

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

**MEASURE: SB 5533-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

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

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

**Vote:** 18 – 2 – 1

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

– Nays: Hanna, Morgan

– Exc: Jenson

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

– Nays:

– Exc:

**Prepared By:** Linda Gilbert, Department of Administrative Services

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

**Meeting Date:** 5/16/07

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**Agency**

Department of State Police

**Budget Page**

D-19

**LFO Analysis Page**

186

**Biennium**

2007-09

2005-07

**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
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
General Fund	\$ 179,595,514	\$ 154,961,174	\$ 213,687,988	\$ +58,726,814	+37.9%
General Fund Debt Service	2,212,794	18,951,887	3,703,316	-15,248,571	-80.5%
Lottery Funds	6,567,977	6,836,155	6,936,155	+100,000	+1.5%
Other Funds	146,670,815	188,504,422	83,380,333	-105,124,089	-55.8%
Other Funds Debt Service	100,650	0	0	0	0.0%
Other Funds Nonlimited	4,623,210	0	0	0	0.0%
Federal Funds	151,620,600	18,135,285	19,331,066	+1,195,781	+6.6%
Federal Funds Nonlimited	45,186,647	0	0	0	0.0%
Total	\$ 536,578,207	\$ 387,388,923	\$ 327,038,858	\$ -60,350,065	-15.6%

## Position Summary

Authorized Positions	1,166	1,359	1,304	-55
Full-time Equivalent (FTE) Positions	1,154.71	1,269.10	1,235.74	-33.36

## 2005-07 Supplemental Appropriation

Office of Emergency Management					
Other Funds	0	0	988,300	+988,300	0.0%
Criminal Investigation Division					
General Fund	0	0	(50,000)	-50,000	0.0%
Criminal Justice Services Division					
General Fund	0	0	(636,000)	-636,000	0.0%

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

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

General Fund provides 66.5 percent of total funding for the department. Ballot Measure 66 Lottery Funds partially support Fish and Wildlife enforcement and account for just two percent of the budget. Other Fund revenues include charges to state agencies for patrol, fish and wildlife, and investigative services; and fees for services related to processing handgun permits, open records checks, and fingerprint checks. Gaming enforcement activities are funded by the Lottery Commission, Native American tribes, and vendors and contractors. In total, Other Funds are over 25 percent of the budget. Federal Fund revenues are received for fish and wildlife and investigative services as well as pass-through grants and represent six percent of the budget.

## **Summary of Subcommittee Action**

The mission of the Department of State Police (OSP) is "...to develop, promote and provide protection to the people, property and natural resources of the state, along with ensuring the state's safety and livability by serving, protecting and educating its citizens and visitors through leadership, action, coordination, and cooperation with our public safety partners." Functions include patrol, criminal investigations, forensic lab services, and fish and wildlife law enforcement. Department responsibilities expanded in 1993 with the transfer of Oregon Emergency Management (OEM), the Office of the State Fire Marshal (SFM), Law Enforcement Data Systems (LEDS), and the Boxing and Wrestling Commission. In 1995, the Office of the Medical Examiner and Criminal Justice Services Division (CJSD) were transferred to OSP. For 2007-09 the Office of Emergency Management and the CJSD staff that manage homeland security grants are transferred to the Oregon Military Department. The remaining CJSD staff and grant administration responsibilities transfer to Administrative Services within OSP except for one position that transfers to the Department of Justice.

The Subcommittee approved a budget of \$327.0 total funds and 1,235.74 full-time equivalent positions. This is a 13.4 percent increase from the Essential Budget Level that is adjusted to eliminate the OEM and those portions of CJSD's Essential Budget Level.

### **Patrol Services Division**

The Patrol Division provides uniformed police presence and law enforcement services throughout the state with primary responsibility for traffic safety and response to emergency calls on Oregon's highways. Services include enforcement of the Motor Vehicle Code, Motor Carrier Regulations, Public Utility Commission Laws, Criminal Code, and assistance to local public safety agencies and the public. The 2005 Legislature approved transfers of the field command and support staff to this Division to better reflect the reporting structure within the agency. In addition, the Capitol Mall Security unit and the Dignitary Protection unit were transferred into this Division. The Subcommittee approved a budget of \$111.3 million total funds and 432.60 full-time equivalent positions. This is a 17.91 percent increase over Essential Budget Level.

The Subcommittee approved Package 101: Essential Infrastructure at \$0.8 million General Fund, five positions, 4.40 full-time equivalent. Included in this amount are four Evidence Technicians, a support position in the Bend office, associated Services and Supplies, and additional funding for the escalating cost of gasoline over standard inflation.

The Subcommittee approved Package 201: 24 Hour Patrol Operations. The package, as approved, provides 100 new patrol troopers (49.70 full-time equivalent) supported with General Fund. The package also shifts 46 patrol sworn positions to General Fund from the auto insurance surcharge funding used in the Governor's Recommended Budget. The total cost is \$13.4 million General Fund. This package includes trooper compensation as well as equipment such as a car for each position, digital cameras, and other necessary equipment.

The Subcommittee approved Package 208: Infrastructure & Field Support. This package adds two part-time office support positions and additional rent resources for the Division for the new Bend and McMinnville offices. The total is \$0.5 million General Fund, \$11,679 Other Funds expenditure limitation, two positions, and 0.50 full-time equivalent.

The Subcommittee approved Package 309: Equipment Replacement. The package provides resources to purchase 260 new digital cameras to replace aging existing equipment. Other Fund resources (\$1.4 million) represent COP proceeds and related issuance costs, which are used to purchase the equipment. General Fund of \$0.4 million covers 2007-09 debt service on the COPs.

The Subcommittee approved Package 318: Position Reclasses and Adjustments. The package eliminates two Other Funded trooper positions that have historically been held vacant so that the Other Fund resources could be used to support overtime expenditures. The work involved is primarily construction zone enforcement. The package does not reduce the funding nor the number of trooper hours in the field, rather it conforms the budget to current and efficient practice.

The Subcommittee approved Package 810: Fuel Costs, which adds \$0.4 million General Fund for an anticipated shortfall in gas costs. Gas costs in the Governor's Recommended Budget were assumed at only \$2.23 per gallon, which includes inflation above the standard rate, but is insufficient to support anticipated costs.

The Subcommittee discussed several issues of importance to the Patrol Division.

- The agency stated that the 139 new troopers in the Governor's Budget would provide "limited" 24 hour coverage in the state. Full coverage is difficult to define and is somewhat subjective. In addition, there may be situations in more sparsely populated areas of the state where it is more cost effective to have a trooper on call rather than "on duty". The agency must define specifically what 24 hour coverage means and consistently describe their coverage in those terms.
- Initially the agency prioritized the placement of the new troopers first to the I-5 corridor, then the I-84 and Highway 97 corridors, and finally Highway 101 and "outlying" areas. The distribution of any new troopers can be based on a number of factors ranging from where the most pressing traffic needs are located (I-5 corridor and Metro area currently patrolled by OSP), to where there is the most significant lack of coverage of local law enforcement (generally Eastern Oregon and other rural areas). While the Subcommittee felt the Superintendent could best determine where the new troopers could be located, the Subcommittee emphasized the importance of enduring a presence in rural Oregon as well as stemming the flow of drugs through the state.

- The ability to effectively incorporate new troopers into the State Police depends on a number of factors including the capacity of the Department of Public Safety Standards and Training (DPSST) to provide the basic 16 week training and the ability of existing and experienced troopers to provide the on-the-job training and mentoring that is required.

### Criminal Investigation Division

The Criminal Investigation Division augments and supports local law enforcement through investigation of major crimes, the pursuit and apprehension of criminal offenders, and the gathering of evidence. Many of the crimes investigated by OSP are intrastate and multi-jurisdictional. Specialized areas or units include arson/explosives, drug investigations, intelligence, missing children clearinghouse, sex offender registration, sexually exploited children, tobacco tax compliance, polygraph examinations, computer crimes, homicide incident tracking system (HITS), and crimes in state correctional institutions. Before the budget reductions made in 2001-03, detectives were participating in 36 county child abuse multi-disciplinary teams; 29 interagency major crime teams; and many other groups including drug investigative teams, arson task forces, and district attorney investigative support teams. Their participation now is much more limited. The Subcommittee approved a budget of \$40.2 million total funds and 142.72 full-time equivalent positions for this division. This is about six percent over Essential Budget Level total funds.

The Subcommittee approved Package 101: Essential Infrastructure. It adds resources for fuel costs above standard inflation.

The Subcommittee approved Package 205: Identity Theft. As approved, the \$0.5 million General Fund package funds three sworn detective positions, 2.13 full-time equivalent, to focus on fraud and identity theft crimes. Many of these crimes are related to methamphetamine as individuals commit the crime to finance their addiction. The new staff will support the work of local agencies.

The Subcommittee approved Package 206: Narcotics and Major Crimes Investigations. As approved, the \$0.8 million General Fund package funds four sworn detectives (troopers) for narcotics, specifically those related to methamphetamine investigations. Attention and training will be provided for activities related to clandestine labs and investigations involving drug-endangered children. Detectives would support local law enforcement agencies. It also includes funding for one position for the growing Sex Offender Registry workload.

The Subcommittee approved Package 208: Infrastructure and Field Support. The package provides funding of \$56,614 General Fund for this division's share of the net increase in rent for the proposed Bend and McMinnville field offices.

The Subcommittee approved Package 302: Tobacco Compliance Task Force. At \$0.7 million Other Funds, it continues the Tobacco Compliance Task Force staff for the entire biennium. Currently the Task Force is scheduled to sunset December 31, 2007; this provides funding for five positions for the remaining 18 months of 2007-09. Funding is from Department of Revenue and this is a joint effort by OSP and the Departments of Justice and Revenue. This package assumes passage of the bill extending the sunset of the Taskforce.

The Subcommittee did not approve Package 303: High Intensity Drug Trafficking Area – HIDTA. The package extends three current limited duration positions for 24 months in the 2007-09 biennium for the High Density Drug Trafficking Area program. HIDTA funding (almost \$6 million in 2007-09) is distributed to local law enforcement agencies and the Department of Justice. The package was not approved because the HIDTA program will be transferred to the Department of Justice where most of the state agency activity now occurs.

The Subcommittee added Package 810: Fuel Costs. While the Governor’s budget added resources to increase the gas cost to \$2.23 per gallon, it proves to be significantly below the current rate. An additional \$65,000 General Fund is added to address the anticipated shortfall.

The Subcommittee added Package 819: Technical Adjustment. This package provides the resources related to methamphetamine and gang related grants allocated by the December 2006 Emergency Board. The purpose of the funding was to augment the efforts of the communities with OSP assistance (over-time). An equal amount of funds will be disappropriated from the 2005-07 budget.

### Forensic Services Division

The Forensics Services Division provides scientific, technical, and investigative support to all criminal justice agencies across the state through forensic analysis. Forensic labs are located in Bend, Central Point, Ontario, Pendleton, Clackamas, and Springfield. A DNA Unit is also located in the Portland lab. This system is the only “full service” crime lab in the state, and roughly 90% of its work is done for law enforcement agencies other than OSP, including local police, sheriffs, and district attorneys. The Implied Consent Unit is responsible for approval, certification, and servicing of portable breath testing instruments, and also trains and certifies over 5,000 law enforcement officers in the use of breath testing instruments. This unit also provides expert testimony regarding the use of these devices. The Subcommittee approved a budget of \$32.2 million total funds and 122.70 full-time equivalent positions, an increase of nearly 14 percent over Essential Budget Level.

The Subcommittee approved Package 202: Forensic Staffing and DNA Backlog. It adds 15 positions in the Forensic Lab system to meet workload and backlog issues. This increase represents half of what the agency estimates the lab system requires to be at full strength. The Governor's budget assumes another 15 positions would be added in 2009-11. Because of hiring constraints and available candidates, only 15 are proposed to be added in this biennium. The package also includes \$1.1 million in resources for contracting out for testing an estimated 28,000 DNA samples currently backlogged. Finally, the package shifts funding from CFAA to General Fund for the additional resources.

The Subcommittee approved Package 208: Infrastructure and Field Support. It provides \$0.3 million General Fund for Forensics Division’s share of the net rent increase for the proposed Bend facility and shifts funding from CFAA Other Funds as proposed by the Governor to General Fund.

The Subcommittee approved Package 304: Medical Examiner Toxicology Program. As approved, the package transfers the toxicology lab work done for the Medical Examiner from OHSU/Kaiser to the Forensics Division by funding two forensic scientists. It is revenue/cost neutral in the overall OSP budget. Funding is shifted from CFAA Other Funds to General Fund and \$0.2 million General Fund is added for Services and Supplies inadvertently left out of the Governor’s Budget.

The Subcommittee did not approve Package 319: CFAA Fund Shift. Thus \$26.4 million CFAA Other Funds proposed in the Governor’s Budget for the Division’s base budget is shifted back to General Fund. The package also includes approval of six position reclassifications due to elimination of two job classifications, but without additional funding.

The Subcommittee discussed the added \$1.1 million General Fund in Package 202 to reduce the DNA case backlog (estimated at 28,000 and growing). The funds will be used to contract out for the testing. This funding should be viewed as one-time and not be included in the base budget for 2009-11. If a backlog still exists at that time, support to clear it can be requested in a policy package.

### Office of the State Medical Examiner

The Medical Examiner's Office is located in Clackamas and provides technical assistance and supervision to 36 county offices, directs investigations, provides direct professional services (autopsies, court testimony, case review, and consultation), and certifies the cause and manner of all investigated deaths. The State Medical Examiner appoints all 36 county examiners. The Office maintains records and provides training on death investigations to medical school physicians and students, law students, police officers, and emergency medical technicians. The Subcommittee approved a budget of 4.1 million total funds and 8.75 full-time equivalent positions. This is a nine percent reduction from Essential Budget Level.

The Subcommittee did not approve Package 208: Infrastructure and Field Support. It would have provided funding for the Medical Examiners share of rent increases for the proposed Bend facility, but because the central Oregon position in Package 209 is not approved, the additional rent is not needed.

The Subcommittee approved Package 209: Regionalize Medical Examiner Services. As approved, the package shifts funding from CFAA Other Funds as proposed by the Governor to General Fund for two positions, a new deputy State Medical Examiner (ME) for the Mid-Willamette Valley (1.00 full-time equivalent) and transcription services support position (0.75 full-time equivalent), for a net cost of \$0.1 million General Fund. Cost is partially offset by substituting a direct service deputy ME in the Mid-Willamette Valley (Lane, Linn, and Benton counties) for current contracted services.

The Subcommittee approved Package 304: Medical Examiner Toxicology Program. As approved, the package is a direct offset to Package 304 in the Forensic Services Division. It transfers the toxicology lab work done for the ME from OHSU/Kaiser to the Forensics Division. It is revenue/cost neutral in the overall OSP budget. The reduction is shifted from CFAA Other Funds as proposed by the Governor to General Fund and \$0.2 million General Fund is reduced for Services and Supplies inadvertently left out of the Governor's Budget.

The Subcommittee did not approve Package 319: CFAA Fund Shift. Thus, the \$4.3 million CFAA Other Funds package in the Governor's budget that funds the Office's base budget is shifted to General Fund.

### Fish and Wildlife Division

The primary mission of Fish and Wildlife Division is to assure compliance with laws that protect and enhance the long term health and equitable utilization of fish and wildlife resources. The officers assigned to this Division also routinely enforce traffic, criminal, boating, livestock, and environmental laws. OSP staff work closely with the Department of Fish and Wildlife (ODFW), the Water Resources Department, and the Marine Board in the enforcement of their rules. This Division also plays a crucial role in enforcing the Oregon Plan requirements for fish habitat

protection and stream bed enhancement. Lottery Funds (Ballot Measure 66, 1998) are specifically dedicated for this purpose. The Subcommittee approved a budget of \$30.96 million total funds, 122 positions, and 122.00 full-time equivalent for this division, 1.78 percent over Essential Budget Level.

The Subcommittee approved Package 101: Essential Infrastructure. The package provides additional resources for fuel costs above standard inflation. It represents the share required for the General Fund and Lottery Funds portions of the budget and does not include additional resources for the ODFW-funded portion of the budget, which is estimated at \$0.4 million Other Funds. Package 810 adds further resources for fuel costs.

The Subcommittee approved Package 305: Crab Enforcement. It funds the purchase or leasing of a larger boat for enforcement activities related to the allowable number of crab pots placed by commercial fishers. This is a one-time transfer of funding from ODFW.

The Subcommittee approved Package 318: Federal Positions. It establishes two positions to collect and compile data for field officers under a federal joint enforcement agreement for federal grant programs in this division.

The Subcommittee added Package 810: Fuel Costs. The Governor's budget assumes gas costs of only \$2.23 per gallon, significantly below the current rate. Additional Ballot Measure 66 funds are added to address this anticipated shortfall.

The Subcommittee discussed the large share of resources used to fund the Fish and Wildlife Division being from the fees charged to the Oregon Department of Fish and Wildlife (ODFW). The ODFW is toward the end of its "fee cycle" and resources are very tight. It is not clear that there is sufficient working capital to pay for the compensation plan changes during 2007-09.

### Administrative Services

The Administrative Services Program (formally the Human Resource Services Division) includes the Office of the Superintendent, financial services, fleet management, labor relations, dispatch, and other agency-wide support and staff. In the past, this program area has included the leadership staff and support staff for the three field regions, but the 2005-07 legislatively adopted budget transferred these resources to the Patrol Division. The Training unit of this program recruits, selects, and retains the sworn workforce. The budget for this program also includes the debt service for the entire agency for 2005-07 (\$2.3 million legislatively approved) and prior biennia. For 2007-09, Administrative Services includes all agency debt service except for Certificates of Participation (COPs) proposed to be issued for equipment replacement in the Patrol Division during 2007-09, and the 2007-09 debt service for OWIN. The Subcommittee approved a budget of \$41.2 million total funds and 149.47 full-time equivalent positions. This is a 36.6 percent increase over Essential Budget Level.

The Subcommittee approved Package 101: Essential Infrastructure. As approved, the package restores staff lost in past biennia that support agency functions. New positions include a budget manager (currently double-filled), a fiscal analyst 2, a trades maintenance position for central fleet management, 3 dispatch staff, and 3 dispatch managers. In addition the package transfers in four new trades maintenance coordinator positions originally located in a Patrol Division package. The total is \$1.5 million General Fund, 14 positions, 12.80 full-time equivalent.



The Subcommittee approved Package 204: OWIN. This package is part of a large Oregon Wireless Interoperability Network (OWIN) staffing package and provides a fiscal staff position for the project. This position exists in 2005-07 as a limited duration position in the Office of Emergency Management.

The Subcommittee approved Package 207: Training and Sworn Applicant Processing. As approved, the package provides funding for staffing for training and recruiting new employees. A sergeant, two troopers, and support staff are added to support recruitment of sworn candidates and on-going staff training. The four positions, 2.92 full-time equivalent, are funded with \$0.5 million General Fund funds. The package also shifts funding from Criminal Fine and Assessment Account (CFAA) Other Funds to General Fund.

The Subcommittee approved Package 208: Infrastructure and Field Support. As approved, this package funds one internal auditor position, 0.75 full-time equivalent, using \$0.1 million General Fund. It also shifts a small amount of rent from CFAA Other Funds to General Fund.

The Subcommittee approved Package 319: CFAA Fund Shift. As approved, the package shifts all CFAA funded expenditures in the base Administrative Services training budget to General Fund. This was done at the request of the agency.

The Subcommittee approved Package 502: Criminal Justice Grants to Administrative Services. This package transfers five Criminal Justice Services Division positions, 5.00 full-time equivalent, and grant funds that are not associated with Homeland Security and Violence Against Women to the Administrative Services program. There is a corresponding package for Criminal Justice Services Division and agency-wide the packages are revenue/cost neutral.

The Subcommittee added Package 811: Administrative Consolidation. It transfers three administrative-related positions (fiscal and personnel), 3.00 full-time equivalent, from the Office of the State Fire Marshal to Administrative Services to begin integrating the Fire Marshal into the overall administrative support functions of the agency. Agency-wide the packages are revenue/cost neutral.

The Subcommittee added Package 819: Technical Adjustment. This package provides the financial changes necessary to insure that the proper accounting positions are assigned to the Office of Emergency Management and the Administrative Services unit at State Police. This package transfers an Accountant 3 to OEM and transfers back an Accountant 2. This is based on an evaluation of the complexities of the work in each of the functions. Also included in this package are the resources allocated for methamphetamine and gang-related grants to communities at the December 2006 meeting of the Emergency Board that were not reimbursed to communities in 2005-07. An equal amount is disappropriated from the 2005-07 budget.

The Subcommittee discussed two issues pertinent to the Administrative Services unit:

- In the past, the agency has carried a number of vacant and double-filled positions during the biennium. During 2005-07, the agency has made good progress in minimizing this practice.

- The Department uses General Fund to pay for many of the administrative and central functions provided to programs funded with Other and Federal Funds. These central services include payroll, accounting, information management support, personnel, dispatch, and fleet management. The agency prepared a draft cost allocation plan based on the Governor's budget. Unfortunately, the plan would have had to rely on revenues which have fiscal or political constraints. For the development of the 2009-11 budget, the agency should discuss with those agencies that pay for OSP services (e.g. Lottery, ODFW, Marine Board, Tribal Governments) provision of sufficient funding to pay for their appropriate share of central administrative and support costs.

### Information Management Division

The Information Management Division includes the telecommunications and data processing staff responsible for the design, acquisition, installation, maintenance, and repair of the statewide telecommunications and information management systems. This includes the wireless communication section and the information systems section. This Office also maintains the Law Enforcement Data System (LEDS), which connects law enforcement, criminal justice agencies, and other authorized users to central files. These files include data relating to wanted and missing persons, sex offenders, drug manufacturers, stolen vehicles, concealed handgun licenses, criminal records, restraining orders, and offenders under parole or probation supervision. LEDS also operates the Oregon Uniform Crime Reporting Program, which collects, processes, and distributes Oregon crime and arrest statistics and provides Oregon data to the FBI for the national crime statistics program. The Identification Services Section is comprised of the Criminal History, Regulatory Compliance, Automated Fingerprint Identification System, and Firearms programs. The Subcommittee approved a budget of \$28.7 million total funds and 124.34 full-time equivalent positions. The budget is a 9.53 percent increase over Essential Budget Level.

The Subcommittee approved Package 101: Essential Infrastructure. The package establishes one position to meet network management and other information systems work in Enterprise Services section, and creates one new position and increases 2 existing part-time positions to full-time in the wireless section. This package also includes \$551,000 for equipment and maintenance for the wireless section and provides resources for three positions to meet federal audit requirements for the Criminal Justice Information Systems (CJIS) program (training manager, auditor, and security officer) and creates one technical position to assist in managing the message switch for the LEDS program. The portion of the package that had been proposed for funding by the Governor with CFAA Other Funds is shifted to General Fund. The total is \$1.7 million General Fund, six positions, 6.10 full-time equivalent.

The Subcommittee approved Package 208: Infrastructure and Field Support. As approved, the package restores positions and resources lost in past biennia including a Chief Information Officer, a position for desk top and other computer support department-wide, and shift managers in the Identification Services section (background checks and criminal records). It also includes funding for the division's share of rent for the proposed new Bend facility. Finally it adds a training coordinator for CJIS. The portion of the package that the Governor had proposed funding with CFAA Other Funds is shifted to General Fund. The total is \$0.7 million total funds, seven positions, and 5.01 full-time equivalent.

The Subcommittee did not approve Package 319: CFAA Fund Shift. Thus, the \$.5.4 million CFAA Other Funds package in the Governor's budget that funds the base budget functions is shifted to General Fund.

The Subcommittee added Package 812: Fingerprinting Costs. House Bill 2252 authorizes further criminal background and fingerprint authorization to selected occupations and other groups. This package accounts for the additional workload for the Identification Services unit as a result of this bill by adding one position and \$85,955 Other Funds expenditure limitation.

The Subcommittee discussed the issue of data sharing across the public safety/criminal justice spectrum. There are numerous sources of data between many state and local agencies that are shared. Some of this data transfer is automatic, but some is not. There is a significant need for enhanced coordination among the agencies specifically as existing systems are altered or replaced. The Subcommittee expects the CIO position added in Package 208 to play a large role in assisting in leading and coordinating these joint agency planning and efforts.

### Gaming Enforcement Division

The Gaming Division ensures fairness, honesty, integrity, and security of the Oregon State Lottery and tribal gaming centers operating in Oregon. The State Lottery was established in 1985, and tribal casinos were first authorized in 1993. Since 1993, the Boxing and Wrestling Commission has operated from within the Department to ensure the integrity and honesty of boxing and wrestling events. The Subcommittee approved a budget of \$9.7 million total funds and 42.88 full-time equivalent positions, a 3.82 percent increase from the Division's Essential Budget Level.

The Subcommittee approved Package 208: Infrastructure and Field Support. It provides resources for the Gaming Division's share of the rent at the Bend and McMinnville offices, \$19,374 Other Funds expenditure limitation.

The Subcommittee approved Package 307: Boxing and Wrestling Commission. The package provides an Office Specialist 2 support position and \$83,176 Other Funds expenditure limitation for the Boxing and Wrestling Commission to keep pace with workload, which has increased partially because of the licensing of promoters of Mixed Martial Arts.

The Subcommittee approved Package 308: Tribal Gaming. This package provides a \$254,363 Other Funds expenditure limitation increase to pay for the higher fees for background checks for gaming employees and vendor key employees, as well as replacement of computer equipment and vehicles. It is funded by payments from the tribal governments.

### State Fire Marshal

The State Fire Marshal is charged with protecting life and property from fire and hazardous materials. It has the following three major program areas:

- Fire and Prevention Services, which is responsible for fire prevention and investigation, emergency response including the Conflagration Act, administration of the Uniform Fire Code, a clearing house for fire prevention information, and collection of fire incident data. There are 18 Deputy Fire Marshals who serve Oregon communities that choose not to provide their own full-service fire prevention programs.
- Licensing and Permit Services, which, in coordination with Fire Prevention Services, regulates the storage and use of explosives, fireworks, and liquid petroleum. This unit also administers regulations governing non-retail fuel dispensing.

- Hazardous Materials Services, which administers the Community Right to Know law, collects and maintains data on hazardous substances, and insures state and local jurisdictions are prepared to respond to incidents. This unit is also responsible for equipping, training, and assisting the 15 Regional HazMat Response Teams to insure timely and complete mitigation of hazardous materials incidents.

The Subcommittee approved a budget of \$19.7 million total funds and 76.50 full-time equivalent positions. This is a 0.19 percent increase from the office's Essential Budget Level.

The Subcommittee did not approve funding for Package 101: Essential Infrastructure. This package reclasses an Information Systems position that had been transferred to the State Data Center but was later identified as not being "in-scope" for the functions transferred to the Data Center. The position is restored in Package 060 and this package provides the resources for the reclassification of the position to a manager for the information management section of the office. The Subcommittee agrees with the reclassification but requires the agency to find the funding within its present budget.

The Subcommittee approved Package 310: Safer Cigarette Testing. It provides resources for the cost of testing random samples of cigarette brands sold in the state to determine if they are self-extinguishing. Funding source is Fire Insurance Premium Tax (FIPT).

The Subcommittee significantly altered Package 311: Web-based Incident Report. The package was designed to provide resources to develop a web-based incident reporting system to collect data for fire departments. The work would be contracted out. The package was requested by fire departments and meets federal coding standards. Funding is a combination of FIPT, hazardous substance fees and petroleum load fees. More recent cost estimates for the project are nearly triple the original cost projections. The Subcommittee required the agency to work more on the project design and cost estimates, and to have the project reviewed by the Joint Committee on Information Management and Technology or other appropriate committee. Until the required work and review are done, the Subcommittee provided a \$1 Other Funds expenditure limitation as a placeholder for the project.

The Subcommittee approved Package 314: Database Administrator. As approved, it adds a position to develop and maintain a single database for the Fire Marshal office and to make that information available from one site on the internet. Funding is a combination of FIPT, hazardous substance fees, and petroleum load fees. The agency is currently examining how many of its agency-wide support services are organized. Information Systems staffing and resources should be part of this review. The Subcommittee approved the position to be established for half of the biennium (12 months) instead of being hired soon after the beginning of the biennium. This should provide sufficient time for the agency to evaluate the need for this position (and necessary skills set) in relation to the other resources available agency wide.

The Subcommittee approved Package 315: Fire and Life Safety Employee Development. The package provides resources for staff training in fire alarm/fire sprinkler inspection, testing and maintenance; and in fire investigations. Source of funding is Fire Insurance Premium Tax.

The Subcommittee approved Package 316: HazMat Teams. It provides funding for training and equipment to increase the local staffing available for the 15 regional HazMat teams. The agency states that the training resources included in this package will address the training necessary to meet Department of Homeland Security requirements related to Weapons of Mass Destruction. The training will also provide the resources to increase the local staff available for the regional HazMat teams by offering additional training. Funding is from the petroleum load fee.

The Subcommittee did not approve funding Package 318: Position Reclash & Adjustment. It reclassifies two positions, which have been approved by the Department of Administrative Services. One position is from a Principal Executive/Manager B to an Operations and Policy Analyst 3 while the other position is a Training and Development Specialist 1 to a 2. The Subcommittee agreed with the reclassifications, but required the agency to find the funding within its current budget.

The Subcommittee added Package 811: Administrative Consolidation. It transfers three administrative positions (fiscal and personnel) from the Office of the State Fire Marshal to Administrative Services to begin integrating the Fire Marshal into the overall administrative support functions of the agency. Agency-wide this transfer is revenue/cost neutral.

The Subcommittee added Package 819: Technical Adjustments. During the rebalance earlier in the 2005-07 biennium, limitation was adjusted for the State Fire Marshal. At that time not all the equipment purchases planned for 2005-07 were fully assumed in the rebalance calculations. The revenue exists, not the necessary limitation. The purchases can be delayed until 2007-09 and this package increases the 2007-09 limitation by \$0.2 million Other Funds for the equipment purchases originally planned for 2005-07.

### Oregon Emergency Management

The programs, staff, and budget for the Office of Emergency Management are transferred to the Military Department under the Subcommittee's proposed 2007-09 budget as part of the centralization of emergency preparedness and homeland security related functions in the Military Department. The transfer includes the Oregon Emergency Response System; Chemical Stockpile Emergency Preparedness Program (CSEPP); 9-1-1 program; disaster planning, training, mitigation and response; and domestic preparedness. The Subcommittee approved the packages that transfer the Office and extend the 9-1-1 program sunset, leaving an Office of Emergency Management budget of \$0 in OSP.

The Subcommittee approved Package 204: Transfer to OWIN. This package transfers two positions and \$0.2 million General Fund that had been focused on Homeland Security to the OWIN program. The former Homeland Security advisor position is currently assigned as the OWIN program director; this package continues this position.

The Subcommittee approved Package 402: 9-1-1 Sunset Extension. The current surcharge on phones, which funds the statewide 9-1-1 program, is scheduled to sunset at the end of 2007. There is a bill which extends the sunset and this \$41.7 million Other Funds package assumes its passage.

The Subcommittee approved Package 500: Homeland Security to Military. It transfers the remainder of the Office of Emergency Management to the Military Department. All remaining OEM programs, including those not related to Homeland Security, are transferred.

This budget assumes the passage of HB 2370, which transfers the functions of the Office of Emergency Management to the Oregon Military Department. All current functions, including 9-1-1, are transferred in this bill. In addition, those functions and grants related to homeland security of the Criminal Justice Services Division are also transferred in the bill.

## Criminal Justice Services Division

The Governor's 2007-09 recommended budget assumes the elimination of this Division and the transfer of its programs and staff to three locations. Under the proposal, the Military Department assumes responsibility for the Homeland Security-related grants and \$45.1 million total funds; 5 positions are transferred to the Military Department. Domestic criminal justice-related grant programs (\$7.6 million total funds and five positions) are transferred to the Administrative Services Division of the State Police. Finally, the Violence Against Women grant program is transferred to the Department of Justice's Crime Victims' Programs. The Subcommittee's budget for this division is thus \$0.

The Subcommittee approved Package 500: Homeland Security to Military. It transfers all remaining grant funds, \$45.1 million Federal Funds, relating to Homeland Security and the related five positions to the Military Department.

The Subcommittee approved Package 501: Violence Against Women Grants to DOJ. It transfers the position at \$129,355 Federal Funds related to Violence Against Women grants to the Crime Victims unit in the Department of Justice.

The Subcommittee approved Package 502: Criminal Justice Grants to Admin Services. It transfers five positions and grant funds not associated with Homeland Security and Violence Against Women to the Administrative Services Division in OSP, \$8.6 million total funds. One position is eliminated.

## Oregon Wireless Interoperability Network

The Oregon Wireless Interoperability Network is a new budget unit for OSP for 2007-09 to track the construction, staff, and other project costs for a major project to replace and enhance the wireless communications systems of four state agencies and the public safety communications infrastructure statewide. OWIN is the response to House Bill 2101 (2005) and federal requirements that set out three general mandates that drive this project:

- The Federal Communications Commission (FCC) is requiring all public safety-related agencies that have wireless communications systems to migrate to narrowband frequencies by 2013.
- House Bill 2101 required the Office of Emergency Management to develop a Public Safety Wireless Infrastructure Replacement Plan for delivery to the Governor and the Legislature by January 12, 2007, along with a plan for financing the system. The Plan was to guide consolidation of the existing aging state wireless systems, provide for future management of the state infrastructure, detail the technical specifications for a consolidated system, and provide a description of the costs and benefits of a consolidated system.
- HB 2101 also required the development of an Oregon Interoperable Communication Plan to work toward achieving statewide interoperability by 2012. Interoperability is the ability of different wireless communications systems to "talk" to each other, specifically during emergencies that span multiple jurisdictions.

The Subcommittee approved a budget of \$8.8 million total funds and 13.78 full-time equivalent positions.

The Subcommittee approved Package 204: Oregon Wireless Interoperability Network (OWIN). This package provides planning and development staffing and other resources to continue work on the OWIN project. Sixteen limited duration positions are established to continue to plan the network, provide more exact cost estimates, work with local and federal agencies in partnering in ventures that will reduce the state's share of the project, work on capturing federal funding, developing Requests for Proposals for the project, and identify tower sites. Seven of these positions are currently limited duration positions in the agency's 2005-07 budget. The package is financed with both General Fund and Certificate of Participation proceeds.

In summary, Other Funds support two procurement and contract specialists, two Principal Executive/Manager F's, two right of way agents, one ISS 6, two facilities engineers and an Executive Support Specialist, all of which are limited duration. Other Funds also support \$2.3 million associated Services and Supplies for a total of \$3.8 million Other Funds.

General Fund supports the Principal Executive/Manager H, an ISS 6, an Executive Support Specialist, a Fiscal Analyst 2, a Program Analyst 4, and a Public Affairs Specialist 1 as well as associated Services and Supplies. Personal Services and Services and Supplies total around \$2 million General Fund; debt service adds \$1.0 million to that for an approved General Fund total of 3.0 million.

The Subcommittee added Package 813: Grant. It increases the Federal Funds limitation by \$1.6 million for the balance of the Integrated Wireless Network (IWN) project. IWN is a joint federal/state project to provide integrated wireless communications along the I-5 corridor. This project should provide a limited offset to the OWIN project by providing equipment at specific sites in the overall OWIN network. This represents the amount anticipated to be spent during 2007-09 of a contract/grant agreed to during 2005-07. In addition, the Other Funds limitation is increased by almost \$375,000 representing the carry forward of the remaining balances to spend on two other grants, both of which were awarded for the OWIN project.

The Subcommittee discussed two issues and added a budget note.

- The OWIN program staff is waiting for the federal Department of Commerce to announce the availability of grant funds relating to wireless technology and interoperability. There is a good chance the announcement of the availability of funds (and the start of the application process) will be made after the Legislature adjourns this Session. It is likely at least 80 percent funds must be distributed to local jurisdictions with the remaining eligible to be retained for state government use. OWIN could use these funds for some of the anticipated costs over the next two years.
- The OWIN funding in this budget only includes resources for ongoing planning of the overall project, outreach to local governments for partnering on specific sites to reduce overall costs, development of the anticipated project's complex request for proposals, ongoing solicitation of federal funds, identification of sites, and development of more precise cost estimates. It is anticipated that the OWIN project will be a topic of considerable discussion during the planned 2008 Special Legislative Session, and at that time the authority for continuing forward with the construction phase of the project will be formally considered.

## **Budget Note**

The Oregon State Police and other OWIN participants will make regular reports to the appropriate legislative committee on the progress and status of the OWIN project. In addition, prior to requesting further funding authority for construction, the following information must be presented to the Emergency Board or interim Joint Committee on Ways and Means: (1) the most recent available cost estimate for the project broken into categories based on project phases and components (e.g. microwave system); (2) the roll-out schedule based on location and major project components; (3) the various technologies considered in designing the system and the reasons they were selected or not; (4) the feasibility of integrating other systems including Oregon Public Broadcasting; (5) the anticipated level of federal and other participation in funding the project and the basis for the estimate; and (6) the amount of local commitment to partnering with the state on specific sites or regional systems, and estimates of the potential cost savings to the State as a result of these partnerships.

## **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 \$500,000 or more. The expenditure limitation for each project is in effect for six years. While Capital Construction expenditure limitation is included in a separate bill to be heard by a different Ways and Means subcommittee, this Subcommittee makes recommendations on the applicable capital projects included in the Capital Construction bill.

To that end, the Subcommittee discussed the agency's Package 204: Oregon Wireless Interoperability Network (OWIN) and recommended delaying any action on capital construction relating to OWIN until the 2008 Legislative Session, and after the OWIN program staff reports on its planning and development efforts as required in the budget note under the OWIN section above. A \$1 expenditure limitation for both Federal and Other Funds is recommended for budget flexibility.

## **2005-07 Supplemental Appropriation**

The agency needs an increase in Other Funds expenditure limitation of \$988,300 for Oregon Emergency Management (OEM) primarily to support special payments to local governments and telecommunication companies as part of the 9-1-1 enhancement account for maintenance and updates of equipment (\$763,665). For 2005-07, these payments are anticipated to be 15.1 percent higher than the 2003-05 level, for a total of \$26.4 million

An additional \$224,635 Other Funds expenditure limitation is also needed to support administering funds for Oregon's Domestic Preparedness Programs. These funds come from the federal Department of Homeland Security and pass through the Criminal Justice Services Division on a yearly basis and are allocated on a national formula based on risk analysis and the State's Grant Application for these funds.



The Subcommittee approved a total additional 2005-07 Other Funds expenditure limitation of \$988,300 for Chapter 718, Section 2(5), Oregon Laws 2005, for Office of Emergency Management, State Fire Marshal and criminal justice services.

Certain grant funds that were provided by the Emergency Board in December, 2006, to address methamphetamine issues will not be able to be completely expended by June 30, 2007. The unexpended amounts are disappropriated from 2005-07 and reverted, and reappropriated in 2007-09. In the Criminal Investigation Division will revert \$50,000 General Fund; the Criminal Justice Services Division reversion is \$686,000 General Fund. The reappropriations are discussed in Package 819: Technical Adjustments in the Administrative Services unit and in Criminal Investigations.

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

See attached Legislatively Adopted 2007-09 Key Performance Measures form.