

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5025-A

JOINT COMMITTEE ON WAYS AND MEANS

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

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

Vote: 20 – 1 – 1

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays: Gilman

– Exc:

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

– Nays:

– Exc: Winters

Prepared By: Linda Gilbert, Department of Administrative Services

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: June 22, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Legislative Assembly	J-5	488	2009-11
Legislative Administration Committee	J-3	489	2009-11
Legislative Counsel Committee	J-6	490	2009-11
Legislative Fiscal Officer	J-7	491	2009-11
Legislative Revenue Officer	J-8	492	2009-11
Commission on Indian Services	J-2	493	2009-11

Budget Summary

	2007-09 Legislatively Approved Budget (1)		2009-11 Essential Budget Level		2009-11 Committee Recommendation		Committee Change from 2007-09 Leg. Approved	
							\$\$ Change	% Change
<u>Legislative Assembly</u>								
General Fund	\$	36,772,454	\$	36,298,773	\$	32,933,966	\$ -3,838,488	-10.4%
Other Funds	\$	202,969	\$	208,653	\$	208,653	\$ 5,684	2.8%
Other Funds Nonlimited	\$	86,789	\$	89,219	\$	137,087	\$ 50,298	58.0%
Total	\$	37,062,212	\$	36,596,645	\$	33,279,706	\$ -3,782,506	-10.2%
<u>Legislative Administration Committee</u>								
General Fund	\$	26,610,124	\$	24,186,112	\$	19,708,894	\$ -6,901,230	-25.9%
General Fund Debt Service	\$	5,768,124	\$	7,766,596	\$	5,766,596	\$ -1,528	0.0%
Other Funds	\$	3,954,960	\$	2,068,464	\$	2,575,874	\$ -1,379,086	-34.9%
Other Funds Debt Service	\$	0	\$	0	\$	2,000,000	\$ 2,000,000	--
Other Funds Cap Construction	\$	33,500,000	\$	0	\$	0	\$ -33,500,000	-100.0%
Other Funds Nonlimited	\$	597,778	\$	597,932	\$	597,932	\$ 154	0.0%
Total	\$	70,430,986	\$	34,619,104	\$	30,649,296	\$ -39,781,690	-56.5%
Total without Cap Construction	\$	36,930,986	\$	34,619,104	\$	30,649,296	\$ -6,281,690	-17.0%
<u>Legislative Counsel Committee</u>								
General Fund	\$	8,958,117	\$	9,561,610	\$	8,413,056	\$ -545,061	-6.1%
Other Funds	\$	1,486,449	\$	1,513,617	\$	1,513,617	\$ 27,168	1.8%
Other Funds Nonlimited	\$	888,494	\$	728,010	\$	728,010	\$ -160,484	-18.1%
Total	\$	11,333,060	\$	11,803,237	\$	10,654,683	\$ -678,377	-6.0%
<u>Legislative Fiscal Officer</u>								
General Fund	\$	5,930,630	\$	6,197,674	\$	6,000,198	\$ 69,568	1.2%
<u>Legislative Revenue Officer</u>								
General Fund	\$	1,995,615	\$	2,211,308	\$	2,147,121	\$ 151,506	7.6%
<u>Commission on Indian Services</u>								
General Fund	\$	379,753	\$	426,916	\$	414,701	\$ 34,948	9.2%
Other Funds	\$	6,109	\$	6,280	\$	6,280	\$ 171	2.8%
Total	\$	385,862	\$	433,196	\$	420,981	\$ 35,119	9.1%

Position Summary

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007- 09 LAB
<u>Legislative Assembly</u>				
Authorized Positions	443	443	443	0
Full-time Equivalent (FTE) positions	216.20	216.20	207.44	-8.76
<u>Legislative Administration Committee</u>				
Authorized Positions	155	155	145	-10
Full-time Equivalent (FTE) positions	107.45	107.45	99.15	-8.30
<u>Legislative Counsel Committee</u>				
Authorized Positions	67	67	57	-10
Full-time Equivalent (FTE) positions	50.27	50.36	45.28	-4.99
<u>Legislative Fiscal Officer</u>				
Authorized Positions	22	21	21	-1
Full-time Equivalent (FTE) positions	21.00	20.50	20.50	-0.50
<u>Legislative Revenue Officer</u>				
Authorized Positions	7	7	7	0
Full-time Equivalent (FTE) positions	7.00	7.00	7.00	0.00
<u>Commission on Indian Services</u>				
Authorized Positions	2	2	2	0
Full-time Equivalent (FTE) positions	2.00	2.00	2.00	0.00

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

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 recordings. The Nonlimited Other Funds are from the Lounge Revolving Fund, which receives payments from legislative members. 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 General Government Subcommittee Action

House Bill 5025 is the budget bill for the six legislative agencies: Legislative Assembly, Legislative Administration Committee, Legislative Counsel Committee, Legislative Fiscal Officer, Legislative Revenue Officer, and Commission on Indian Services. While each agency is an independent state agency, their budgets are combined in this appropriation bill.

The Subcommittee approved a total legislative branch budget of \$83.2 million total funds, which is a 34.6 percent decrease from the 2007-09 Legislatively Approved Budget through December 2008 (LAB). Excluding the 2007-09 Capital Construction budget from the calculation, the 2009-11 budget is a total funds reduction of \$10.5 million or 11.2 percent. The General Fund budget for the branch is \$67.6 million, which is a 16.2 percent decrease from the LAB. The budget reductions were necessary to accommodate reduced statewide revenues.

The budgets include a total of 675 positions (381.37 FTE), a decrease of 21 positions from the LAB. Details of individual agency budgets are presented below.

Legislative Assembly

The Legislative Assembly budget covers the expense of salaries and per diem for legislative members and their staffs, the leadership and caucus offices, the Secretary of the Senate, the Chief Clerk of the House, session staff, and Senate Executive Appointments.

The Subcommittee recommended a total budget of \$33.3 million and 443 positions (207.44 FTE). This is a total funds reduction of 10.2 percent from the 2007-09 LAB. General Fund is \$32.9 million, a 10.4 percent reduction from the LAB.

The Subcommittee approved Package 810: LFO Analyst Adjustments. The package reduces General Fund by \$3.4 million, which includes a General Fund shift to Nonlimited Other Funds of \$47,868 reflecting higher fees for the House and Senate Lounge Revolving Fund. It also reduces a total of 8.76 FTE on existing positions. Specifically:

Senate and House Session budgets are reduced by \$1.6 million General Fund and 7.20 FTE assuming a 2011 five month session. The reduction to the Session budget is offset by having an additional month in the interim budget. General Fund is increased \$0.2 million for Senate and House Interim budgets for the additional month.

The Senate and House Biennial budgets are reduced by a combined \$2 million General Fund and 1.56 FTE, as part of an overall 13 percent reduction from the Legislative Branch essential budget level.

Finally, the Assembly biennial General Fund budget is reduced by \$32,611 as part of the 13 percent reduction from the essential budget level.

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 2009-11 recommended budget is \$30.6 million total funds and 145 positions (99.15 FTE). General Fund is \$25.5 million. The total funds budget is 56.5 percent lower than the 2007-09 LAB, which included Capital Construction. Without the 2007-09 Capital Construction, the difference is 17 percent or a reduction of \$6.3 million. The General Fund budget is \$8.9 million or 33.5 percent under 2007-09 LAB. The Subcommittee approved two policy packages.

Package 070: Revenue Shortfalls reduces Other Funds limitation in Information Systems by \$46,735 to reconcile to cash balances.

Package 810: LFO Analyst Adjustments eliminates \$6.5 million General Fund and 10 positions (8.30 FTE). Each of the divisions, Administration, Committee Services, Information Systems, Facility Services, Employee Services, and Financial Services, is reduced in General Fund as part of an overall 13 percent reduction from the essential budget level. In addition, Personal Services is reduced in anticipation of savings from continuing a salary freeze through January 2011. Other Personal Services reductions include eliminating two Capitol Guides, one ISS 7, and seven Facility positions, and reducing months on several positions in anticipation of the 2011 Session being five months. In addition, five Facility positions are shifted from General to Other Funds.

General Fund for Services and Supplies is reduced in Committee Services, Information Systems, Facility Services, Employee Services, and Financial Services as part of the overall 13 percent reduction from the essential budget level.

In Facility Services General Fund Special Payments to State Police is reduced by \$1.1 million to reflect a transfer to the Department of Administrative Services for a larger portion of the Capitol Mall patrol. Certificates of Participation proceeds left over from the Capitol Wings Renovation project will replace \$2 million in General Fund to pay a portion of the debt service in 2009-11.

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 Subcommittee recommended a total funds budget of \$10.7 million and 57 positions (45.28 FTE). General Fund is \$8.4 million, a 6.1 percent reduction from the 2007-09 LAB. In total funds, the budget reduction from the 2007-09 LAB is six percent. The Subcommittee approved one package.

Package 810: LFO Analyst Adjustments reduces General Fund by \$1.1 million and eliminates 10 positions (5.08 FTE). The reduction is made as part of the overall 13 percent reduction from the essential budget level for the branch. The positions eliminated are an accountant, two workflow assistants, a bill digester, four session copy editors, a session receptionist, and an editor. Personal Services reductions also include General Fund savings from the continuation of a salary freeze through January 2011.

Services and Supplies General Fund reductions include elimination of pass-through funding of \$222,622 for the Oregon Law Commission and \$51,400 for the Council on Court Procedures as well as other Services and Supplies. If House Bill 2287 is passed during the current session, it is expected that funding for these programs will be available from court fees.

Legislative Fiscal Officer

The Legislative Fiscal Office (LFO) researches, analyzes, 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 legislative information management and technology committees, 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 Subcommittee recommended a General Fund budget of \$6 million and 21 positions (20.50 FTE). General Fund is increased \$69,568 or 1.2 percent over the 2007-09 LAB. The Subcommittee approved one package.

Package 810: LFO Analyst Adjustments reduces General Fund by \$0.2 million in Personal Services and Services and Supplies. The reduction is part of the overall 13 percent essential budget level reduction for the branch. \$0.1 million General Fund savings are anticipated from continuing a salary freeze through January 2011. Services and Supplies are reduced \$0.1 million.

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 Subcommittee recommended a General Fund budget of \$2.1 million and seven positions (7.00 FTE). The budget is a 7.6 percent increase over the 2007-09 LAB. The Subcommittee approved one package.

Package 810: LFO Analyst Adjustments reduces General Fund by \$64,187 in Personal Services and Services and Supplies for anticipated savings from the salary freeze through January 2011 and as part of the branch's 13 percent essential budget level reduction.

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 Subcommittee recommended a total funds budget of \$420,981 and two positions (2.00 FTE). The General Fund portion of the budget at \$414,701 is a 9.2 percent increase over the 2007-09 LAB. The Subcommittee approved one package.

Package 810: LFO Analyst Adjustments reduces General Fund by \$12,215 in Personal Services as part of the 13 percent essential budget level reduction and in anticipation of savings from the salary freeze through January 2011.

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.