

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5514-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Jenson
Carrier – Senate: Sen. Edwards**

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

Vote: 20 – 2 – 3

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

– Nays: Freeman, Thatcher

– Exc:

Senate – Yeas: Devlin, Edwards, Johnson, Monroe, Thomsen, Verger, Whitsett, Winters

– Nays:

– Exc: Bates, Girod, Nelson

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: April 29, 2011

Agency

Department of Geology and Mineral Industries

Budget Page

F-15

LFO Analysis Page

147

Biennium

2011-13

Budget Summary

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	2,675,265	3,168,020	2,597,776	2,468,752	\$ (206,513)	-7.7%
Lottery Funds	500,000				\$ (500,000)	-100.0%
Other Funds	7,734,026	4,209,203	7,211,066	7,247,142	(486,884)	-6.3%
Federal Funds	3,811,371	2,421,760	3,502,353	3,559,912	(251,459)	-6.6%
Total	\$ 14,720,662	\$ 9,798,983	\$ 13,311,195	\$ 13,275,806	\$ (1,444,856)	-14.7%

Position Summary

Authorized positions	39	35	42	43
Full-time equivalent positions (FTE)	37.08	34.20	41.20	42.20

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Geology and Mineral Industries is funded with General Fund, Other Funds from permit fees, contracts and projects, and federal grant funds.

Summary of Natural Resources Subcommittee Action

The Department of Geology and Mineral Industries (DOGAMI) provides policy development, planning, regulation, and information regarding the geologic resources and risks of the state. The Natural Resources Subcommittee approved a total funds budget of \$13,275,806 and 42.20 full-time equivalents (FTE). The subcommittee's recommended budget is a 7.7 percent General Fund decrease from the 2009-11 Legislatively Approved Budget through March 2011, and is a 22.1 percent General Fund decrease from the 2011-13 current service level. To achieve the General Fund reductions, the budget continues two of the June 2010 allotment reductions, eliminates standard inflation, makes a 5.5 percent across-the-board reduction in personal services, makes a 6.5 percent reduction in services and supplies, reclassifies two positions, and withholds 3.5 percent of

General Fund to supplement the state's ending balance. The subcommittee adopted a budget note directing the department to coordinate with the Oregon Department of Agriculture in evaluating the impact of aggregate mines on high value exclusive farm use zones.

Geologic Survey and Services

This program is Oregon's central source of geologic information used for a variety of purposes, including land use planning, hazard identification, economic development, and resource management. Services include geologic and fault mapping, projects, earthquake ground response, landslides, economic geology, and public education. The subcommittee approved a total funds budget of \$11,018,360 and 31.71 FTE.

The subcommittee approved Package 085 Allotment Reduction Roll-Ups. This package extends two of the three June 2010 Governor's Allotment Reductions for 2009-11 through the 2011-13 biennium. It cuts \$275,229 General Fund, \$72,930 Other Funds expenditure limitation, and two positions (2.00 FTE). The personal services reduction in Package 087 is smaller by 5.5 percent of this amount. These reductions leave open one PEM-C position in the Fiscal Office and one position in the Eastern Oregon Field Office. One of these positions is reclassified in Package 810.

The subcommittee approved Package 086 Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. It cuts \$7,019 General Fund and reduces expenditure limitation by \$43,861 Other Funds and \$32,900 Federal Funds.

The subcommittee approved Package 087 Personal Service Adjustments. This package makes a 5.5 percent across-the-board reduction in total Personal Services from the Current Service Level budget. It cuts \$124,101 General Fund and reduces expenditure limitation by \$56,140 Other Funds and \$70,191 Federal Funds. The recommended reduction is not specific to an account or reduction strategy. Final Personal Services decisions will be determined by policy decisions and labor negotiations.

The subcommittee approved Package 090 Analyst Adjustments. This package reduces General Fund appropriation and expenditures by \$163,895 to match the target level determined by the Natural Resources Workgroup. It also increases Other Funds expenditure limitation by \$207,646 and Federal Funds expenditure limitation by \$611,001; these expenditure limitations were restored through demonstration of available resources. The package restores two positions (2.00 FTE) that were eliminated in Package 085 and moves the funding to Other Funds and Federal Funds.

The subcommittee approved Package 101 Oregon Lidar Data Acquisition Program. This package provides \$2,938,241 Other Funds expenditure limitation and two positions (1.75 FTE) for Lidar (light detection and ranging) projects that map the surface of the earth at a high degree of detail. To make the package consistent with Package 087, 5.5 percent of the personal services was removed.

The subcommittee approved Package 102 Flooding Hazards Assessment Program. This package adds \$162,026 Other Funds expenditure limitation and \$572,683 Federal Funds expenditure limitation and five positions (5.25 FTE) to systematically inventory, map exposure, and perform risk analyses of river and coastal flooding, erosion, migration, and tsunami inundation and of winter-storm-induced rapidly moving landslides. To make the package consistent with Package 087, 5.5 percent of the personal services was removed.

Package 801 Targeted Statewide Adjustments was approved. This package implements statewide reduction actions that are included in the Co-Chairs Budget. It cuts \$27,898 General Fund. This statewide reduction action is a 6.5 percent reduction in total General Fund and Lottery Funds Services & Supplies, which is in addition to the elimination of most Current Service Level inflation increases contained in Package 086.

Package 810 LFO Analyst Adjustments was approved. This package implements reclassifications to address reorganization of the Business Office as contemplated under a budget note included in the Department's 2009-11 Legislatively Adopted Budget. The reclassification actions include changing a PEM/C management position to a Fiscal Analyst 3 position and reclassifying an Office Specialist 2 position to an Executive Support Specialist 1 and changing the funding split from 100 percent General Fund to 91 percent General Fund and 9 percent Other Fund. These two actions were reviewed by DAS Human Resource Services Division, which approved the actions. These reclassifications result in General Fund savings of \$11,271 and an Other Funds increase of \$12,811. The package also implements downward reclassifications to better align positions with what is needed by the Department to accomplish its work in 2011-13. This includes changing an NRS-4 to an NRS-3 and moving the funding split for the position from 100 percent Other Funds to 50 percent Other Funds and 50 percent Federal Funds. The position will now work on flood plain mapping projects. This action results in an increase of \$57,559 Federal Funds and a decrease of \$70,677 Other Funds.

Package 819 Supplemental Statewide Ending Balance was approved. This package includes the supplemental statewide ending balance hold back adjustment of 3.5 percent on General Fund and Lottery Funds expenditures. It cuts \$89,855 General Fund.

In accordance with the Co-Chairs' budget plan, the budget bill for the Department includes direction that the Department of Geology and Mineral Industries may expend up to 54 percent of all General Fund appropriated to it for the 2011-13 biennium in Fiscal Year 2011-12.

Mineral Land Regulation and Reclamation

This program oversees and regulates mining activities. The Subcommittee approved a total funds budget of \$2,257,446 and 10.49 FTE positions.

The subcommittee approved Package 086 Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. It reduces Other Funds expenditure limitation by \$199.

The subcommittee approved Package 087 Personal Service Adjustments. This package makes a 5.5 percent across-the-board reduction in total Personal Services from the Current Service Level budget. It reduces Other Funds expenditure limitation by \$102,253. The recommended reduction is not specific to an account or reduction strategy. Final Personal Services decisions will be determined by policy decisions and labor negotiations.

The subcommittee approved Package 090 Analyst Adjustments. This package reduces Other Funds expenditure limitation by \$30,667 to match expected levels of revenues.

Package 810 LFO Analyst Adjustments was approved. This package includes a downward reclassification of an existing vacant NRS-3 position to an ISS-4 to add GIS analytical skills to the Mineral Land Regulation and Reclamation (MLRR) program, which should add to the accuracy and efficiency of tracking regulatory compliance. This downward reclassification results in \$3,103 Other Funds savings. The package also continues a Limited Duration position currently working in the MLRR. This Public Service Rep 3 position facilitates the flow of paperwork relating to permits in the Albany office. This allows the Reclamationist positions to focus more on field inspections, attending to compliance assurance and mitigation techniques in person with permit operators rather than spending time processing paperwork. The position was not included in the Agency Request due to concerns over the availability of funding. The funding for this position has been demonstrated in the year since the Agency Request Budget was completed, so the Department requested it be continued as a Limited Duration position during the 2011-13 biennium. The package increases Other Funds expenditure limitation by \$93,942 and adds one position (1.00 FTE) to reflect this adjustment.

The subcommittee directed the department to coordinate with the Oregon Department of Agriculture in evaluating the impact of aggregate mines on farm land. It also approved the following budget note.

Budget Note

The Department of Geology and Mineral Industries shall coordinate with the Department of Agriculture, utilizing existing information gathered by each agency, to evaluate the impact on high value farm land by aggregate mines sited in the exclusive farm use zones.

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

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

Summary of Performance Measure Action

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

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5514-A

Department of Geology and Mineral Industries
Art Ayre - (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$2,675,265	\$500,000	\$7,734,026	\$0	\$3,811,371	\$0	\$14,720,662	39	37.08
2011-13 ORBITS printed Current Service Level (CSL)*	\$3,168,020	\$0	\$4,209,203	\$0	\$2,421,760	\$0	\$9,798,983	35	34.20
2011-13 Governor's Recommended Budget *	\$2,597,776	\$0	\$7,211,066	\$0	\$3,502,353	\$0	\$13,311,195	42	41.20
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Geologic Survey and Services</u>									
Package 801: Targeted Statewide Adjustments									
Personal Services	0	0	0	0	0	0	0	0	0.00
Services and Supplies	(27,898)	0	0	0	0	0	(27,898)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	(11,271)	0	(57,866)	0	57,559	0	(11,578)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(75,010)	0	0	0	0	0	(75,010)	0	0.00
Services and Supplies	(14,845)	0	0	0	0	0	(14,845)	0	0.00
<u>Mineral Land Regulation and Reclamation</u>									
Package 090: Analyst Adjustments									
Personal Services	0	0	19,463	0	0	0	19,463	0	0.00
Services and Supplies	0	0	(19,463)	0	0	0	(19,463)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	0	0	93,942	0	0	0	93,942	1	1.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
TOTAL ADJUSTMENTS	(\$129,024)	\$0	\$36,076	\$0	\$57,559	\$0	(\$35,389)	1	1.00
SUBCOMMITTEE RECOMMENDATION *	\$2,468,752	\$0	\$7,247,142	\$0	\$3,559,912	\$0	\$13,275,806	43	42.20
% Change from 2009-11 Leg Approved Budget	-7.72%	-100.00%	-6.30%	0.00%	-6.60%	0.00%	-9.82%	10.26%	13.81%
% Change from 2011-13 Current Service Level	-22.07%	0.00%	72.17%	0.00%	47.00%	0.00%	35.48%	22.86%	23.39%
% Change from 2011-13 Governor's Recommended Budget	-4.97%	0.00%	0.50%	0.00%	1.64%	0.00%	-0.27%	2.38%	2.43%

* Excludes Capital Construction Expenditures

Legislatively Adopted 2011-2013 Key Performance Measures

Agency: GEOLOGY & MINERAL INDUSTRIES, DEPARTMENT of

Mission: Provide earth science information and regulation to make Oregon safe and prosperous.

Legislatively Adopted KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - EARTHQUAKE AND LANDSLIDE MAP COMPLETION - Percent of communities and other stakeholders with hazard maps and risk studies for earthquake and landslide hazards.		Approved KPM	31.00	31.00	31.00
2 - TSUNAMI EVACUATION MAP COMPLETION - Percent target communities with official, reviewed evacuation map brochures produced by DOGAMI.		Approved KPM	90.00	91.00	91.00
3 - COASTAL EROSION MAP COMPLETION - Percent target communities with standardized, 4-risk zone erosion hazard maps.		Approved KPM	80.00	80.00	80.00
5 - RECLAMATION - Total number of mining acres that have been reclaimed and returned to secondary beneficial use.		Approved KPM	5,890.00	5,600.00	5,600.00
6 - DETAILED GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of high resolution maps have been completed to be used for local problem solving.		Approved KPM	47.00	49.00	49.00
7 - REGIONAL GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of medium resolution maps have been completed to be used for regional problem solving.		Approved KPM	94.00	100.00	100.00
8 - MINE SITES INSPECTED ANNUALLY - Percent of mine operators with active sites inspected annually.		Approved KPM	24.00	50.00	50.00
9 - TSUNAMI INUNDATION MAP COMPLETION - Percent of coastal communities provided with detailed tsunami inundation maps for local emergency planning.		Approved KPM	37.00	55.00	55.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	98.20	90.00	90.00

Agency: GEOLOGY & MINERAL INDUSTRIES, DEPARTMENT of

Mission: Provide earth science information and regulation to make Oregon safe and prosperous.

Legislatively Adopted KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	98.50	90.00	90.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	92.40	90.00	90.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	99.00	90.00	90.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	99.10	90.00	90.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	94.40	90.00	90.00
11 - GOVERNANCE - Percent of yes responses by Governing Board members to the set of best practices.		Approved KPM	100.00	100.00	100.00
- HAZARD AWARENESS - Public awareness of geologic hazards and mitigation efforts.		Legislative Delete	43.00		

LFO Recommendation:

Approve the Key Performance Measures as proposed by the Department of Geology and Mineral Industries.

Sub-Committee Action:

The Natural Resources Subcommittee adopted the LFO recommendation.