

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5549-A

JOINT COMMITTEE ON WAYS AND MEANS

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

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

Vote: 19 – 0 – 3

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

– Nays:

– Exc:

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

– Nays:

– Exc: Gordly, Nelson, Winters

Prepared By: Linda Gilbert, Department of Administrative Services

Reviewed By: Sheila Baker, Legislative Fiscal Office

Meeting Date: 6/24/07

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	506	2007-09
Various Agencies	---	---	2005-07

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

Senator Kurt Schrader, Co-Chair

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

Representative Mary Nolan, Co-Chair

Capital Construction and Bonding Subcommittee

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 Budget	
<u>Emergency Board</u>					
General Fund - General Purpose	\$ 0	\$ 30,000,000	\$ 30,000,000	\$ 0	0.0%
General Fund - Special Purpose Appropriations					
State Employee Compensation	\$ 0	\$ 130,000,000	\$ 125,000,000	\$ (5,000,000)	-3.8%
Department of Justice	\$ 0	\$ 0	\$ 1,000,000	\$ +1,000,000	+100.0%
Oregon State Police	\$ 0	\$ 0	\$ 9,000,000	\$ +9,000,000	+100.0%
Legislative Administration	\$ 0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
Legislative Administration	\$ 0	\$ 0	\$ 550,000	\$ +550,000	+100.0%
Government Standards and Practices	\$ 0	\$ 0	\$ 700,000	\$ +700,000	+100.0%
Department of Education	\$ 0	\$ 0	\$ 800,000	\$ +800,000	+100.0%
Secretary of State	\$ 0	\$ 0	\$ 1,800,000	\$ +1,800,000	+100.0%
Various agencies	\$ 0	\$ 0	\$ 2,500,000	\$ +2,500,000	+100.0%
<u>Administrative Services, Department of</u>					
General Fund	\$ 0	\$ 0	\$ 2,800,000	\$ +2,800,000	+100.0%
Other Funds	\$ 0	\$ 0	\$ (78,110,202)	\$ (78,110,202)	-100.0%
<u>Columbia River Gorge Commission</u>					
General Fund	\$ 0	\$ 0	\$ 61,906	\$ +61,906	+100.0%
<u>Commission on Children and Families, State</u>					
General Fund	\$ 0	\$ 0	\$ 200,000	\$ +200,000	+100.0%
<u>Community Colleges and Workforce Development, Department of</u>					
General Fund	\$ 0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
Federal Funds	\$ 0	\$ 0	\$ 3,000,000	\$ +3,000,000	+100.0%
<u>Department of Corrections</u>					
General Fund	\$ 0	\$ 0	\$ (1,000,000)	\$ (1,000,000)	-100.0%
<u>Economic and Community Development Department</u>					
General Fund	\$ 0	\$ 0	\$ 1,000,000	\$ +1,000,000	+100.0%
<u>Education, Department of</u>					
General Fund	\$ 0	\$ 0	\$ 460,000	\$ +460,000	+100.0%

	<u>2005-07</u>		<u>2007-09</u>			Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)		Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<u>Energy, Department of</u>						
General Fund	\$	0 \$	0 \$	(1,500,000) \$	(1,500,000)	-100.0%
Other Funds	\$	0 \$	0 \$	4,600,000 \$	+4,600,000	+100.0%
<u>Geology and Mineral Industries, Department of</u>						
General Fund	\$	0 \$	0 \$	139,249 \$	+139,249	+100.0%
Lottery Funds	\$	0 \$	0 \$	1,500,000 \$	+1,500,000	+100.0%
Other Funds	\$	0 \$	0 \$	1,500,000 \$	+1,500,000	+100.0%
<u>Governor's Office</u>						
Other Funds	\$	0 \$	0 \$	200,000 \$	+200,000	+100.0%
<u>Department of Higher Education</u>						
General Fund	\$	0 \$	0 \$	1,150,000 \$	+1,150,000	+100.0%
Other Funds	\$	0 \$	0 \$	700,000 \$	+700,000	+100.0%
<u>Department of Human Services</u>						
General Fund	\$	0 \$	0 \$	5,731,832 \$	+5,731,832	+100.0%
<u>Judicial Department, Oregon</u>						
General Fund	\$	0 \$	0 \$	1,655,105 \$	+1,655,105	+100.0%
<u>Justice, Department of</u>						
General Fund	\$	0 \$	0 \$	925,485 \$	+925,485	+100.0%
Other Funds	\$	0 \$	0 \$	3,509,291 \$	+3,509,291	+100.0%
<u>Land Conservation and Development, Department of</u>						
General Fund	\$	0 \$	0 \$	1,585,146 \$	+1,585,146	+100.0%
<u>Legislative Administration Committee</u>						
General Fund	\$	0 \$	0 \$	5,106,812 \$	+5,106,812	+100.0%
Other Funds	\$	0 \$	0 \$	770,000 \$	+770,000	+100.0%
<u>Liquor Control Commission, Oregon</u>						
Other Funds	\$	0 \$	0 \$	1,278,000 \$	+1,278,000	+100.0%
<u>Long Term Care Ombudsman</u>						
General Fund	\$	0 \$	0 \$	86,664 \$	+86,664	+100.0%
Other Funds	\$	0 \$	0 \$	69,750 \$	+69,750	+100.0%

	2005-07		2007-09			Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)		Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<u>Military Department, Oregon</u>						
General Fund	\$	0 \$	0 \$	594,600 \$	+594,600	+100.0%
Other Funds	\$	0 \$	0 \$	6,397,731 \$	+6,397,731	+100.0%
<u>Oregon Youth Authority</u>						
General Fund	\$	0 \$	0 \$	1,032,668 \$	+1,032,668	+100.0%
Other Funds	\$	0 \$	0 \$	99,999 \$	+99,999	+100.0%
<u>Parks and Recreation, Department of</u>						
Federal Funds	\$	0 \$	0 \$	600,000 \$	+600,000	+100.0%
<u>Public Defense Services Commission</u>						
General Fund	\$	0 \$	0 \$	1,950,000 \$	+1,950,000	+100.0%
<u>Public Utility Commission</u>						
Other Funds	\$	0 \$	0 \$	276,566 \$	+276,566	+100.0%
<u>State Lands, Department of</u>						
Other Funds	\$	0 \$	0 \$	75,000 \$	+75,000	+100.0%
Federal Funds	\$	0 \$	0 \$	850,000 \$	+850,000	+100.0%
<u>State Police, Oregon Department of</u>						
General Fund	\$	0 \$	0 \$	661,658 \$	+661,658	+100.0%
Other Funds	\$	0 \$	0 \$	(3,229,589) \$	(3,229,589)	-100.0%
<u>Transportation, Oregon Department of</u>						
Other Funds	\$	0 \$	0 \$	55,973,434 \$	+55,973,434	+100.0%
<u>Treasurer of State</u>						
Other Funds	\$	0 \$	0 \$	2 \$	+2	+100.0%
<u>Veterans' Affairs, Oregon Department of</u>						
General Fund	\$	0 \$	0 \$	29,600 \$	+29,600	+100.0%
<u>Water Resources Department</u>						
General Fund	\$	0 \$	0 \$	50,000 \$	+50,000	+100.0%

	<u>2005-07</u>		<u>2007-09</u>			<u>Percentage Committee Change from Governor's Budget</u>	
	<u>Legislatively Approved Budget (1)</u>		<u>Governor's Budget</u>	<u>Committee Recommendation</u>	<u>Difference from Governor's Budget</u>		
<u>Various Agencies</u> ⁽²⁾							
General Fund	\$	0	\$	0	\$ (6,571,080)	\$ (6,571,080)	-100.0%
Lottery Funds	\$	0	\$	0	(122,382)	(122,382)	-100.0%
Other Funds	\$	0	\$	0	(4,934,063)	(4,934,063)	-100.0%
Federal Funds	\$	0	\$	0	(1,857,476)	(1,857,476)	-100.0%

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

(2) See Agency Adjustments Attachment 1

* Excludes Capital Construction

Position Summary

Geology and Mineral Industries, Department of

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00

Department of Higher Education

Authorized Positions	0	0	7	7
Full-time Equivalent (FTE) Positions	0.00	0.00	6.50	6.50

Justice, Department of

Authorized Positions	0	0	17	17
Full-time Equivalent (FTE) Positions	0.00	0.00	20.46	20.46

Land Conservation and Development, Department of

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) Positions	0.00	0.00	(5.50)	(5.50)

Long Term Care Ombudsman

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	0.75	0.75

Military Department, Oregon

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<u>State Lands, Department of</u>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	0.50	0.50	
<u>Public Utility Commission</u>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00	
<u>State Police, Department of</u>					
Authorized Positions	0	0	(10)	(10)	
Full-time Equivalent (FTE) Positions	0.00	0.00	(8.14)	(8.14)	
<u>Transportation, Oregon Department of</u>					
Authorized Positions	0	0	(1)	(1)	
Full-time Equivalent (FTE) Positions	0.00	0.00	(1.00)	(1.00)	

2005-07 Supplemental Appropriations

	2003-05		2005-07	
	Legislatively Approved Budget	Governor's Budget	Committee Recommendation	Difference from Governor's Budget
<u>Emergency Board</u>				
General Fund - General Purpose	\$ 0	\$ 0	(1,657,119) \$	(1,657,119)
<u>Education, Department of</u>				
Other Funds	\$ 0	\$ 0	100,000 \$	+100,000
<u>State Police, Oregon Department of</u>				
General Fund	\$ 0	\$ 0	(661,658) \$	(661,658)

Summary of Subcommittee Action

Senate Bill 5549 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.

Other omnibus adjustments reflect reductions in the hourly rate for Department of Justice attorney charges, adjusted treasury debt management charges that reflect updated information on agencies' relative debt levels and new debt issuances, and reductions in Public Employee Retirement System (PERS) rates. The PERS rate for state agencies is reduced from 12.98 percent as assumed in the Governor's budget to the final rate of 12.71 percent. The rate for judges is reduced from 27.14 percent to 25.70 percent. The combined result of these changes in assessments and charges on agency budgets are presented in Attachment 1. Total savings are \$6.6 million General Fund, \$0.1 million Lottery Funds, \$ 4.9 million Other Funds and \$1.9 million Federal Funds.

Emergency Board

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

The Subcommittee made nine special purpose appropriations to the Emergency Board, totaling \$141,950,000:

- \$125,000,000 to finance negotiated increases in state employee salary and benefit changes. This special purpose appropriation expires July 1, 2008 if not allocated before that date.
- \$1,000,000 for the Department of Justice for 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. This appropriation is in addition to \$1 million appropriated for this purpose to the Department of Justice in Senate Bill 5520-A. If allocated, the funds may be used for staff as well as outside counsel.
- \$9,000,000 for Oregon State Police, Oregon Wireless Interoperability Network (OWIN), to be used to assist in funding any further costs for the OWIN project for the 2007-09 biennium after review by the Legislature or the Emergency Board.
- \$600,000 for the Legislative Administration Committee to support the Interim Committee on Court Facilities.
- \$550,000 for the Legislative Administration Committee, for planning, debt service, and relocation costs of legislative and executive branch agencies during renovation of the Capitol building.
- \$700,000 for the Government Standards and Practices Commission to support development of an electronic report filing system.
- \$800,000 for the Department of Education for local option equalization grants.
- \$1,800,000 for the Secretary of State for costs associated with a statewide special election to be held in November, 2007.
- \$2,500,000 for state agencies' continuous improvement projects.

The \$125 million special purpose appropriation to the Emergency Board for negotiated salary and benefit increases for state employees is to be spread proportionately among represented, nonrepresented, management, and executive service employees. It is understood that there may be differences in how each proportional share is spent and that the Executive Branch may choose to focus the new and existing management and executive service compensation funds on recruitment and retention issues. Any increases granted in excess of the proportional share must be paid for by agencies. The Executive Branch is expected to report to the Emergency Board, at the time of distribution of the special purpose appropriation, on: actual compensation changes, any changes that require agencies to cover additional costs and the agency plans on how such costs will be paid for, and the amount of rollup for the 2009-11 biennium as a result of decisions made by the Executive Branch on final compensation packages granted to employees.

Unless otherwise noted, if these special purpose appropriations are not allocated by the Emergency Board before December 1, 2008, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved Budgets

Administrative Services, Department of

The Subcommittee approved a \$2.8 million General Fund appropriation to be paid to the Oregon Historical Society. This funding will enable the Society to extend museum and public access hours, digitize photos and other holdings, and host regional workshops.

The bill reduces three Other Funds expenditure limitations to resolve an inadvertent double count in Senate Bill 5502 (2007), the primary DAS budget bill: State Data Center is reduced by \$20,283,644; State Services Division by \$4,773,888, and other operating expenses by \$53,052,670.

Columbia River Gorge Commission

The Subcommittee appropriated \$61,906 General Fund to enable the Commission to hire a project manager to assess and track the condition of the Columbia River Gorge's scenic, cultural, recreational and environmental resources and to provide public outreach.

Commission on Children and Families, State

An additional \$200,000 General Fund is appropriated to the State Commission on Children and Families for the Children's Relief Nursery in Multnomah County. These funds are to be used to support the organization's work with the Center for Family Success with at-risk TANF families and children of incarcerated parents.

Department of Corrections

The General Fund appropriation for the Department of Corrections is reduced by \$1,000,000, from the agency's Operations Division.

Community Colleges and Workforce Development, Department of

A General Fund appropriation of \$600,000 is made to the Department of Community Colleges and Workforce Development to be distributed equally to the Sabin-Schellenberg Skills Center of the North Clackamas School District #12 and the Portland Community College Skills Center.

The Department's Federal Funds expenditure limitation is increased by \$3.0 million to accommodate receipt of a Workforce Innovation in Regional Economic Development (WIRED) grant from the U.S. Department of Labor. The total grant amount of \$5.0 million will be expended over the 2007-09 and the 2009-11 biennia. The Department was given approval to apply for the grant by the Joint Committee on Ways and Means in April 2007. The Department of Labor began the WIRED initiative in February 2006 to assist regional workforce investment efforts in expanding high-skill and high-wage employment opportunities. Funds may be used to expand job training services and information and to provide training to individual workers. The funds awarded to Oregon will be distributed to regional workforce agencies serving the Portland and Salem metropolitan areas.

Economic and Community Development Department

An appropriation of \$1.0 million General Fund is made to the Oregon Arts Commission/Cultural Trust for the Creative Oregon Initiative, to increase support for Oregon's arts, cultural, and creative sectors by providing technical assistance, leadership development, and capacity building for medium to large arts organizations.

Department of Education

\$160,000 General Fund is appropriated to the Department of Education, to be directed to the Classroom Law Project to further the mission of expanding civics education in Oregon with an emphasis on staff development.

An additional \$300,000 General Fund appropriation is made for the administration of a budget note for a study on alternative methods to funding transportation costs for students. The Department is to report to the interim Joint Committee on Ways and Means or the Emergency Board on the options available, along with recommendations on suggested changes, before the 2009 legislative session.

Energy, Department of

The Other Funds expenditure limitation provided for the Department of Energy's Public Purpose Fund (OMSI) in Senate Bill 5512 (2007) is increased by \$4.6 million for the purpose of OMSI debt service. The General Fund appropriated to the Department in the same bill is decreased by \$1.5 million.

Geology and Mineral Industries, Department of

The Subcommittee approved funding for the Light Imaging and Detection Radar (LIDAR) system. The \$139,249 General Fund appropriation is for a full-time limited duration Information Systems Specialist 6 position (1.00 full-time equivalent) for the system; the Lottery Funds and Other Funds expenditure limitations are increased by \$1,500,000 each, for a total of \$3,139,249. This is a one-time expenditure. The Lottery Funds are Measure 66 Capital funds from the Oregon Watershed Enhancement Board. The addition of the funds is expected to increase LIDAR mapping and possibly leverage other sources of funding.

Governor's Office

\$200,000 Other Funds expenditure limitation is supplied for support of the Education System Design Team, per House Bill 3141. The revenue will be transferred from the State School Fund.

Department of Higher Education

The Subcommittee approved a \$1.0 million General Fund appropriation for the Oregon Solutions program at Portland State University. All of the funds provided in this appropriation shall be allocated to support the Oregon Solutions program, and none shall be used to support other activities of the University or the Department. The Subcommittee also added a \$150,000 General Fund appropriation for the NEW Leadership Oregon program at Portland State University, to fund a Program Director position.

The Other Funds expenditure limitation for the Oregon State University Forest Research Laboratory is increased by \$700,000 and 7 positions (6.50 full-time equivalent) to accommodate an increase in the Forest Products Harvest Tax included in House Bill 2115. The tax rate is increased from 67 cents per million board feet to 92 cents per million board feet for calendar years 2008 and 2009.

Department of Human Services

The Subcommittee recommended an additional General Fund appropriation in the amount of \$1,511,832 to enhance nursing facility Certified Nursing Assistant staffing levels. This restores full General Fund support for a policy package proposed by the Governor to implement recommendations from the Nursing Facility Staffing Commission.

The Subcommittee recommended an additional \$4,000,000 for the In-Home Care Workers program. It also added \$220,000 General Fund for community-based, non-profit Centers for Independent Living, who help persons with severe disabilities maintain or increase their level of independence.

Judicial Department

The Subcommittee approved a one-time \$700,000 General Fund appropriation for the purpose of a grant to the Oregon State Bar for legal aid services. In addition, \$955,105 General Fund is approved for judges' salaries. Senate Bill 5518, the main appropriation bill for the Judicial Department, provided \$7.5 million General Fund to increase judges' salaries by 14 percent effective July 1, 2007 and an additional three percent July 1, 2008. This additional funding brings the first year increase to 16 percent.

Justice, Department of

The Department of Justice's Other Funds limitation is increased by \$2,215,294 to provide legal case review for the Department of Human Service's child welfare staff and to provide consistent legal representation in shelter case and pre-judisdictional hearings. This amount is in addition to the \$2.6 million Other Funds limitation included in the Department of Justice budget bill (Senate Bill 5520) for this purpose. The combined amount corresponds to the General Fund and federal funding available for this purpose in the Department of Human Services budget. No positions are added, but the 16 positions established in Senate Bill 5520 are increased by 5.71 full-time equivalent with these added resources.

House Bill 2469 establishes a child support pass-through which requires the Department of Justice to pay the first \$50 of child support collected each month (up to \$200 per family) directly to the family for those households receiving Temporary Assistance to Needy Families (TANF). Currently all of the child support payment is used to offset the cost of the child support program at the Department of Justice. With the pass-through payment to families, it is estimated that the child support program will lose a total of \$925,485 revenue in the nine months after the October 2008 effective date of this change. This bill reduces the Other Funds limitation by \$925,485 and backfills the lost revenue with \$925,485 General Fund.

The budget bill for the Department of Justice (Senate Bill 5520) did not include Other Funds expenditure limitation for the agency's responsibilities in reviewing and processing Ballot Measure 37 claims. This bill provides a total \$2,219,482 Other Funds expenditure limitation for this purpose, for 17 positions (14.75 full-time equivalent). These amounts reflect the amount available in the budget for the Department of Land Conservation and Development for legal costs for Ballot Measure 37 claims. There is also a \$1.5 million General Fund special purpose appropriation to the Emergency Board for the Department of Land Conservation and Development (DLCD) for this purpose. If the Emergency Board allocates that \$1.5 million to DLCD, the Department of Justice will need to return to the Emergency Board for further expenditure limitation authority.

Land Conservation and Development, Department of

The Subcommittee approved an additional \$1,985,146 General Fund appropriation to meet expected costs associated with processing Ballot Measure 37 claims. The appropriation is associated with House Bill 3546, which extends from 180 days to 540 days the period for government entities to review and act upon claims submitted pursuant to Ballot Measure 37 (2004) after November 1, 2006, before the property owner is entitled to just compensation and may file a civil action. In order to incorporate the provisions of House Bill 3546, positions approved in House Bill 5033 in Package 101 were adjusted as follows, reducing a net 5.50 full-time equivalent positions:

- Change one limited-duration, full-time Principal Executive Manager D position and one limited-duration, full-time Administrative Specialist 2 position, phased-in effective July 1, 2007, to permanent status.
- Establish one limited-duration, full-time Office Specialist 1 position, phased-in effective July 1, 2007, and phased-out effective June 30, 2008 (0.50 full-time equivalent); one permanent, full-time Operations and Policy Analyst 1, phased-in effective July 1, 2007 (1.00 full-time equivalent); four limited-duration, full-time Program Analyst 2 positions, phased-in July 1, 2007, and phased-out June 30, 2008 (2.00 full-time equivalent); two permanent, full-time Planner 3 positions, phased-in July 1, 2007 (2.00 full-time equivalent).
- Reduce months on six limited-duration, full-time positions, so that they are phased-in July 1, 2007, and phased-out effective June 30, 2008 (reduction of 3.00 full-time equivalent). The positions consist of one Administrative Specialist 1, one Administrative Specialist 2, and four Planner 3 positions.
- Eliminate three limited duration, full-time Program Technician 2 positions and five limited-duration, full-time Planner 3 positions (reduction of 8.00 full-time equivalent).

Concurrently, funding for the "Big Look" was decreased by \$400,000 General Fund. The Department is directed to provide minimal staff support for activities related to the "Big Look". The Department may redirect staff to other activities.

Legislative Administration Committee

The Legislative Administration Committee is appropriated \$3,999,943 General Fund for debt service costs for the Capitol Renovation project, and \$1,106,869 General Fund for other costs associated with the project, including relocation costs. Other Funds expenditure limitation is increased by \$770,000 for Certificates of Participation cost of issuance expense.

The funding for debt service and other related costs for the renovation of the Capitol wings is based on what is known today about the potential project costs. Final plans and costs are dependent on actual contracts, and approved budgets and staffing levels for the legislative agencies. In addition, there will be relocation costs for legislative and Executive Branch staff that will need to move out of the Capitol building in order for the

renovation project to be completed. Therefore, to cover the possibility of other adjustments to the total cost for the project, \$550,000 is appropriated to the Emergency Board in a special purpose appropriation for potential costs when final plans are approved

Oregon Liquor Control Commission

The Other Funds expenditure limitation for OLCC is increased to accommodate \$1,278,000 in carryforward funds that are dedicated to completion of the Information Technology infrastructure enhancement.

Long Term Care Ombudsman

To respond to the increasing number of Oregonians residing in long-term care facilities, the Subcommittee approved a \$86,664 General Fund appropriation and added \$69,750 Other Funds expenditure limitation for a second permanent, full-time Deputy State Long Term Care Ombudsman position, to begin January 1, 2008. This will allow the agency to increase the number of volunteer ombudsman by as many as 30. Increasing the staff and number of volunteer ombudsman is expected to decrease the average time to close non-abuse complaint cases and increase the percentage of facilities visited at least once a quarter.

Military Department, Oregon

The Military Department, for the Office of Emergency Management 9-1-1 program, receives an increase of \$6,303,131 Other Funds expenditure limitation to distribute 2005-07 revenues collected to support public safety answering points.

The Subcommittee funded a limited duration Emergency Management policy advisor position (1.00 full-time equivalent) under the Department's Emergency Management Program. The funding for the position includes \$94,600 General Fund and an equal amount of Other Funds expenditure limitation.

The Subcommittee also appropriated \$500,000 General Fund for the Oregon Military Emergency Financial Assistance Program. This program provides hardship grants and loans to guard members and immediate family members of the Oregon National Guard on active duty. Expenditures from the Emergency Financial Assistance Fund are made as Other Funds. The Department has existing Other Funds limitation within its base budget for this program. The \$500,000 is a one-time appropriation to be phased-out of the Department's budget for the 2009-11 biennium.

The Subcommittee instructed the Department of Revenue to report to the Department of Administrative Services Budget and Management Division and the Legislative Fiscal Office on the amount(s) of 2006 and 2007 state income tax check-off revenue transferred to the Oregon Military Emergency Financial Assistance Program. Check-off revenue is the dedicated source of funding for the program.

Oregon Youth Authority

Earlier in the session it became known that the OYA would need to restructure its capital construction request to incorporate more recent information with respect to rehabilitating and reopening the Oak Creek youth correctional facility in Albany. The Public Safety Subcommittee approved the agency's operating budget without funding the costs associated with the capital construction projects, with the understanding that OYA would present an updated capital construction plan. The updated plan has been approved as part of House Bill 5006, the Capital Construction bill. Senate Bill 5549 includes the related \$632,668 General Fund debt service on Certificates of Participation to be issued for these projects during the 2007-09 biennium, and added \$99,999 Other Funds expenditure limitation to cover the COPs cost of issuance.

An additional \$400,000 General Fund is appropriated for special payments to be targeted to youth gang intervention services in east Multnomah County. This amount is in addition to the \$3.4 million General Fund included for Multnomah County youth gang services in Senate Bill 5544.

Parks and Recreation, Oregon Department of

The Subcommittee approved an increase of \$600,000 Federal Funds expenditure limitation to expend a Coastal and Estuarine Land Conservation Program (CELP) grant. The CELP provides funding for public land purchases to achieve conservation purposes. The grant will be used to acquire 319 acres along Beaver Creek in Lincoln County. This land is upstream from Ona Beach state park. The acquisition would help conserve wetlands and the Beaver Creek Watershed, as well as provide recreational opportunities through a water trail. The acquisition is consistent with Oregon Parks and Recreation Commission's Investment Strategy and Acquisition Plan.

Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$1,950,000, which will establish a juvenile appellate unit and increase funding for contracted attorneys.

Public Utility Commission

In an action affecting this agency and the Department of Transportation, the Oregon Board of Maritime Pilots is transferred to the Public Utility Commission. The Subcommittee added \$276,566 Other Funds expenditure limitation and one position (1.00 full-time equivalent) to this budget to accommodate the transfer.

State Lands, Department of

The Subcommittee approved increases in expenditure limitations for Federal and Other Funds grants that may be received before either an Emergency Board meeting or the 2008 Special Session. The Department received approval to apply for these grants. The South Slough National Estuarine Research Reserve (SSNERR) may receive grant funds for an estuary monitoring grant, for example. So, \$100,000 Federal Funds expenditure limitation and one limited duration Natural Resource Specialist 3 position (0.50 full-time equivalent) is added. SSNERR also has a history of success in obtaining grants from parties other than the Federal government, so \$75,000 Other Funds expenditure limitation is added. Also, the Department may be successful in its application for a federal grant to preserve the Fender's Blue Butterfly. The grant request is for \$750,000 Federal Funds and would be passed through to the Trust for Public Land to acquire 1,400 acres of land in the Eola Hills west of Salem.

The expenditure limitations above are approved with the understanding that the Department of Administrative Services will unschedule the funds until official notice of awards are received and the agency demonstrates the need to expend the funds as required to the Legislative Fiscal Office and the Department of Administrative Services.

State Police, Oregon Department of

The budget bill for the Oregon State Police (OSP) (Senate Bill 5533) included \$3,679,588 Other Funds expenditure limitation for staff and other costs for the planning and development of the Oregon Wireless Interoperability Network project. The budget bill for OSP assumed that this was to be limitation with two years of duration. Since this is a major capital construction project, it is more appropriate for this limitation to be six years in duration, the standard for capital construction projects. House Bill 5006, the Capital Construction bill, includes the necessary six-year limitation to replace that in the OSP budget bill.

OSP anticipated receiving 29 patrol vehicles by the end of the 2005-07 biennium. Prior to delivery, however, the manufacturer identified possible equipment defects and recalled all of the vehicles for further inspection, thus delaying delivery until after the start of the new biennium. The cost of the vehicles, \$661,658 General Fund, is disappropriated from the 2005-07 biennium and appropriated for the 2007-09 biennium.

Other Funds expenditure limitation for the Office of the State Fire Marshal is increased by \$449,999 for a web-based incident reporting system, funded with a combination of Fire Insurance Premium Tax, Hazardous Substance fee, and Petroleum Load Fee revenues. The Department of Administrative Services (DAS) is requested to unschedule the \$449,999 until the Office of the State Fire Marshal presents information to the Legislative Fiscal Office and DAS Budget and Management Division on updated costs, long range plans for the use of the revenue sources, and how the project fits into the overall strategic information management plan of the Oregon State Police.

Transportation, Oregon Department of

In an action affecting this agency and the Public Utility Commission, the Oregon Board of Maritime Pilots is transferred from the Department of Transportation. The Subcommittee reduced this Department's Other Funds expenditure limitation by \$276,566, and eliminated one position (1.00 full-time equivalent) to accommodate the transfer.

To implement provisions in Senate Bill 994, the Department's Other Funds expenditure limitation is increased by \$56,250,000 to distribute funds to counties in prescribed amounts on or before November 1, 2008. If the Secure Rural Schools (PL 106.393) program is re-authorized, or equivalent federal funding becomes available, counties are required to provide 10.89 percent (collectively about \$5.9 million) to match the money received. If PL 106-393 is not re-authorized, the Oregon Transportation Commission may determine how counties may match the funds provided. Each county is required to use the money to finance transportation projects that they select in consultation with the cities within the county and other advisory groups.

Treasurer of State

The Subcommittee added a \$1 Other Funds expenditure limitation for state treasury operations and a \$1 Other Funds expenditure limitation for the Oregon 529 college savings network for relocation costs resulting from the Capitol renovation. The office may return to the Emergency Board for additional limitation when the actual costs are known.

Veterans' Affairs, Oregon Department of

A General Fund appropriation of \$29,600 was approved under ORS 406.310 for the Department's payment to the Military Order of the Purple Heart, which has assisted Oregon veterans working with the federal Veterans Administration. This appropriation allows the Department to include the Order with the other national service organizations (American Legion, Disabled American Veterans, and the Veterans of Foreign Wars) with whom the State partners.

Water Resources Department

The Subcommittee approved a one-time \$25,000 General Fund appropriation to support the Umatilla Basin Project Phase II feasibility study and \$25,000 General Fund for the Walla Walla Instream Flow project.

Adjustments to 2005-07 Budgets

State Police, Oregon Department of

The Oregon State Police anticipated receiving 29 patrol vehicles by the end of the 2005-07 biennium. Prior to delivery, however, the manufacturer identified possible equipment defects and recalled all of the vehicles for further inspection, thus delaying delivery until after the start of the new biennium. The cost of the vehicles \$661,658 General Fund, is disappropriated from the 2005-07 biennium and appropriated for the 2007-09 biennium.

Emergency Board

The Subcommittee reduced the 2005-07 general purpose Emergency Fund by \$1,657,119.

Department of Education

The Department's Other Funds expenditure limitation is increased by \$100,000 to backfill unexpected current biennium costs.