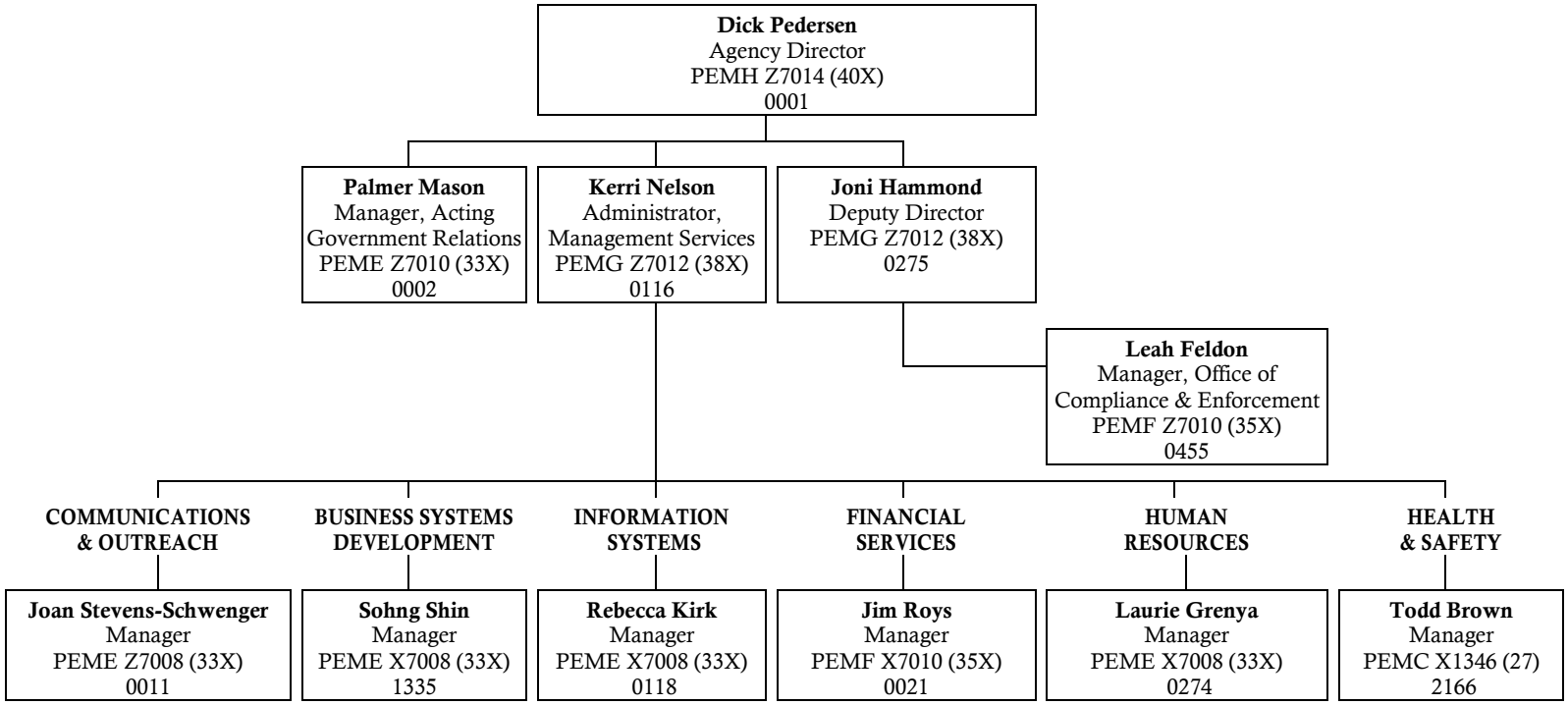
2013-2015 DEQ AGENCY MANAGEMENT PROGRAM



AGENCY MANAGEMENT

	Positions	FTE
2011-2013 LAB	83	79.50
2013-2015 Modified Essential Budget Level	82	79.50
2013-2015 Adjustment Packages	(0)	(0.00)
2013-2015 Program Packages	0	0.0
Total 2013-2015 Governor's Balanced Budget	80	79.00

AGENCY MANAGEMENT PROGRAM NARRATIVE (13-15)

DEQ AGENCY MANAGEMENT

Agency Management provides leadership, fiscal management and central services to ensure that DEQ's activities comply with legal requirements. Agency Management includes the Office of the Director, the Office of Compliance and Enforcement and the Management Services Division.

The **Office of the Director** provides leadership, policy formation and guidance, intra- and inter-agency coordination, support to the Oregon Environmental Quality Commission, review and issue of agency enforcement actions, administrative rulemaking and legislative liaison functions. The Office of the Director includes the director, deputy director, an executive support staff and an administrative professional to support the Oregon Environmental Quality Commission, DEQ's rulemaking and policy board.

DEQ enforces the state's environmental laws through the **Office of Compliance and Enforcement**. Budgeted in the Air, Water and Land Quality programs and managed through the Office of the Director, OCE supports DEQ regional offices, which help permittees and the regulated public to maintain compliance with environmental laws. When this approach fails, OCE issues enforcement actions such as civil penalties or enforcement orders. OCE participates in a state environmental crimes coordination team. As part of that work, DEQ funds a state trooper and works with the Oregon Department of Justices' newly created environmental crimes investigation and prosecution unit.

The **Management Services Division** (79 FTE) provides general division administration, government relations, communications and outreach, information systems and business systems development and management, accounting, human resources, health and safety services, budget development and implementation (including debt service), and represents DEQ in agency-wide administrative issues such as collective bargaining. Most management services FTE are supported by indirect funding (Agency Management); the exceptions are noted throughout the narrative. The division sections are detailed below.

Division **Administration** includes one administrator and 5.0 FTE. This section provides division administration, policy development, records management, information security and organizational improvement. During 2009-11, we initiated Kaizen process-improvement events throughout the agency. Kaizen projects include:

- 401/404 Permitting Process. Several federal and state agencies are involved in the issuance of 401 permits. As part of a regulatory streamlining process, DEQ convened a multi-agency team (federal and state) to review and suggest improvements for the 401/404 process. This team identified 29 tasks to complete in order to streamline the process for permit holders, while ensuring the same standard of environmental protection. The group continues to meet monthly and to date 20 of the 29 steps have been completed included putting together a packet of outreach materials for applicants, conducting a piloting a pre-application process and ongoing coordination among the agencies involved. The group expects all tasks to be completed by December 2012.
- Rulemaking. DEQ completed a Kaizen aimed at streamlining our rulemaking process. A new process was developed which has a four-tiered approach depending on rule complexity, a centralized tracking system and focuses rule writing expertise to improve timeliness and quality of the rules that are developed.

AGENCY MANAGEMENT PROGRAM NARRATIVE (13-15)

- Streamlined Invoicing. DEQ operates numerous permitting processes that are invoiced at different times throughout the year and through different program areas. This resulted in many different forms and processes being developed over time. Through this process improvement, we have streamlined our invoicing process, developed new invoice templates and are currently piloting the process in our air and water quality programs.
- Hazardous Waste Inspections. The hazardous waste program evaluated its inspection process and identified ways to streamline inspections and provided training on the new process. This effort will be a model for other inspection programs at DEQ
- Complaint processing. The agency has improved its environmental complaint system by using a centralized complaint intake process similar to a help desk. The new complaint system includes a toll-free complaint hotline, ability to submit complaints via the web and smart phones, and a SharePoint-based data system for tracking complaints and complaint data. The new system has allowed DEQ to streamline the intake process, ensure complaints are assigned correctly and track complaints more effectively, thus improving our customer service and coordination to environmental complaints.

DEQ embarked on a transformation to an outcome-based management system for tracking and delivering on its work. In addition to identifying and tracking performance measures in a number of areas, additional process improvements were initiated during 2011-13 including improvements to the permitting and inspection programs, defining specific pollution reduction processes and the environmental cleanup program processes.

The **Government Relations** office, staffed by one government relations manager and the tax credit analyst, is the first point of contact for a legislator or other government jurisdictions. This section directs the development of legislative concepts, new budget policy package requests and budget reduction options. The office works closely with other state agencies and environmental and business stakeholders. The office also the lead for managing the Pollution Control Tax Credit program and various clean diesel tax credits.

The **Office of Communications and Outreach** provides public information, internal and external communications and education and public involvement programs. OCO outreach staff includes four public affairs specialists and one website coordinator and two are located in regional offices. While specialists are managed centrally in Agency Management, they are directly funded by air, water or land quality programs. The web coordinator, one manager, one support staff and two customer service representatives are funded by Agency Management. All Agency Management positions are located at the Portland agency headquarters. During the 2013-15 biennium, the Communications and Outreach employees will continue to develop DEQ's web communications, including interactive web pages, virtual public meetings and social media.

The **Information Technology** section develops, enhances and maintains DEQ's technology that allows the agency to run information technology applications and to communicate electronically internally and externally. One manager and 12 FTE provide central technology and computer services such as email system administration, electronic communications support, database administration and services, network server support and maintenance, network security and central authentication, hardware and software purchasing and inventory management, standardizing employee computers and software, agency computer help desk and desktop support for agency headquarters.

AGENCY MANAGEMENT PROGRAM NARRATIVE (13-15)

Section workload drivers include staying current with new technology developments and tools, such as web conferencing, e-government tools and scientific analysis tools and systems. Additionally, DEQ needs to keep current with the demand for sophisticated technology that enable public and legislator access to information and citizen e-government services. The agency is also dealing with aging agency network infrastructure.

DEQ will face some IT challenges in 2013-15 and beyond. DEQ is currently developing a strategic plan for its information technology so that the agency can direct limited IT resources to its highest priority technology needs. Among the needs are enhanced network security; standardizing software for all employee workstations; streamlining the hardware and software purchasing and inventory process; expanding DEQ's e-business capabilities; records retention and storage; and ensuring business continuity in the event of a natural or man-made disaster.

The **Business Systems Development** section develops and maintains software applications that allow DEQ to do business electronically and deliver data internally and externally. The section also has an important role in information system project planning. BSD currently supports 85 program-specific applications ranging from simple desktop applications to fully integrated permit processing and specialized accounting applications. The section also provides agency-wide support for geographic information systems and web infrastructure, establishes data standards and exchange protocols and system architecture.

BSD has 12.5 FTE budgeted in Agency Management and supervises an additional 6.5 FTE budgeted in the Air Quality, Land Quality, Water Quality programs and Cross Program. Most BSD employees are information systems specialists. Section workload drivers include increasingly complex business systems, keeping current with new technology while maintaining older generations of technology, and the need to upgrade and enhance many of the agency's business systems.

DEQ is working on and planning some major information system projects. One of the highest priority projects for 2013-15 is completing an agency-wide automatic compliance and enforcement system. Compliance and enforcement data is currently stored among 16 incompatible, non-integrated databases distributed throughout the agency's offices. The new system, anticipated to be in use by fall 2013, will allow for easy data retrieval. DEQ is also developing a central entity management system to have a single system to clearly identify facilities, sites, companies, organizations and people that are common to some or all DEQ programs. DEQ will be able to easily access needed information such as business owners, legal contacts, site contacts, accounts payable contacts and facility reporting contacts.

DEQ's **Financial Services** is responsible for the integrity of the agency's financial management system and development and management of the agency's budget. Financial Services has 30 FTE including the financial services manager. Twenty-six FTE are funded by Indirect, and four have program specific work and are funded by the respective program.

- **Accounting section**. The Accounting section ensures that adequate internal controls are in place to accurately track and record the inflow and outflow of the agency's financial resources. The section performs activities related to revenues, expenditures, payroll, purchasing and contracting.

AGENCY MANAGEMENT PROGRAM NARRATIVE (13-15)

DEQ received the State Controller's Gold Star Award in 2011 (19th year in a row) for timely and accurate completion of Oregon's Comprehensive Annual Financial Report.

- **Budget section**. The Budget section performs all of the agency's budgetary activities. This includes preparing and managing DEQ's biennial budget; performing revenue, expenditure and ending balance forecasts; coordinating the developing of budgets for federal grant applications; negotiating the annual Indirect rate and cost allocation agreement with the U.S. Environmental Protection Agency; managing bonds and associated debt service; and maintaining internal budget development tools and PICS/ORBITS coordination.

The **Human Resources** section is staffed by one manager; one senior labor relations consultant; four HR generalists (one of which is budgeted in the Air Quality Vehicle Inspection program) who provide agency-wide services; one benefits and leaves analyst; one training and development specialist; one records and data specialist; and one support position. HR plans and implements agency wide policies and processes affecting approximately 797 FTE to ensure compliance with employment laws, statewide policies and the collective bargaining agreements with the American Federation of State, County and Municipal Employees.

Current and future challenges:

- Thirty-one percent of the agency will be eligible to retire during the next five years. As employees retire, the agency will face a loss of institutional knowledge. DEQ will need to facilitate a timely transfer of knowledge, provide growth opportunities to current employees and gain the interest of the new generation in our workforce.
- HR employees rely heavily on data and information. The statewide Personnel and Position Database system provides portions of employee and position related information, but DEQ needs a companion system to capture additional information, create relationships between budget, payroll and benefit information and support the agency's reporting needs. HR will analyze options for a companion system including in-house system development, partnership with other agencies and off-the-shelf software.

The **Health and Safety Section** ensures a safe and healthy work environment for all employees. DEQ operations, in addition to office settings, include a laboratory, Clean Air Stations and extensive field operations. The section is staffed by one manager and two health and safety specialists. Services provided include:

- Guidance and consultation on occupational safety and health issues
- Job and program safety assessments and accident prevention work
- Safety training, including safe driver training
- Hazard analysis and coordination
- Development and assistance in implementing DEQ office emergency plans
- Ergonomic assessments
- Working with the vehicle inspection program to identify hazards and dangers faced by vehicle inspectors
- Investigation and analysis of safety incidents to identify the root causes
- Administration of medical services contracts for DEQ employees who may come into contact with hazardous waste

- Development and implementation of agency-wide safety policies

Important budget issues for Agency Management

During the 2011 legislative session, DEQ recognized that ongoing economic conditions would continue to affect funding for the foreseeable future. DEQ cut 5.5 FTE from the Agency Management operating budget, continued to lower the Indirect rate, which now stands at 18.73 percent. Dropping the Indirect rate alleviated some pressure on DEQ programs, which continue to experience fee revenue and General Fund reductions during the 2011-13 biennium.

At this point, DEQ believes that Agency Management cuts will be sufficient to absorb the loss of Indirect revenues from implementing program vacancy savings in the 2011-13 budget, as well potential General and Lottery Fund reductions resulting from implementing any 2013-15 reduction options. Indirect revenues generated from program policy packages may help temper the losses from reduction options, but it's not possible to determine whether the Agency Management cuts are sufficient or whether additional cuts might be necessary during 2013-15. DEQ will work closely with both DAS-BAM and LFO during the Governor's Recommended and Legislatively Adopted Budget development processes to ensure that the Agency Management budget reflects adjustments made to the program budget appropriations.

Implementing budget reductions is not the only step that Agency Management is prepared to take to address budget concerns. During the 2013-15 biennium, Agency Management will focus its efforts and resources on the following to create more efficiency and better service delivery to both internal and external customers:

- **Capacity building**. DEQ will continue to build capacity through process improvement activities, including Kaizen events and a commitment to outcome-based management. This biennium we anticipate streamlining our contracting and procurement process and improving timeliness while maintaining legal compliance.
- **Infrastructure improvement**. DEQ is undergoing an Information Technology Strategic Visioning processes to evaluate our current and future needs (based on input internally and externally) and then to focus our infrastructure investments in a way that supports achieving the vision. Two IT projects currently underway (ACES and CEM) will be the foundation for better integrating our databases and positioning DEQ to modernize its infrastructure and respond to ever changing technological needs and demands.
- **Records management**. DEQ is in the process of implementing consistent and streamlined records management and retention processes. These changes will ensure our compliance with state and federal records laws and reduce the amount of time employees use to find records. DEQ will be launching a new online records request process which will help us better meet the needs of Oregonians.
- **Agency Management organization**. The division reorganized its Budget and Accounting sections into a Financial Services section to better meet the needs of the agency, streamline functions and focus on critical service delivery areas. At the conclusion of the IT Visioning process, DEQ will evaluate the opportunity to more efficiently deliver our services.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT (13-15)

Bond fund and miscellaneous receipts

DEQ draws funds from the Pollution Control Sinking Fund and from proceeds of newly issued bonds to cover the administrative costs in the Agency Management program for bond fund activity. Since 1983-85, all non-program costs related to this activity have been budgeted and accounted for in the Agency Management program. DEQ also receives funds from non-DEQ sources for reimbursement of some of DEQ's travel costs associated with various environmental workshops and conferences.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$360,214	$21,422	$11,182	$327,610
7/1/13 - 6/30/15	$34,007	$290,030	$13,861	$203,335	$106,841

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT (13-15)

Indirect revenue

The indirect-cost revenue is negotiated with the US Environmental Protection Agency and is calculated as a percentage of Personal Services. In the 1997-99 and prior biennia, indirect revenue was collected from Other and Federal Funds only and approximately 19 percent of Agency Management's budget was provided by General Fund. For 1999-2001, the agency changed the indirect collection methodology to include all funding types (including General Fund) and distributed the General Fund previously in Agency Management's budget to the department's other programs. The actual indirect rate will be negotiated based on the approved budget.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$1,781,447	$21,019,356	$0	$1,795,875	$21,004,928
7/1/13 - 6/30/15	$2,145,610	$22,188,239	$0	$3,345,741	$20,988,108

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT (13-15)

Central government service charge revenue

For 2013-15, the source of funds for the central government service charge is DEQ's Other Fund activities. The split between the Other Funds programs is based upon FTE usage by those programs and is calculated as a percentage of personal services. Previously, DEQ had been provided a General Fund limitation for the purpose of paying this charge. Revenue collected to pay for the central government services charge is now collected by Agency Management from all the Other Fund programs as outlined in the table below.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$483,287	$0	$0	$483,287
7/1/13 - 6/30/15	$0	$585,747	$0	$0	$585,747

AGENCY MANAGEMENT PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Vacancy factor and non-PICS personal services (#010)

Purpose:

This package applies adjustments to personal services costs that are not generated by the Position Inventory Control System:

- Updates the vacancy factor to project budget savings reasonably expected from staff turnover
- Applies the standard general inflation factor of 2.4 percent to non-PICS generated personal services costs, such as temporaries, overtime and shift differential
- Adjusts for changes in the contribution for debt service on the PERS pension obligation bonds
- Adjusts for mass transit taxes (excluding federal funds)

Budget:

$	0	General Fund
$	0	Lottery Fund
$	144,191	Other Fund
$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Agency Management**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 34000-004-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	203	-	-	-	203
Total Transfers Out	**-**	**-**	**$203**	**-**	**-**	**-**	**$203**
Personal Services							
Temporary Appointments	-	-	5,448	-	-	-	5,448
Overtime Payments	-	-	302	-	-	-	302
Public Employees' Retire Cont	-	-	58	-	-	-	58
Pension Obligation Bond	-	-	40,836	-	-	-	40,836
Social Security Taxes	-	-	440	-	-	-	440
Unemployment Assessments	-	-	23	-	-	-	23
Mass Transit Tax	-	-	(1,120)	-	-	-	(1,120)
Vacancy Savings	-	-	98,204	-	-	-	98,204
Total Personal Services	**-**	**-**	**$144,191**	**-**	**-**	**-**	**$144,191**
Total Expenditures							
Total Expenditures	-	-	144,191	-	-	-	144,191
Total Expenditures	**-**	**-**	**$144,191**	**-**	**-**	**-**	**$144,191**
Ending Balance							
Ending Balance	-	-	(143,988)	-	-	-	(143,988)
Total Ending Balance	**-**	**-**	**($143,988)**	**-**	**-**	**-**	**($143,988)**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**

2013-15 Biennium | **Page _____** | **Essential and Policy Package Fiscal Impact Summary - BPR013**

AGENCY MANAGEMENT PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Cost of phased-in programs or one-time increases (#021)

Purpose:

To identify non-PICS related budget adjustments due to activities that phase-in for 2013-15 or are one-time costs.

How accomplished:

Budget:

$	0	General Fund
$	0	Lottery Fund
$	0	Other Fund
$	0	Federal Fund

Staffing impact: None

AGENCY MANAGEMENT PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Cost of phased-out programs or one-time eliminations (#022)

Purpose:

To identify non-PICS related budget adjustments due to activities that phase-out in 2013-15 or eliminate one-time expenditures from the 2011-13 budget.

How accomplished:

Budget:

$	0	General Fund
$	0	Lottery Fund
$	0	Other Fund
$	0	Federal Fund

Staffing impact: None

AGENCY MANAGEMENT PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Inflation and price list adjustments (#031, 032, 033)

Purpose:

Inflation and price list adjustments are applied to services and supplies, capital outlay and special payment amounts in the 2013-15 base budget.

How accomplished:

Package 031 applies standard inflation, state government service charge and other price list adjustments

- General inflation of 2.4 percent
- Attorney general inflation of 14.9 percent
- State government service charge price list adjustments
- Central government service charge price list adjustments
- Self support rent agreement price list (DEQ Laboratory)

Package 032 applies above standard inflation with BAM analyst approval.

Package 033 applies inflation rates requiring Exception Committee approval, and includes only the amount over and above Package 031 amounts. For intra-agency charges (General and Lottery Funds), which help fund DEQ's central services,
an incremental rate of 2.83 percent was approved.

Budget:

Package	General Fund	Lottery Fund	Other Fund	Federal Fund
031			($802,613)	
032			$0	
033			$ 0	

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	102,460	-	-	-	102,460
Transfer In - Indirect Cost	-	-	(253,738)	-	-	-	(253,738)
Total Revenues	**-**	**-**	**($151,278)**	**-**	**-**	**-**	**($151,278)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	158	-	-	-	158
Total Transfers Out	**-**	**-**	**$158**	**-**	**-**	**-**	**$158**
Services & Supplies							
Instate Travel	-	-	2,060	-	-	-	2,060
Out of State Travel	-	-	267	-	-	-	267
Employee Training	-	-	2,712	-	-	-	2,712
Office Expenses	-	-	3,668	-	-	-	3,668
Telecommunications	-	-	(77,047)	-	-	-	(77,047)
State Gov. Service Charges	-	-	(782,286)	-	-	-	(782,286)
Data Processing	-	-	(50,459)	-	-	-	(50,459)
Professional Services	-	-	(6,307)	-	-	-	(6,307)
IT Professional Services	-	-	10,447	-	-	-	10,447
Attorney General	-	-	14,218	-	-	-	14,218
Dispute Resolution Services	-	-	349	-	-	-	349
Employee Recruitment and Develop	-	-	25	-	-	-	25
Dues and Subscriptions	-	-	156	-	-	-	156
Facilities Rental and Taxes	-	-	49,945	-	-	-	49,945
Fuels and Utilities	-	-	530	-	-	-	530

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Maintenance	-	-	526	-	-	-	526
Agency Program Related S and S	-	-	16	-	-	-	16
Other Services and Supplies	-	-	7,707	-	-	-	7,707
Expendable Prop 250 - 5000	-	-	1,425	-	-	-	1,425
IT Expendable Property	-	-	6,181	-	-	-	6,181
Total Services & Supplies	**-**	**-**	**($815,867)**	**-**	**-**	**-**	**($815,867)**
Capital Outlay							
Data Processing Software	-	-	11,563	-	-	-	11,563
Data Processing Hardware	-	-	1,691	-	-	-	1,691
Total Capital Outlay	**-**	**-**	**$13,254**	**-**	**-**	**-**	**$13,254**
Total Expenditures							
Total Expenditures	-	-	(802,613)	-	-	-	(802,613)
Total Expenditures	**-**	**-**	**($802,613)**	**-**	**-**	**-**	**($802,613)**
Ending Balance							
Ending Balance	-	-	651,493	-	-	-	651,493
Total Ending Balance	**-**	**-**	**$651,493**	**-**	**-**	**-**	**$651,493**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
2013-15 Biennium **Page _____** **Essential and Policy Package Fiscal Impact Summary - BPR013**

AGENCY MANAGEMENT ESSENTIAL PACKAGE NARRATIVE

Title: Fund shifts (#050)

Purpose:

The package records position/budget shifts among funding types within the program.

How accomplished: This package shifts positions, services and supplies and capital outlay from Federal Funds to Other Funds to reflect changes in work and funding.

- No shifts were made for the Agency Management program.

Budget:

$	0	General Fund
$	0	Lottery Fund
$	0	Other Fund
$	0	Federal Fund

Staffing impact: None

AGENCY MANAGEMENT ESSENTIAL PACKAGE NARRATIVE

Title: Technical adjustments (#060)

Purpose: The package records technical adjustments that do not fit in the standard Essential Packages.

How accomplished: Move unemployment limitation from the Programs to Agency Management.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	83,390	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 060 - Technical Adjustments

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Unemployment Assessments	-	-	83,390	-	-	-	83,390
Total Personal Services	**-**	**-**	**$83,390**	**-**	**-**	**-**	**$83,390**
Total Expenditures							
Total Expenditures	-	-	83,390	-	-	-	83,390
Total Expenditures	**-**	**-**	**$83,390**	**-**	**-**	**-**	**$83,390**
Ending Balance							
Ending Balance	-	-	(83,390)	-	-	-	(83,390)
Total Ending Balance	**-**	**-**	**($83,390)**	**-**	**-**	**-**	**($83,390)**

AGENCY MANAGEMENT ADJUSTMENT PACKAGE NARRATIVE (13-15)

Title: Analyst Adjustments (#090)

Purpose:

This package implements adjustments to budgeted indirect costs from PERS rate changes.

How accomplished:

This package reflects the impact on the Agency Management program budget from savings generated by agency management indirect cost charges that were reduced due to PERS rate changes, implemented in Pkg. 092 and 093. The only reductions in Agency Management in Pkg. 090 are in Revenue.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	0	Other Fund
	$	0	Federal Fund

Staffing Impact – None

AGENCY MANAGEMENT ADJUSTMENT PACKAGE NARRATIVE (13-15)

Title: Analyst Adjustments (#090)

Purpose:

This package implements adjustments to budgeted indirect costs from PERS rate changes.

How accomplished:

This package reflects the impact on the Agency Management program budget from savings generated by agency management indirect cost charges that were reduced due to PERS rate changes, implemented in Pkg. 092 and 093. The only reductions in Agency Management in Pkg. 090 are in Revenue.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	0	Other Fund
	$	0	Federal Fund

Staffing Impact – None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Indirect Cost	-	-	(63,940)	-	-	-	(63,940)
Total Revenues	**-**	**-**	**($63,940)**	**-**	**-**	**-**	**($63,940)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	40	-	-	-	40
Total Transfers Out	**-**	**-**	**$40**	**-**	**-**	**-**	**$40**
Ending Balance							
Ending Balance	-	-	(63,900)	-	-	-	(63,900)
Total Ending Balance	**-**	**-**	**($63,900)**	**-**	**-**	**-**	**($63,900)**

AGENCY MANAGEMENT ADJUSTMENT PACKAGE NARRATIVE (13-15)

Title: Statewide Administrative Savings (#091)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from administrative efficiencies.

How accomplished: The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government.

Package 091 was included in all agency budgets as a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities. The Improving Government subcommittee of the Enterprise Leadership Team will be identifying proposed efficiencies or changes in the delivery of service to meet the funding level in the Governor's budget, and will work with individual agencies on the impact to their budget, along with reinvestment opportunities.

Agencies have been asked not to develop implementation plans for Package 091 until those proposed changes have been identified.

Budget:			
	$	0	General Fund
	$	0	Lottery Fund
	$	(625,230)	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 091 - Statewide Administrative Savings

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Undistributed (P.S.)	-	-	(255,412)	-	-	-	(255,412)
Total Personal Services	**-**	**-**	**($255,412)**	**-**	**-**	**-**	**($255,412)**
Services & Supplies							
Undistributed (S.S.)	-	-	(256,718)	-	-	-	(256,718)
Total Services & Supplies	**-**	**-**	**($256,718)**	**-**	**-**	**-**	**($256,718)**
Capital Outlay							
Undistributed (C.O.)	-	-	(113,100)	-	-	-	(113,100)
Total Capital Outlay	**-**	**-**	**($113,100)**	**-**	**-**	**-**	**($113,100)**
Total Expenditures							
Total Expenditures	-	-	(625,230)	-	-	-	(625,230)
Total Expenditures	**-**	**-**	**($625,230)**	**-**	**-**	**-**	**($625,230)**
Ending Balance							
Ending Balance	-	-	625,230	-	-	-	625,230
Total Ending Balance	**-**	**-**	**$625,230**	**-**	**-**	**-**	**$625,230**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
2013-15 Biennium **Page _____** **Essential and Policy Package Fiscal Impact Summary - BPR013**

AGENCY MANAGEMENT ADJUSTMENT PACKAGE NARRATIVE (13-15)

Title: PERS Taxation Policy (#092)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from a PERS policy change on tax relief calculations.

How accomplished: This package supports a policy change to limit tax relief calculations to PERS retirees that are Oregon residents. Non-resident retirees will no longer receive the tax relief benefit. The policy change saves approximately 40 basis points on the PERS employer rate. It also includes the impact on the agency management indirect resulting from this policy.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	(38,795)	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 092 - PERS Taxation Policy

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Indirect Cost	-	-	(40,689)	-	-	-	(40,689)
Total Revenues	**-**	**-**	**($40,689)**	**-**	**-**	**-**	**($40,689)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	24	-	-	-	24
Total Transfers Out	**-**	**-**	**$24**	**-**	**-**	**-**	**$24**
Personal Services							
PERS Policy Adjustment	-	-	(38,795)	-	-	-	(38,795)
Total Personal Services	**-**	**-**	**($38,795)**	**-**	**-**	**-**	**($38,795)**
Total Expenditures							
Total Expenditures	-	-	(38,795)	-	-	-	(38,795)
Total Expenditures	**-**	**-**	**($38,795)**	**-**	**-**	**-**	**($38,795)**
Ending Balance							
Ending Balance	-	-	(1,870)	-	-	-	(1,870)
Total Ending Balance	**-**	**-**	**($1,870)**	**-**	**-**	**-**	**($1,870)**

AGENCY MANAGEMENT ADJUSTMENT PACKAGE NARRATIVE (13-15)

Title: Other PERS Adjustments (#093)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from PERS policy changes.

How accomplished: This package supports policy changes that reduce the PERS employer rate by approximately 320 basis points. It also includes the impact of the policy package change on agency management indirect charges.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	(31,000)	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Agency Management**
Pkg: 093 - Other PERS Adjustments | **Cross Reference Number: 34000-004-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Indirect Cost	-	-	(31,000)	-	-	-	(31,000)
Total Revenues	**-**	**-**	**($31,000)**	**-**	**-**	**-**	**($31,000)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	19	-	-	-	19
Total Transfers Out	**-**	**-**	**$19**	**-**	**-**	**-**	**$19**
Personal Services							
PERS Policy Adjustment	-	-	(31,000)	-	-	-	(31,000)
Total Personal Services	**-**	**-**	**($31,000)**	**-**	**-**	**-**	**($31,000)**
Total Expenditures							
Total Expenditures	-	-	(31,000)	-	-	-	(31,000)
Total Expenditures	**-**	**-**	**($31,000)**	**-**	**-**	**-**	**($31,000)**
Ending Balance							
Ending Balance	-	-	19	-	-	-	19
Total Ending Balance	**-**	**-**	**$19**	**-**	**-**	**-**	**$19**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**
2013-15 Biennium | **Page _____** | **Essential and Policy Package Fiscal Impact Summary - BPR013**

AGENCY MANAGEMENT WAYS AND MEANS/LFO 800 PACKAGE NARRATIVE

Title: Vacant Position Savings (#802)

Purpose: This package eliminates vacant positions.

How Accomplished: The package implements the following adjustments to the Agency Management Budget:

	Fund Type	Amount	FTE
• **Agency Management Vacancy Cuts**	OF	($1,832)	(1.00)

Budget:

$	(0)	General Fund
$	(0)	Lottery Fund
$	(1,832)	Other Fund
$	(0)	Federal Fund

Staffing impact: (1.00) FTE

AGENCY MANAGEMENT WAYS AND MEANS/LFO 800 PACKAGE NARRATIVE

Title: Budget Adjustment from SB 5508-A (#805)

Purpose: This package makes adjustments to the program budgets as authorized in SB 5508-A. These Omnibus adjustments reflect savings from reductions in: Department of Administrative Services' assessments and charges for services, including the State Data Center; Secretary of State audit assessments; and Office of Administrative Hearings charges.

How Accomplished: The package implements the following adjustments to the Agency Management Budget:

Adjustment to Data Processing Charges, State Government Service Charges & Professional Services Charges.

Budget:	$	(0)	General Fund
	$	(0)	Lottery Fund
	$	(125,857)	Other Fund
	$	(0)	Federal Fund

Staffing impact: None

DETAIL OF OTHER FUNDS AND FEDERAL FUNDS REVENUE

Source	Fund	2009-2011 Actuals	2011-2013 Legislatively Approved	2013-2015		
				Agency Request	Governor's Balanced	Legislatively Adopted
Agency Management						
Bond Fund	OF	167,773	327,610	295,097	106,841	0
Miscellaneous Receipts Revenue	OF	19,460,500	21,004,928	21,812,554	20,988,108	0
Non-Indirect Central Government Service Charg	OF	0	483,287	585,747	585,747	0
Subtotal		19,628,273	21,815,825	22,693,398	21,680,696	0

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
Other Funds	12,769,920	14,380,970	14,380,970	15,579,835	15,515,898	-
SERVICES & SUPPLIES						
Other Funds	6,658,793	6,882,606	6,882,606	6,882,606	6,882,606	-
CAPITAL OUTLAY						
Other Funds	197,560	552,249	552,249	552,249	552,249	-
SPECIAL PAYMENTS						
Other Funds	2,000	-	-	-	-	-
TOTAL LIMITED BUDGET (Excluding Packages)						
Other Funds	19,628,273	21,815,825	21,815,825	23,014,690	22,950,753	-
AUTHORIZED POSITIONS	83	80	80	80	80	-
AUTHORIZED FTE	81.50	77.50	77.50	79.00	79.00	-
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	144,193	144,191	-
031 STANDARD INFLATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(562,129)	(815,867)	-
CAPITAL OUTLAY						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	13,254	13,254	-
060 TECHNICAL ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	83,390	83,390	-
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(321,292)	(575,032)	-
LIMITED BUDGET (Current Service Level)						
Other Funds	19,628,273	21,815,825	21,815,825	22,693,398	22,375,721	-
AUTHORIZED POSITIONS	83	80	80	80	80	-
AUTHORIZED FTE	81.50	77.50	77.50	79.00	79.00	-
LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
091 STATEWIDE ADMINISTRATIVE SAVINGS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(255,412)	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	(256,718)	-
CAPITAL OUTLAY						
Other Funds	-	-	-	-	(113,100)	-
092 PERS TAXATION POLICY						
PERSONAL SERVICES						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	-	(38,795)	-
093 OTHER PERS ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(31,000)	-
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	-	(695,025)	-
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	19,628,273	21,815,825	21,815,825	22,693,398	21,680,696	-
AUTHORIZED POSITIONS	83	80	80	80	80	-
AUTHORIZED FTE	81.50	77.50	77.50	79.00	79.00	-
OPERATING BUDGET						
Other Funds	19,628,273	21,815,825	21,815,825	22,693,398	21,680,696	-
AUTHORIZED POSITIONS	83	80	80	80	80	-
AUTHORIZED FTE	81.50	77.50	77.50	79.00	79.00	-
TOTAL BUDGET						
Other Funds	19,628,273	21,815,825	21,815,825	22,693,398	21,680,696	-
AUTHORIZED POSITIONS	83	80	80	80	80	-
AUTHORIZED FTE	81.50	77.50	77.50	79.00	79.00	-