATE POLICE	Patrol services, criminal investigations and gaming enforcement	SB 5537	01-01	GF	(121,630)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	01-02	GF	(3,867)	-	-	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	01-03	GF	(20,086)	-	-	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	01-04	GF	(38,137)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	02-02	OF	-	-	(14,755)	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	02-03	OF	-	-	(195)	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	02-04	OF	-	-	(30,270)	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	03-02	FF	-	-	-	(737)
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	03-04	FF	-	-	-	(458)
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	04-00	LF	-	(4,692)	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	01-01	GF	(45,050)	-	-	-
DEPT OF CORRECTIONS	Administration, public services, general services and human resources	SB 5505	01-02	GF	(781,145)	-	-	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	01-03	GF	(11,505)	-	-	-
DEPT OF CORRECTIONS	Debt Service	SB 5505	01-05	GF	(3,022,038)	-	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	02-01	OF	-	-	(4,402)	-
DEPT OF CORRECTIONS	Administration, public services, and general services	SB 5505	02-02	OF	-	-	(85,615)	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	02-03	OF	-	-	(13)	-
CRIMINAL JUSTICE COMMISSION	General Fund	SB 5507	01	GF	(1,421)	-	-	-
CRIMINAL JUSTICE COMMISSION	Other funds	SB 5507	02	OF	-	-	(50)	-
CRIMINAL JUSTICE COMMISSION	Federal funds	SB 5507	03	FF	-	-	-	(191)
DISTRICT ATTORNEYS/DEPUTIES	Department of Justice for District Attorneys	HB 5019	01	GF	(3,060)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	01	GF	(107,062)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	02	OF	-	-	(460,491)	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	03	FF	-	-	-	(514,045)
DEPT OF MILITARY	Administration	HB 5037	01-01	GF	(8,530)	-	-	-
DEPT OF MILITARY	Operations	HB 5037	01-02	GF	(17,641)	-	-	-
DEPT OF MILITARY	Emergency Management	HB 5037	01-03	GF	(388)	-	-	-
DEPT OF MILITARY	Community Support	HB 5037	01-04	GF	(513)	-	-	-
DEPT OF MILITARY	Capital Debt Service and Related Costs	HB 5037	01-05	GF	(211,996)	-	-	-
DEPT OF MILITARY	Administration	HB 5037	02-01	OF	-	-	(466)	-
DEPT OF MILITARY	Operations	HB 5037	02-02	OF	-	-	(1,066)	-
DEPT OF MILITARY	Emergency Management	HB 5037	02-03	OF	-	-	(3,495)	-
DEPT OF MILITARY	Community Support	HB 5037	02-04	OF	-	-	(17)	-
DEPT OF MILITARY	Operations	HB 5037	03-01	FF	-	-	-	(26,146)

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds	
DEPT OF MILITARY	Emergency Management	HB 5037	03-02	FF	-	-	-	(2,475)	
DEPT OF MILITARY	Community Support	HB 5037	03-03	FF	-	-	-	(1,647)	
PUBLIC SAFETY/STDS/TRAINING	Operations	SB 5541	02	OF	-	-	(40,497)	-	
OREGON YOUTH AUTHORITY	Operations	SB 5549	01-01	GF	(156,486)	-	-	-	
OREGON YOUTH AUTHORITY	Debt Service	SB 5549	01-02	GF	(159,158)	-	-	-	
OREGON YOUTH AUTHORITY	Operations	SB 5549	03	FF	-	-	-	(4,584)	
<b>TRANSPORTATION</b>									
AVIATION DEPARTMENT	Operations	HB 5004	01-01	OF	-	-	(2,668)	-	
OREGON DEPT OF TRANSPORTATION	Maintenance and emergency relief program	HB 5046	02-02	OF	-	-	(562,909)	-	
OREGON DEPT OF TRANSPORTATION	Preservation program	HB 5046	02-03	OF	-	-	(6,613)	-	
OREGON DEPT OF TRANSPORTATION	Bridge program	HB 5046	02-04	OF	-	-	(21,791)	-	
OREGON DEPT OF TRANSPORTATION	Operations program	HB 5046	02-05	OF	-	-	(76,146)	-	
OREGON DEPT OF TRANSPORTATION	Modernization program	HB 5046	02-06	OF	-	-	(3,562)	-	
OREGON DEPT OF TRANSPORTATION	Special programs	HB 5046	02-07	OF	-	-	(625,605)	-	
OREGON DEPT OF TRANSPORTATION	Local government program	HB 5046	02-08	OF	-	-	(7,778)	-	
OREGON DEPT OF TRANSPORTATION	Driver and motor vehicle services	HB 5046	02-09	OF	-	-	(1,862,141)	-	
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	02-10	OF	-	-	(92,287)	-	
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	02-11	OF	-	-	(103,298)	-	
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	02-13	OF	-	-	(3,625)	-	
OREGON DEPT OF TRANSPORTATION	Rail	HB 5046	02-14	OF	-	-	(11,201)	-	
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	02-15	OF	-	-	(14,980)	-	
OREGON DEPT OF TRANSPORTATION	Central services	HB 5046	02-16	OF	-	-	(1,903,041)	-	
OREGON DEPT OF TRANSPORTATION	Debt Service	HB 5046	02-17	OF	-	-	(17,906,875)	-	
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	03-02	FF	-	-	-	(1,123)	
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	03-03	FF	-	-	-	(2,272)	
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	03-04	FF	-	-	-	(5,164)	
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	03-06	FF	-	-	-	(21,148)	
OREGON DEPT OF TRANSPORTATION	Debt service on lottery bonds	HB 5046	04-01	LF	-	(11,276,491)	-	-	
<b>TOTAL</b>						(21,137,899)	(24,477,825)	(33,909,520)	(2,633,061)

# 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

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

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

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

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

**SECTION 3. Notwithstanding any other law limiting expenditures, the amount of \$200,000 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 (2) If any of the moneys appropriated by subsection (1) of this section are not allocated  
 3 by the Emergency Board prior to December 1, 2012, the moneys remaining on that date be-  
 4 come available for any purpose for which the Emergency Board lawfully may allocate funds.

5 **SECTION 18.** Section 5, chapter 339, Oregon Laws 2011, section 12, chapter 496, Oregon  
 6 Laws 2011, section 6, chapter 577, Oregon Laws 2011, section 5, chapter 590, Oregon Laws  
 7 2011, section 52, chapter 600, Oregon Laws 2011, section 12, chapter 609, Oregon Laws 2011,  
 8 section 5, chapter 621, Oregon Laws 2011, and section 4, chapter 666, Oregon Laws 2011, are  
 9 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:

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 15 (1) ADMINISTRATIVE.  
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Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
<b>Oregon Department of</b>		
<b>Administrative Services:</b>		
<b>Operating expenses</b>		
Other funds	Ch. 571 2(1)	-\$6,307,494
<b>Mill Creek debt service</b>		
General Fund	Ch. 571 1(2)	+29,427
<b>Go Oregon debt service</b>		
General Fund	Ch. 571 1(3)	+209,061
<b>Debt service on lottery bonds</b>		
<b>Oregon Public Broadcasting</b>		
Lottery funds	Ch. 571 3(1)	+65,729
<b>Pendleton Round-Up</b>		
Lottery funds	Ch. 571 3(2)	+3,054
<b>Port of Morrow</b>		
Lottery funds	Ch. 571 3(3)	+6,110
<b>Port of Newport-NOAA</b>		
Lottery funds	Ch. 571 3(4)	+108,960
<b>Judicial Department</b>		
<b>court facilities</b>		
Lottery funds	Ch. 571 3(5)	+34,444
<b>Tillamook FEMA match</b>		
Lottery funds	Ch. 571 3(6)	+46,550
<b>Lane Transit District EmX</b>		

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

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(2) CONSUMER AND BUSINESS SERVICES.

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<b>2011</b>		
<b>Oregon Laws</b>		
<b>Agency/Program/Funds</b>	<b>Chapter/ Section</b>	<b>Adjustment</b>
<b>Oregon Health Licensing</b>		
<b>Agency:</b>		
Other funds	Ch. 539 1	-\$20,751
<b>Bureau of Labor and Industries:</b>		
General Fund	Ch. 576 1	-213,815
<b>Department of Consumer and Business Services:</b>		
Federal funds	Ch. 617 2	+2,434,040

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**(3) ECONOMIC AND COMMUNITY DEVELOPMENT.**

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<b>2011</b>		
<b>Oregon Laws</b>		
<b>Agency/Program/Funds</b>	<b>Chapter/ Section</b>	<b>Adjustment</b>
<b>Oregon Business Development Department:</b>		
<b>Oregon Arts Commission</b>		
General Fund	Ch. 579 1	-\$8,729
<b>Debt service</b>		
Other funds	Ch. 579 2(5)	+321,885
<b>Business, innovation and trade</b>		
Other funds	Ch. 579 2(1)	-277,500
Lottery funds	Ch. 579 3(1)(a)	-284,920
<b>Shared services</b>		
Lottery funds	Ch. 579 3(1)(b)	-127,418
<b>Oregon Film and Video Office</b>		
Lottery funds	Ch. 579 3(1)(c)	-81,315
<b>Debt service on lottery bonds</b>		
Lottery funds	Ch. 579 3(1)(d)	+2,830,159
<b>Housing and Community</b>		

1	<b>Services Department:</b>		
2	<b>General Fund</b>	<b>Ch. 574 1</b>	<b>+136,416</b>
3	<b>Other funds</b>	<b>Ch. 574 2</b>	<b>+9,081,162</b>
4	<b>Federal funds</b>	<b>Ch. 574 4</b>	<b>+5,000,000</b>
5	<b>Debt service on lottery bonds</b>		
6	<b>Lottery funds</b>	<b>Ch. 574 3</b>	<b>+80,919</b>
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>	<b>Ch. 587 1(1)</b>	<b>+91,964</b>
13	<b>Veterans' services</b>		
14	<b>organizations payments</b>		
15	<b>General Fund</b>	<b>Ch. 587 1(3)</b>	<b>+572</b>
16	<b>Employment Department:</b>		
17	<b>General Fund</b>	<b>Ch. 339 1</b>	<b>-336,868</b>
18	<b>Other funds</b>	<b>Ch. 339 2(1)</b>	<b>-5,385,131</b>

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21           **(4) EDUCATION.**

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24		<b>2011</b>	
25		<b>Oregon Laws</b>	
26		<b>Chapter/</b>	
27	<b>Agency/Program/Funds</b>	<b>Section</b>	<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>	<b>Ch. 541 1(1)</b>	<b>-\$34,152</b>
33	<b>Other payments to individuals</b>		
34	<b>and institutions</b>		
35	<b>General Fund</b>	<b>Ch. 541 1(2)</b>	<b>+34,152</b>
36	<b>Operations</b>		
37	<b>General Fund</b>	<b>Ch. 541 1(3)</b>	<b>-29,756</b>
38	<b>Oregon University System:</b>		
39	<b>Education and general</b>		
40	<b>services of higher education</b>		
41	<b>General Fund</b>	<b>Ch. 583 1(1)</b>	<b>-11,550</b>
42	<b>Debt service on outstanding</b>		
43	<b>general obligation bonds</b>		
44	<b>General Fund</b>	<b>Ch. 583</b>	
45		<b>1(5)(a)</b>	<b>+1,653,560</b>

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

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

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(5) HUMAN SERVICES.

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

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

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19       **(6) JUDICIAL BRANCH.**

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

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

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(7) LEGISLATIVE BRANCH.

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

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

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7       **(8) NATURAL RESOURCES.**

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10	<b>2011</b>		
11	<b>Oregon Laws</b>		
12	<b>Chapter/</b>		
13	<b>Agency/Program/Funds</b>	<b>Section</b>	<b>Adjustment</b>
14			
15	<b>State Marine Board:</b>		
16	<b>Administration and education</b>		
17	<b>Federal funds</b>	<b>Ch. 187 2(1)</b>	<b>+\$243,200</b>
18	<b>Marine law enforcement</b>		
19	<b>Other funds</b>	<b>Ch. 187 1(2)</b>	<b>+757,200</b>
20	<b>Federal funds</b>	<b>Ch. 187 2(2)</b>	<b>+292,800</b>
21	<b>Facilities construction,</b>		
22	<b>maintenance and land</b>		
23	<b>acquisition</b>		
24	<b>Other funds</b>	<b>Ch. 187 1(3)</b>	<b>+509,800</b>
25	<b>Federal funds</b>	<b>Ch. 187 2(3)</b>	<b>-536,000</b>
26	<b>State Department of Energy:</b>		
27	<b>Other funds</b>	<b>Ch. 632 1</b>	<b>+4,249,010</b>
28	<b>Federal funds</b>	<b>Ch. 632 3</b>	<b>+109,164</b>
29	<b>Energy efficiency and</b>		
30	<b>sustainable technology</b>		
31	<b>Lottery funds</b>	<b>Ch. 632 2</b>	<b>+75,746</b>
32	<b>State Department of Geology</b>		
33	<b>and Mineral Industries:</b>		
34	<b>General Fund</b>	<b>Ch. 186 1</b>	<b>-1,204</b>
35	<b>Other funds</b>	<b>Ch. 186 2</b>	<b>+1,788,385</b>
36	<b>Federal funds</b>	<b>Ch. 186 3</b>	<b>+1,709,304</b>
37	<b>State Parks and Recreation</b>		
38	<b>Department:</b>		
39	<b>Director's office</b>		
40	<b>Lottery funds</b>	<b>Ch. 584 2(1)</b>	<b>+45,638</b>
41	<b>Central Services</b>		
42	<b>Lottery funds</b>	<b>Ch. 584 2(2)</b>	<b>+280,114</b>
43	<b>Park development</b>		
44	<b>Lottery funds</b>	<b>Ch. 584 2(3)</b>	<b>+592,240</b>
45	<b>Federal funds</b>	<b>Ch. 584 3(1)</b>	<b>+2,190,000</b>

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

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

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33       **(9) PUBLIC SAFETY.**

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36                               **2011**

37                               **Oregon Laws**

38                               **Chapter/**

39 **Agency/Program/Funds**       **Section**   **Adjustment**

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

1	<b>Oregon Military Department:</b>		
2	<b>Operating expenses</b>		
3	<b>General Fund</b>	<b>Ch. 623 1(2)</b>	<b>+36,891</b>
4	<b>Emergency management</b>		
5	<b>General Fund</b>	<b>Ch. 623 1(3)</b>	<b>+4,379,103</b>
6	<b>Other funds</b>	<b>Ch. 623 2(3)</b>	<b>+4,000,000</b>
7	<b>Community support</b>		
8	<b>Other funds</b>	<b>Ch. 623 2(4)</b>	<b>+118,339</b>
9	<b>Capital debt service and</b>		
10	<b>related costs</b>		
11	<b>General Fund</b>	<b>Ch. 623 1(5)</b>	<b>-71,937</b>
12	<b>Other funds</b>	<b>Ch. 623 2(5)</b>	<b>+548,167</b>
13	<b>Department of Public Safety</b>		
14	<b>Standards and Training:</b>		
15	<b>General Fund</b>	<b>Ch. 586 1</b>	<b>+315,518</b>
16	<b>Other funds</b>	<b>Ch. 586 2</b>	<b>-873,897</b>
17	<b>Oregon Youth Authority:</b>		
18	<b>Operations</b>		
19	<b>General Fund</b>	<b>Ch. 590 1(1)</b>	<b>-1,605,977</b>
20	<b>Debt service</b>		
21	<b>General Fund</b>	<b>Ch. 590 1(2)</b>	<b>+186,988</b>

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(10) TRANSPORTATION.

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26			
27		<b>2011</b>	
28		<b>Oregon Laws</b>	
29		<b>Chapter/</b>	
30	<b>Agency/Program/Funds</b>	<b>Section</b>	<b>Adjustment</b>
31			
32	<b>Department of Transportation:</b>		
33	<b>Debt service - Oregon</b>		
34	<b>Wireless Interoperability</b>		
35	<b>Network (OWIN)</b>		
36	<b>General Fund</b>	<b>Ch. 542 1</b>	<b>-\$15,416,043</b>
37	<b>Maintenance and emergency</b>		
38	<b>relief programs</b>		
39	<b>Other funds</b>	<b>Ch. 542 2(2)</b>	<b>+9,211,366</b>
40	<b>Driver and motor vehicle</b>		
41	<b>services</b>		
42	<b>Other funds</b>	<b>Ch. 542 2(9)</b>	<b>+500,000</b>
43	<b>Debt service</b>		
44	<b>Other funds</b>	<b>Ch. 542</b>	
45		<b>2(17)</b>	<b>+15,970,871</b>

1            Lottery funds                    Ch. 542 4        +2,914,388  
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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.**  
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## Summary of Emergency Board Action

May 2012

The Legislative Emergency Board met on May 21 - 23, 2012 and considered an agenda of 48 items. The agenda included six agency requests for allocations from the general purpose appropriation made to the Emergency Board; the Board approved five of the agency requests, one of which was approved at an amount less than the request. These allocations included \$593,497 for the Secretary of State, \$550,000 for the Department of Administrative Services for the City of Eugene, \$300,000 for the Department of Justice, and a total of \$170,000 for two requests from the Military Department. There were also two agency requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$10.2 million, of which \$8.7 million was allocated. Additional details on these allocations are described below. After the Emergency Board actions, the unallocated balance of the general purpose Emergency Fund is \$25.6 million and the remaining balance of all special purpose appropriations is \$73.4 million.

The agenda included 18 items that requested additional 2011-13 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$19.7 million Other Funds (including \$13.5 million for the Department of Transportation's rail program) and \$24.1 million Federal Funds (including \$5.5 million for Emergency Unemployment Compensation). Also included was a small increase in Lottery Funds expenditure limitation (\$74,250) for the Parks and Recreation Department. The Emergency Board also authorized the establishment of 42 limited duration positions, with an overall increase of 19.25 FTE; most of these positions resulted from additional federal funding to help unemployment insurance claimants get back to work more quickly (32 positions/15.50 FTE). Also approved was the extension of months to existing positions at the Employment Department for the Emergency Unemployment Compensation program (0 positions/14.50 FTE).

The agenda also included 10 agency reports, which the Emergency Board acknowledged receiving, three of which were in a consent agenda item. The most significant of these was a report from the Legislative Fiscal Office regarding agency plans to accommodate \$28 million in reductions included in the 2011-13 legislatively approved budget. The Emergency Board also heard 20 requests for the submission of federal grant applications, 13 of which were in a consent agenda item (Departments of Education, Community Colleges and Workforce Development, Human Services, Agriculture, Land Conservation and Development, Energy, and Transportation and the Oregon Health Authority). Two of the grant application requests included approvals of associated expenditure limitation increases.

The following is a summary of significant Emergency Board actions taken at the May 2012 meeting:

### Education

- Acknowledged receipt of a report on shifting Article XI-F bond proceeds between capital projects at Oregon State University.
- Increased the Federal Funds expenditure limitation of the Department of Community Colleges and Workforce Development by \$851,813 for grants received by the Oregon Youth Conservation Corps, with the understanding that \$500,000 of the amount will be uncheduled until the funds are received.
- Acknowledged receipt of a report by the Legislative Fiscal Office on preliminary findings concerning the 2011-12 School Year Subaccount of

the State School Fund. The Emergency Board provided notice of non-compliance to the Governor for 11 school districts that did not report as required on the use of the funding from the Subaccount.

### Human Services

- Increased the Other Funds expenditure limitation of the Long Term Care Ombudsman by \$120,000 and authorized the establishment of one limited duration position (0.50 FTE) for the Senior Medicare Patrol program.
- Acknowledged receipt of reports from the Oregon Health Authority on the Health Insurance

Exchange (HIX) project and on the Health Care System Transformation.

- Approved a request by the Department of Human Services to apply for a federal grant for Education System Collaboration to Increase Educational Stability for Child Welfare.

#### **Public Safety and Judicial Branch**

- Allocated \$300,000 from the Emergency Fund to the Department of Justice for costs associated with replacement of the primary information management system for Oregon's Child Support program.
- Allocated \$3,781,798 to the Department of Justice from a special purpose appropriation made to the Emergency Board, increased the Other Funds expenditure limitation by \$2,369,535, and authorized the establishment of five limited duration positions (1.13 FTE) for the Department of Justice for home foreclosure related activities and mediation services associated with the multi-state mortgage foreclosure settlement and SB 1552 (2012) through June 30, 2013; this action also included an allocation to the Housing and Community Services Department (for details, see Economic and Community Development below).
- Allocated \$170,000 from the Emergency Fund to the Military Department for facility and mission requirements at the Portland Air National Guard Base (\$90,000) and the Kingsley Field Air National Guard Base (\$80,000).
- Increased the Federal Funds expenditure limitation of the Military Department by \$5,000,000 and authorized the establishment of 23 limited duration positions (11.50 FTE) for an intergovernmental agreement with the federal government for the Umatilla Chemical Depot, to be unscheduled until a copy of the signed caretaker intergovernmental agreement is provided to the Department of Administrative Services and the Legislative Fiscal Office.
- Established a \$1,804,000 Capital Construction Federal Funds expenditure limitation for the Military Department for the 2011-13 biennium related to a service life extension project at the Milton-Freewater Armory, to be unscheduled until the agency submits more details on the planned project to the Department of Administrative Services and the Legislative Fiscal Office.
- Allocated \$1,084,432 to the Oregon Judicial Department from a special purpose appropriation made to the Emergency Board for court operations, but denied a request for an additional \$4.7 million from the Emergency Fund until more is known about the state's fiscal situation and actual court needs.

- Approved requests to apply for federal grants by the Department of State Police for a Port Security Grant to purchase patrol vessels for the Columbia River and by the Criminal Justice Commission for a re-entry grant through the U.S. Bureau of Justice Assistance.

#### **Natural Resources**

- Increased the Other Funds expenditure limitation of the Department of Energy by \$713,675 and authorized the establishment of two limited duration positions (1.08 FTE) to address immediate workload needs in the Energy Facility Siting Division.
- Increased the Federal Funds expenditure limitation of the Department of Land Conservation and Development by \$160,000 for a coastal zone project of special merit grant award.
- Increased the Other Funds expenditure limitation by \$220,175 and the Lottery Funds expenditure limitation by \$73,392 for the Parks and Recreation Department for costs related to the January 2012 floods and damages to state park property.
- Approved a request by the Parks and Recreation Department to apply for a grant from the U.S. Fish and Wildlife Service, National Coastal Wetlands Conservation program.
- Increased the Other Funds expenditure limitation of the Department of State Lands by \$352,000 for a rangeland improvement project in Harney County.

#### **Economic and Community Development**

- Allocated \$3,850,000 to the Housing and Community Services Department from a special purpose appropriation made to the Emergency Board and authorized the establishment of one limited duration position (0.50 FTE) for counseling services, legal assistance, and outreach to homeowners for home foreclosure related activities associated with the multi-state mortgage foreclosure settlement and SB 1552 (2012) through June 30, 2013; this action was a joint request with the Department of Justice (see Public Safety and Judicial Branch above for additional details).
- Increased the Federal Funds expenditure limitation of the Employment Department by \$5,500,000 and authorized the extension of existing limited duration positions (14.50 FTE) for the federal Emergency Unemployment Compensation program, and increased the Federal Funds expenditure limitation by \$1,527,235 for Child Care and Development Fund expenditures.
- Increased the Federal Funds expenditure limitation of the Employment Department by \$2,991,915 and authorized the establishment of 32 limited duration positions (15.50 FTE) related to a federal grant to expand programs designed to get

unemployment insurance claimants back to work more quickly and to reduce errors and fraud in claims processing.

- Increased the Federal Funds expenditure limitation of the Oregon Business Development Department by \$480,000 related to a federal grant from the Small Business Administration for State Trade and Export Promotion.
- Increased the Other Funds expenditure limitation of the Department of Veterans' Affairs by \$125,000, established a Federal Funds Capital Construction expenditure limitation for the 2011-13 biennium in the amount of \$499,163, and established an Other Funds Capital Construction expenditure limitation for the 2011-13 biennium in the amount of \$268,780 to build and operate an electronic medical records system and install a secure access system for staff and patients at the Veterans' Home in The Dalles.

#### **Transportation**

- Increased the Other Funds expenditure limitation by \$13,500,808 and the Federal Funds expenditure limitation by \$5,141,157 for the Department of Transportation for costs in the agency's rail program.
- Approved requests by the Department of Transportation to apply for federal grants from the Federal Transit Authority related to Bus Livability and the Bus and Bus Facilities grant programs.

#### **Consumer and Business Services**

- Acknowledged receipt of a report from the Health Licensing Agency on the status of fee changes.

#### **Administration**

- Allocated \$550,000 from the Emergency Fund to the Department of Administrative Services for a grant to the City of Eugene for public safety costs associated with the 2012 U.S. Olympic Team Trials to be held at Hayward Field in June.

- Allocated \$593,497 from the Emergency Fund to the Secretary of State for reimbursement of state and county costs associated with the special elections necessary to fill a vacancy in the 1<sup>st</sup> Congressional District.
- Established a new Other Funds expenditure limitation for the Public Employees Retirement System of \$2,071,410 and authorized the establishment of three limited duration positions (1.62 FTE) to recover overpayments to certain retirement system benefit recipients.
- Acknowledged receipt of reports by the Department of Administrative Services on bond refinancing, compensation plan changes, and 2013-15 uniform rent rates.
- Acknowledged receipt of a report by the Oregon Liquor Control Commission on revenues and expenditures compared to projections.
- Acknowledged receipt of a report by the Legislative Fiscal Office on agency plans for accommodating reductions of \$28 million General Fund and \$3.8 million Other Funds included in the 2012 session rebalance of the 2011-13 biennium legislatively approved budget; and approved various appropriation transfers and Other Funds expenditure limitation increases within selected state agencies to clarify organizational changes resulting from the reduction. Direction was also provided to the Department of Administrative Services to ensure that the permanent changes recommended in the report would be reflected in the 2013-15 budget and to affected state agencies to implement the recommended changes to the 2011-13 budget. Modifications were made to the Legislative Fiscal Office recommendations for the Department of Corrections and the Department of Forestry.

<b>Emergency Fund Balance Summary</b>		
	<b>Agency Request</b>	<b>Full Board Action</b>
<b>General Purpose Emergency Fund</b>		
Appropriation (after 2012 Session adjustments)	27,218,734	27,218,734
Allocations to date		
<b>Reservations</b>		
<b>Unallocated/Unreserved Balance</b>	27,218,734	27,218,734
<b># May 2012 Requests - General Purpose</b>		
1 Secretary of State - Special Elections Costs	(685,000)	(593,497)
2 Oregon Judicial Department - Court Operations	(4,709,600)	
17 Oregon Military Department - Portland Air National Guard Base	(90,000)	(90,000)
18 Oregon Military Department - Kingsley Field Air National Guard Base	(80,000)	(80,000)
50 Legislative Fiscal Office - Child Support System Funding for Department of Justice	(300,000)	(300,000)
53 Legislative Fiscal Office - Olympic Trials Public Safety for Department of Administrative Services	(550,000)	(550,000)
Total Requests - General Purpose	(6,414,600)	(1,613,497)
<b>General Purpose Unallocated/Unreserved Balance after 5/12 (if requests approved)</b>		
	20,804,134	25,605,237
Special Purpose Appropriations - Agency Specific (includes 2012 Session actions)	82,145,415	82,145,415
Allocations/Transfers to Date		
Unallocated Balance	82,145,415	82,145,415
<b># May 2012 Requests - Special Purpose Appropriations - Agency Specific</b>		
2 Oregon Judicial Department - Court Operations	(1,084,832)	(1,084,432)
21 Department of Justice - Home Foreclosure	(4,796,632)	(3,781,798)
21 Housing and Community Services Department - Home Foreclosure	(4,300,000)	(3,850,000)
Total Requests - Special Purpose - Agency Specific	(10,181,464)	(8,716,230)
<b>Special Purpose - Agency Specific - Unallocated Balance after 5/12 (if requests approved)</b>		
	71,963,951	73,429,185

## **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