

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5522-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Krummel  
Carrier – Senate: Sen. Bates**

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

**Vote:** 18 – 0 – 3

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Devlin, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Carter, Gordly, Winters

**Prepared By:** Erica Kleiner, Department of Administrative Services

**Reviewed By:** Theresa McHugh, Legislative Fiscal Office

**Meeting Date:** 6/21/07

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**Agency**

Legislative Branch Agencies

**Budget Page**

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**LFO Analysis Page**

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Representative Chip Shields, Public Safety Subcommittee Chair

## Budget Summary\*

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's	
General Fund	\$ 64,010,003	\$ 70,524,483	\$75,206,167	\$4,681,684	6.6%
Other Funds	6,763,779	4,745,451	4,780,691	35,240	0.7%
Other Funds Non-limited	1,572,116	1,573,061	1,573,061	0	0%
Total	\$ 72,345,898	\$ 76,842,995	\$81,559,919	\$4,716,924	6.1%

## Position Summary

Authorized Positions	686	688	695	+7
Full-time Equivalent (FTE) Pos.	393.90	396.92	403.92	+7.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* excludes Capital Construction expenditures

## Summary of Revenue Changes

The legislative branch agencies are primarily funded with appropriations from the General Fund. Some agencies also receive donations, grants, and other miscellaneous revenues, as described below:

- Legislative Assembly: Other Fund revenues subject to expenditure limitation come from reimbursements for duplicating services and sales of committee tapes. The Nonlimited Other Funds are from the Lounge Revolving Fund, which receives payments from legislative members for food services. The Fund is used to pay for food in the members' lounges.
- Legislative Administration Committee: Other Fund revenues are derived from Capitol Building office space rent, parking fees, and sales of services and supplies. A Nonlimited Stores Revolving Account accommodates revenue from retail sales in the Capitol Gift Shop.
- Legislative Counsel Committee: Other Funds are derived from sales of the Oregon Revised Statutes (ORS), Oregon Laws, other publications, and bill drafting services.
- Commission on Indian Services: The Other Fund revenues represent registration and other fees derived from sponsorship of special meetings. These funds are used to cover costs associated with the events.

## **Summary of Subcommittee Action**

House Bill 5522 is the budget bill for the six legislative agencies: Legislative Assembly, Legislative Administration Committee, Legislative Counsel Committee, Legislative Fiscal Office, Legislative Revenue Office, and Commission on Indian Services. Each of these agencies is an independent state agency. Their budgets are combined in this one appropriation bill. The Subcommittee discussed the operations of each agency and the recommendations of the Public Commission on the Oregon Legislature and the Senate Legislative Operations and Reform Committee for changes in the agencies' budgets and operations.

The Subcommittee on General Government approved a total legislative branch budget of \$81,559,919 total funds. The General Fund budget for the branch is \$75,206,167, which is a 12.4 percent increase from the essential budget level. The details of the increase are outlined in the narrative for each agency.

The budget also includes 695 positions (403.92 full-time equivalent), which is an increase of 7 positions and full-time equivalent from the essential budget level.

## **Legislative Assembly**

The Legislative Assembly represents and informs the public. It provides a forum for expression of the public will. It enacts laws to establish and oversee the state's policies and priorities. It reflects those priorities in a balanced budget.

The Joint Ways and Means Subcommittee on General Government approved a budget of \$33,658,604 General Fund, \$289,758 Other Funds, and 443 positions (216.20 full-time equivalent). Specifically, the Subcommittee took the following actions:

Package 806: Operating Budget Adjustments. \$4,216,590 General Fund is provided for legislators' interim budgets to help them better fulfill their responsibilities to the public and to increase the professionalism of the Legislature. These funds would provide resources sufficient for members to hire a full-time staff person during the interim. The Assembly's personnel policies and House and Senate Rules should be reviewed and updated to incorporate appropriate accountability.

## **Legislative Administration**

The Legislative Administration Committee (LAC) provides general support to the legislature. Non-partisan services to the public, legislative members, and government agencies include: administration, policy, research, committee services, information systems, facility services, employee services, and financial services.

The Joint Ways and Means Subcommittee on General Government reviewed agency operations and discussed the agency's programs and services, and reduction option lists. Additionally, the Joint Subcommittee discussed the Capital Renovation project.

The Subcommittee approved a budget of \$24,901,055 General Fund, \$3,150,341 Other Funds, \$597,778 Other Funds Nonlimited and 155 positions (107.45 full-time equivalent). Specifically, the Subcommittee took the following actions:

Package 101: Committee Services Position Changes. This package includes position reclassification costs, the creation of a permanent full-time receptionist position and the abolishment of one position. As approved by the Subcommittee, the package includes \$63,487 General Fund for the new position and authorizes the position actions as requested but to be funded within current agency resources.

Package 201: Information Systems Position Changes. This package includes the creation of four new positions, three of which were reduced during the recession, and one of which is needed to support the new Legislative Bill Drafting System. The package also requested funds to reclassify eight positions. The package was approved by the Subcommittee in the amount of \$405,898 for the new positions and authorizes the additional position actions as requested but to be funded within current agency resources.

Package 202: Technology Transition Program. This package, approved by the Subcommittee in the amount of \$639,307 General Fund and \$1,195,000 Other Funds, provides funds for the implementation of the Bill Drafting System and to pay the debt service on the Certificates of Participation (COPs) that are being used to finance the project. The Other Funds are the proceeds from the issuance of COPs.

Package 204: Technology Infrastructure Maintenance 1. The Subcommittee approved funding in the amount of \$173,740 General Fund for several technology related items, including: maintenance and support for the new wireless network, the anti-SPAM software and network attached storage system, replacement of the uninterruptible power system for the computer room, recurring costs for the remote access system, and a new network switch.

Package 205: Recording & Archiving System. This package, approved by the Subcommittee in the amount of \$234,625 General Fund, will fund the first phase of replacement of the current audio and video recording tools. The first phase includes conducting a business and technical analysis and the development of requirements for purchase of a new system.

Package 206: Oregon Channel/Closed Captioning. The Subcommittee approved \$342,934 General Fund to continue the Oregon Channel at its existing level.

Package 301: Facility Services Position Changes. The Subcommittee did not provide any funding, but authorized the position changes to occur within the agency's current budget.

Package 302: Wing Renovation. The Subcommittee discussed the status of the Capitol Renovation project, but funding for the project will be considered as part of other legislation.

Package 305: Capitol Remodel Planning. The Subcommittee approved \$500,000 for development of a long term plan for the Capitol building. In addition to the development of a master facilities plan for the Capitol, the Subcommittee requested that the Legislative Administration Committee, in consultation with the Legislative Fiscal Office, work during the interim to develop a rent model for the Capitol and use the new model in development of the 2009-11 budget.

The following packages were not approved because they have either been completed, are part of another package that was approved, or can be taken care of without additional resources: Package 203 - Member Hardware Recurring Costs, Package 303 - Garage Security, Package 304 - HVAC Control System Upgrade, and Package 306 - Halon Replacement.

Package 806: Operating Budget Adjustments. The Subcommittee made two additional adjustments to the Legislative Administration Committee budget which netted at a positive \$2,301 General Fund. The adjustments are: Including \$82,257 General Fund for Oregon State Police security costs for the Capitol and the reduction of \$79,956 in dedicated funding for the Pacific Fishery Task Force and the Western State Forestry Task Force.

### **Legislative Counsel Committee**

Staff for the Legislative Counsel Committee draft legislation for legislators, legislative committees, and state agencies. They also provide research services and legal advice to legislators and legislative committees. The Committee publishes Oregon Revised Statutes, which are the official codification of Oregon's statute laws.

The Joint Ways and Means Subcommittee on General Government reviewed agency programs, services, and operations. Additionally, the Subcommittee discussed the demands on staff and the need to ensure salaries are comparable to like positions elsewhere in government.

The Subcommittee approved a budget of \$8,666,603 General Fund, \$2,309,766 (Limited and Non-Limited) Other Funds, and 67 positions (50.27 full-time equivalent).

Package 100: General Program Reclassifications. The Subcommittee approved the package in the amount of \$69,002 General Fund and \$9,858 Other Funds to pay for the reclassification of four deputy positions to senior deputy positions.

Package 101: IT Package. The package was approved by the Subcommittee and provides \$51,611 General Fund for replacement of PCs.

Package 102: Oregon Law Commission. This package, which was not approved, would have continued a staff attorney position that was approved on a limited duration basis for the 2005-07 biennium.

Package 806: Operating Budget Adjustments. The Subcommittee approved funds in the amount of \$718,104 General Fund and \$35,240 Other Funds to: create three new permanent, full-time positions (2 copy editors and 1 deputy); cover the costs of reclassifying positions to bring them into line with comparable positions in other government agencies; reflect increased Other Funds as a result of increasing the hourly fee for

drafting services from \$80 to \$100; and to cover the costs of continuing the activities of the Council on Court Procedures (CCP), as discussed in the Public Safety Subcommittee and described below.

A consensus agreement has been reached regarding the CCP that leaves intact the statutory construction of the CCP and its ability to promulgate the Oregon Rules of Civil Procedure as the Council has historically done since its inception, but changes the nature of the Council's funding and administration. A contract, patterned after the Legislative Counsel contract with the Oregon Law Commission, between the Legislative Counsel, the CCP, and the Northwestern School of Law of Lewis & Clark College will provide for the Council's operating expenses. The amount of \$50,000 General Fund will be appropriated to Legislative Counsel which, in turn, will contract with Northwestern School of Law of Lewis & Clark College (LCLS) on behalf of the CCP to provide the Council with the services of an executive director and an administrative assistant. LCLS will provide an in kind contribution commensurate with the amount of General Fund it receives. The Oregon State Bar will fund directly the travel expenses of Council members at the level of \$8,000 per biennium. The Bar will also continue to provide in kind support to the Council such as meeting space and conference call services. The Oregon Judicial Department will no longer provide financial and budgetary support services for the CCP other than hosting and maintaining the CCP website.

### **Legislative Fiscal Officer**

The Legislative Fiscal Office (LFO) researches, analyses, and makes recommendations concerning state expenditures, financial affairs, program administration, and agency organization. LFO reports to the Joint Committee on Ways and Means during legislative sessions and to the Emergency Board during the interim. LFO determines the fiscal impact of all legislative measures. It provides staff support for the Joint Legislative Committee on Information Management and Technology, including budget analysis and non-technical policy recommendations concerning state agency information systems projects. LFO also conducts reviews and performance audits of selected programs for the Joint Legislative Audit Committee.

The Joint Ways and Means Subcommittee on General Government reviewed agency programs, services, and performance measures. Additionally, the Subcommittee discussed the need for additional staffing in the Fiscal Office.

The Subcommittee approved a budget of \$5,776,393 General Fund and 22 positions (21.00 full-time equivalent).

Package 806: Operating Budget Adjustments. The Subcommittee approved this package in the amount of \$705,920 General Fund to create three new positions (1 half-time fiscal impact analyst, 1 permanent, full-time analyst to provide expertise on statewide technology issues, and 1 position and half of the costs for 1 permanent, full-time position to provide technology assistance to the Legislative Fiscal Office and the Legislative Revenue Office and the committees they serve) and to cover the costs of reclassifying positions to bring them into line with comparable positions in other government agencies.

## **Legislative Revenue Officer**

The Legislative Revenue Office (LRO) provides non-partisan analysis to the Legislature on tax policy and school finance issues. The Office serves the legislature and the public by staffing legislative committees dealing with taxes and school finance. Currently, these are the Senate Revenue Committee and the House Revenue Committee. LRO writes revenue impact statements on all bills reaching the House or Senate floor that affect state or local revenue.

The Joint Ways and Means Subcommittee on General Government reviewed agency programs and services. Additionally, the Subcommittee discussed the need for additional staffing in the Revenue Office.

The Subcommittee approved a budget of \$1,835,130 General Fund and 6 positions (6.50 full-time equivalent).

Package 806: Operating Budget Adjustments. The Subcommittee approved the package in the amount of \$152,853 to fund half of the costs for 1 permanent, full-time position to provide technology assistance to the Legislative Fiscal Office and the Legislative Revenue Office and the committees they serve and to cover the costs of reclassifying positions to bring them into line with comparable positions in other government agencies.

## **Commission on Indian Services**

There are nine federally recognized Indian tribal governments located in Oregon. The Commission was created to improve services for American Indians in Oregon. It gathers information relating to programs available to Indians, such as those concerning education, housing, health, fishing, economic development, cultural preservation and protection, gambling, and job training. The Commission assesses Indian needs and concerns through consultation and public hearings. The agency also networks with state, regional, and national Indian organizations in sharing information and addressing Indian issues. While the Commission is not to supersede any negotiations that any tribe, band, or group might have with local, state, and federal governments, it provides a forum for communication between Oregon's American Indians and state government.

The Joint Ways and Means Subcommittee on General Government reviewed agency performance measures, prioritized lists of programs and services, and reduction option lists.

The Subcommittee approved a budget of \$368,382 General Fund, \$6,109 Other Funds, and 2 positions (2.00 full-time equivalent). The essential budget level was approved.

## **Summary of Performance Measure Action**

The Subcommittee acknowledged the work that has been done on performance measures by some of the Legislative Branch agencies, while noting that the Branch needs to work during the interim to develop appropriate measures, ensure measure are outcome oriented, to develop data necessary to evaluate measures, and to ensure targets are appropriate. The Subcommittee expects that such measures and data will be available for review during the 2009 budget process.