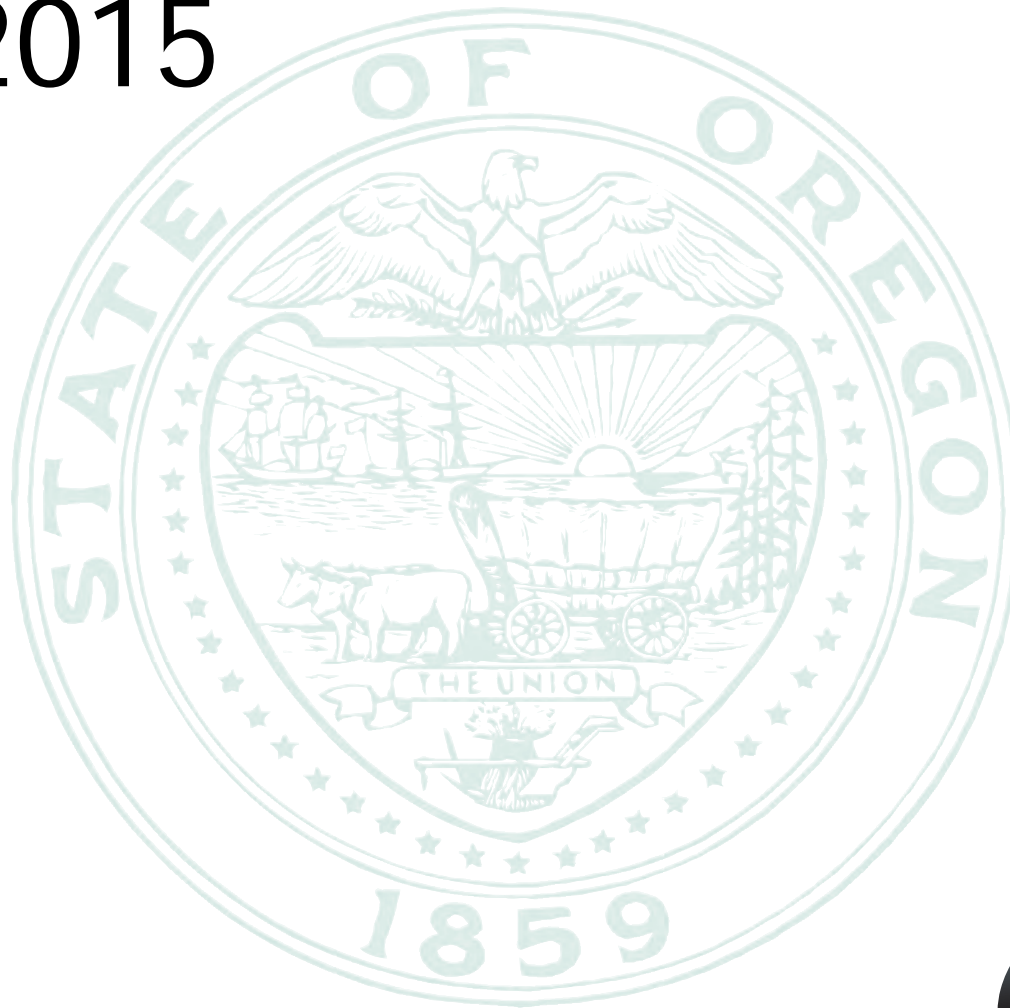


Oregon Employment Department

Governor's Balanced Budget 2013-2015



Certification

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

Employment Department

875 Union Street NE, Salem, OR 97311

AGENCY NAME

AGENCY ADDRESS



SIGNATURE

Director

TITLE

Notice: Requests of those agencies headed by a board or commission must be approved by those bodies of official action and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

___ Agency Request

Governor's Recommended

___ Legislatively Adopted

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Agency Request

Governor's Recommended

Legislatively Adopted

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Oregon

John A. Kitzhaber, MD, Governor

Department of Administrative Services
Budget and Management Division
155 Cottage Street NE U10
Salem, OR 97301
PHONE: (503) 378-3106
FAX: (503) 373-7643

DATE: October 13, 2011

TO: George Naughton, Department of Administrative Services
Ken Rocco, Legislative Fiscal Office

FROM: Bill McGee, Policy and Budget Analyst
Budget and Management Division

SUBJECT: 2011 Session Budget Report Correction: Senate Bill 5509

ISSUE: The Excel spreadsheet for the Senate Bill 5509 budget report requires minor corrections for two issues.

1. The legislative adjustments to Package 090 in the Child Care Division (SCR 010-30) create negative General Fund balances in the Capital Outlay category and the Special Payments Distribution to Non-Government Units account. The intent of the legislative adjustment was to eliminate the Governor's restoration of Current Service Level cuts in the Child Care Division as part of his Early Learning Council proposal. The amounts included in the budget report did not match the Governor's restoration, causing negative balances. The budget report should be corrected to shift amounts from Services and Supplies to Capital Outlay and Distribution to Non-Government Units to eliminate the negative balances.
2. Special Payments for Federal Funds in two accounts in Package 501 in the Child Care Division do not match transfers-in in the receiving agencies. Employment shows Special Payments to the Oregon Health Authority (OHA) (\$300,000) and the Department of Education (\$386,552); neither receiving agency has transfers-in from Employment.
 - a. OHA reports that Public Health no longer operates the funded programs and does not require a transfer. The budget report should be corrected to eliminate the Special Payment to OHA and increase a generic transfer-in account; Employment has requested Distribution to Non-Government Units.
 - b. The Department of Education has received funds for the past two biennia for statutorily established school-based child development and teen parent programs and expects to receive them in 2011-13. Education made an error in budget development and included the amount to be received from Employment in a generic transfer-in account. Education plans to correct the transfer in 2013-15 budget development. The

budget report should be corrected to eliminate the Special Payment to Education and increase the generic Distribution to Other Government Unit account.

ACTION TO BE TAKEN: The following corrections should be made to SB 5509, SCR 010-30:


1. Package 090:

- Services and Supplies: change General Fund from (\$22,711) to (\$18,654)
- Capital Outlay: change General Fund from \$0 to (\$354)
- Special Payments Dist to Non-Government Units from \$0 to (\$3,703)


2. Package 501:

- Special Payments to Oregon Health Authority: change Federal Funds from \$300,000 to \$0
- Special Payments to Department of Education: change Federal Funds from \$386,552 to \$0
- Special Payments Distribution to Non-Government Units: change Federal Funds from \$10,986,614 to \$11,286,614
- Special Payments Distribution to Other Government Units: change Federal Funds from \$2,421,798 to \$2,808,350

CLARIFICATION/CORRECTION ACKNOWLEDGED:



Department of Administrative Services



Legislative Fiscal Office

Attachments

Amend

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

MEASURE: SB 5509-A

Carrier - House: Rep. Huffinan
Carrier - Senate: Sen. Nelson

JOINT COMMITTEE ON WAYS AND MEANS

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

Vote: 21-0-4

House - Yeas: Beyer, Buckley, Cowan, Garrard, Komp, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whitsnart
- Nays:
- Exc: Freeman, Kotek

Senate - Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomson, Verger, Winters
- Nays:
- Exc: Bates, Whitsett

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: May 20, 2011

Agency:
Employment Department

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Biennium
2011-13

Budget Summary*

	2009-11		2011-13		2011-13		2011-13		Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change	2009-11 Leg Approved	\$ Change	% Change	
General Fund	\$ 2,756,283	\$ 4,548,624	\$ 0	\$ 3,670,948	\$ 914,665	+33.2%				
Other Funds	\$ 129,803,665	\$ 133,705,675	\$ 129,845,430	\$ 131,008,198	\$ 1,204,533	+10.9%				
Other Funds Debt Service	\$ 378,700	\$ 368,888	\$ 368,888	\$ 368,888	\$ (9,812)	-2.6%				
Other Funds Capital Improvement	\$ 125,600	\$ 318,000	\$ 314,986	\$ 314,986	\$ 189,386	+150.8%				
Other Funds Nonlimited	\$ 3,087,207,680	\$ 1,768,948,096	\$ 1,768,948,096	\$ 2,077,281,096	\$ (1,009,926,584)	-32.7%				
Federal Funds	\$ 323,607,099	\$ 264,420,137	\$ 140,492,112	\$ 274,249,072	\$ (49,358,027)	-15.3%				
Federal Funds Nonlimited	\$ 2,794,092,327	\$ 376,000,000	\$ 376,000,000	\$ 1,003,167,000	\$ (1,790,925,327)	-64.1%				
Total	\$ 6,337,971,354	\$ 2,518,309,420	\$ 2,415,969,512	\$ 3,490,060,188	\$ (2,847,911,166)	-44.9%				

Position Summary

Authorized Positions	1,660	1,343	1,356	1,500	-160
Full-time Equivalent (FTE) Positions	1,609.15	1,318.78	1,335.28	1,436.90	-172.25

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

General Fund supports the Child Care Commission and Child Care Resource and Referral Network programs in the Child Care Division.

Unemployment taxes are collected by the state and held by the U.S. Treasury for the payment of benefits to eligible claimants. They are included in the agency budget as Other Funds Nonlimited.

The major sources of Other Funds supporting agency operations are the Supplemental Employment Department Administrative Fund generated from unemployment tax proceeds, periodic distributions of Federal Reed Act funds, Special Administrative Fund revenues from interest and tax compliance penalties, and Fraud Control Fund revenues from overpayment collection activities.

The agency also receives Other Fund revenues from contracts with other state agencies to provide employment placement and research services. The Child Care Division receives revenues from licensing fees and the child care tax credit program. The Office of Administrative Hearings is funded with charges to agencies for which it conducts hearings.

Federal Unemployment Tax Act revenues are generated through a tax on employers to support employment security program administration and are based on the number of claims, employer accounts, time spent on various workload activities, and staff cost. Wagner-Peyser Act funds are allocated based on the civilian labor force and unemployment history for employment related labor exchange services.

The federal Child Care and Development Block Grant funds payments to providers, licensing and regulation, system planning and coordination, research and evaluation, and administration.

Summary of Transportation and Economic Development Subcommittee Action

The Employment Department's mission is to support business and promote employment. To accomplish this mission, the agency administers the Unemployment Insurance (UI) benefits program, recruits and refers applicants to job openings, assists job seekers in their employment searches, and develops and distributes workforce and economic information. The Office of Administrative Hearings (OAH) adjudicates citizen and business disputes with state agencies. Coordination of the state's child care system is located in the department.

The subcommittee approved a budget of \$3,670,948 General Fund, \$3,490,060,188 total funds, and 1,436.90 full-time equivalent (FTE) positions. General Fund is increased by 33.2 percent from the 2009-11 Legislatively Approved Budget (LAB) through March 2011 due to restoration of one-time reductions in the 2009-11 LAB.

Total funds and FTE are reduced by 44.9 percent and 10.7 percent respectively due to an anticipated decrease in the unemployment compensation workload resulting from an improving economy, some claimants exhausting their eligibility for benefits, and the likely phase-out of federal extended and emergency benefit funding. The reduced funding includes adjustments to reflect updated UI caseload projections, passage of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Funding for the Child Care Division is restored to the Employment Department's budget. Possible transfer to an Early Learning Council will be evaluated by the legislature based upon review of a completed proposal by the project's design team.

Packages approved by the Subcommittee reduce Personal Services funding, eliminate funding for inflation, and carry 2009-11 allotment reductions forward into the 2011-13 biennium. Additional approved packages allow the Department to provide job placement and research services on a contractual basis, provide funding for job training services under the federal Trade Act, enhance the department's ability to prevent and collect unemployment insurance benefit overpayments, increase efforts to get unemployment claimants back to work, improve information technology systems and security, and address workload issues for the OAH. In approving these packages, the Subcommittee made reductions in expenditure limitations and positions requested in the Governor's budget and approved positions in several packages as limited duration rather than permanent.

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 percent 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 the budget accordingly.

Unemployment Insurance

The Unemployment Insurance (UI) program provides temporary income maintenance for workers who are unemployed through no fault of their own and acts as a partial economic stabilizer for communities during periods of economic recession. The program determines eligibility and pays unemployment benefits, reviews appeals of eligibility, benefit, and tax decisions, and administers the state's unemployment tax program. The Employment Appeals Board is included in this program area.

The subcommittee approved a budget of \$132.5 million total funds and 666.64 FTE, reduced from the 2009-11 LAB by 22.3 percent and 16 percent respectively.

The subcommittee took the following actions:

- o Approved the base budget and essential packages.
- o Approved Package 081 that increases Other Funds and Federal Funds by \$166,386 and establishes one-full time permanent position to support the Interagency Compliance Network intended to increase compliance with taxation, employment, and independent contractor statutes. At its May 2010 meeting, the Emergency Board authorized expenditure limitation and positions for several agencies to implement House Bill 2815 (2009).
- o Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- o Modified Package 103 that increases Other Funds and Federal Funds by \$1,622,929 and establishes 12 positions (12.00 full-time equivalent) to comply with federal requirements regarding prevention and recovery of unemployment insurance overpayments. The Subcommittee approved the positions as limited duration, pending a review of workload in the 2012 legislative session.
- o Approved Package 105 that increases Federal Funds by \$1,112,998 and establishes 9 limited duration positions (8.50 full-time equivalent) to continue activities funded by the federal Reemployment and Eligibility Assessment Grant from the U.S. Department of Labor.

- o Approved Package 106 that increases Federal Funds by \$3,689,565 and establishes 8 full-time limited duration positions (8.00 full-time equivalent) to complete two information technology projects begun in the 2009-11 biennium. The projects will provide the department with a secure on-line portal for customer access and allow employers to manage their UI tax account electronically.
- o Approved Package 107 that increases Federal Funds by \$353,339 and establishes 2 full-time permanent positions to improve information systems data security and integrity.
- o Approved Package 810 that increases Federal Funds by \$7,759,606 and establishes 97 limited duration positions (59.90 full-time equivalent). The package includes adjustments for an updated projection of mandated caseload increases, adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Business and Employment Services

The Business and Employment Services Division serves businesses by recruiting and referring the best-qualified applicants to jobs, and provides resources to diverse job seekers in support of their employment needs. The division has a statewide network of field offices and one-stop centers to provide a job listing/referral service for Oregon employers and a job referral/ placement service for Oregon job seekers.

The subcommittee approved a budget of \$102 million total funds and 510.96 FTE, reduced from the 2009-11 LAB by 7.6 percent and 3.7 percent respectively.

The subcommittee took the following actions:

- o Approved the base budget and essential packages.
- o Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- o Modified Package 102 that increases Federal Funds by \$1,875,252 and establishes 14 full-time limited duration positions to provide job training services under the federal Trade Act. The Subcommittee approved continuation of 2009-11 staffing levels to serve clients currently eligible for training. An anticipated expansion of the Trade Act program, which would have required increased expenditure limitation and positions, has not been approved by Congress.
- o Modified Package 108 that increases Other Funds by \$2,714,504 and establishes 21 full-time limited duration positions (21.00 full-time equivalent) to provide job placement services on a contractual basis. The Subcommittee reduced the number of positions approved based on utilization of contracted services in the 2009-11 biennium.

- Approved Package 802 that reduces \$305,024 Other Funds and eliminates 13 long-term vacancies (12.58 full-time equivalent). The package eliminates 11 Business and Employment Specialist 1 positions, one Business and Employment Specialist 2, and one Principal Executive/Manager B.

Child Care Division

The Child Care Division is responsible for creating a comprehensive statewide system of safe, accessible, affordable, quality child care. The division conducts on-site inspections of child care centers, certified family homes, and registered providers, conducts background checks on child care providers, and investigates complaints against providers it regulates. The division also collaborates with childcare system partners to submit Oregon's federal child care plan, collects and disseminates child care data, staffs the Oregon Commission for Child Care, and conducts education and outreach for parents and employers. Most Federal Funds received by the Child Care Division are transferred to the Department of Human Services for payments to providers.

Funding for the Child Care Division that was recommended by the Governor for transfer to an Early Learning Council has been restored to the Employment Department. The restoration does not include an allocation of federal Child Care and Development Fund funds to the Commission on Children and Families; as in the Governor's budget these funds are directed to the Department of Human Resources to support the Employment Related Daycare program.

The subcommittee approved a budget of \$3.7 million General Fund, \$134.7 million total funds and 73.00 FTE. General Fund is increased from the 2009-11 LAB by 33 percent while total funds and FTE are increased by 2.9 percent and 1.4 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 085 that reduced General Fund by \$228,182, continuing 2009-11 allotment cuts into the 2011-13 biennium.
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 801 that reduces General Fund by \$280,894, as part of a statewide 6.5 percent cut in General Fund Services and Supplies funding.
- Approved Package 810 that increases the Employment Department's special payment to the Department of Human Services by \$5 million Federal Funds to expend 2009-11 caseload savings in the Employment Related Daycare (EDRC) program in 2011-13.
- Approved Package 819 that reduces General Fund \$141,419 to create a supplemental statewide ending balance hold back adjustment for possible restoration in the 2012 legislative session.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) is an independent and impartial forum for citizens and businesses to adjudicate their disputes with state agencies. The subcommittee approved a budget of \$25.1 million Other Funds and 117.80 FTE, reduced from the 2009-11 LAB by 13.5 percent and 17.9 percent respectively.

The subcommittee took the following actions:

- o Approved the base budget and essential packages.
- o Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- o Modified Package 109 that increases Other Funds by \$971,824 and establishes 6.00 FTE related to additional hearings anticipated from the Department of Human Services, and eliminates \$1,247,561 Other Funds and 5.5 FTE to reflect reduced utilization of OAH services by the Construction Contractors Board. The net effect is an increase of one position (0.50 full-time equivalent), and a decrease of \$275,737 in Other Funds expenditure limitation.
- o Approved Package 810 that increases Other Funds by \$302,349 and establishes three limited duration positions (1.80 full-time equivalent) due to adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011 and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Workforce and Economic Research

The Workforce and Economic Research Division has primary responsibility for providing quality workforce and economic information for the state, its workforce regions, and counties. The division is Oregon's designated Employment Statistics Agency (under the federal Workforce Investment Act of 1998) and Oregon's designated agency for the coordination of occupational and career information.

The subcommittee approved a budget of \$15.3 million Other Funds and 68.50 FTE, reduced from the 2009-11 LAB by 3.4 percent and 1.4 percent respectively.

The subcommittee took the following action:

- o Approved the base budget and essential packages.
- o Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- o Approved Package 101 that increased Other Funds by \$567,746 and establishes three full-time limited duration positions (3.00 full-time equivalent) for special analysis projects requested by customers.

- Approved Package 802 that reduces Federal Funds by \$220,000 and eliminates one Research Analyst 2 position (1.00 full-time equivalent) due to the federal Bureau of Labor Statistics' assumption of responsibility for monthly Current Economic Statistics.
- Approved Package 810 that increases Federal Funds by \$480,000 to accommodate an extension of a federal Green Jobs grant into the 2011-13 biennium.

Nonlimited

Nonlimited funds include Unemployment tax collections, trust fund interest earnings, and federal revenues that are used to pay unemployment insurance benefits to qualified applicants who are out of work and actively seeking work. Nonlimited funds also include federal revenues used to fund various federal training programs such as the North American Free Trade Act and the Trade Assistance Program.

The subcommittee approved a budget of \$3.1 billion total funds, reduced by 47.6 percent from the 2009-11 LAB. No positions are included in this program unit.

The subcommittee took the following actions:

- Approved the base budget.
- Approved Package 810 that increases Other Funds Non-limited by \$308,333,000 and Federal Funds Non-limited by \$627,167,000. The package includes adjustment for increased unemployment compensation payments due to updated projections for mandated caseload increases, adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Summary of Performance Measure Action

The Subcommittee approved the proposed Key Performance Measures. See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5509-A

Corrected Copy

Employment Department
Bill McGeo 503-378-2070

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 *	\$2,766,288	\$0	\$130,307,065	\$3,087,207,680	\$323,007,009	\$2,794,092,327	\$6,337,071,354	1,860	1,800.15
2011-13 ORBITS printed Current Service Level (CSL)*	\$4,548,624	\$0	\$134,302,663	\$1,768,940,096	\$264,420,137	\$370,000,000	\$2,548,309,420	1,343	1,310.76
2011-13 Governor's Recommended Budget *	\$0	\$0	\$130,529,304	\$1,768,940,096	\$140,492,112	\$370,000,000	\$2,415,069,512	1,356	1,335.20
SUBCOMMITTEE ADJUSTMENTS (from GRB)									
SCR 010-10 Unemployment Insurance									
Package 810: LFO Analyst Adjustments									
Personal Services	0	0	0	0	6,609,528	0	6,609,528	97	60.00
Services and Supplies	0	0	0	0	1,150,089	0	1,150,089	0	0.00
SCR 010-20 Business and Employment Services									
Package 102: Trade Act Expansion									
Personal Services	0	0	0	0	(1,100,823)	0	(1,100,823)	(10)	(10.00)
Services and Supplies	0	0	0	0	(138,240)	0	(138,240)	0	0.00
Package 100: B&ES Contracted Services									
Personal Services	0	0	(440,252)	0	0	0	(440,252)	(4)	(4.00)
Services and Supplies	0	0	(76,800)	0	0	0	(76,800)	0	0.00
Package 602: Vacant Position Savings									
Personal Services	0	0	(305,024)	0	(1,167,669)	0	(1,472,693)	(13)	(12.56)
SCR 010-30 Child Care Division									
Package 085: Allotment reduction rollups									
Personal Services	(228,182)	0	0	0	0	0	(228,182)	0	0.00
Package 090: Analyst Adjustments									
Personal Services	(204,470)	0	(59,399)	0	(418,704)	0	(602,633)	0	0.00
Services and Supplies	(19,654)	0	(17,767)	0	(68,234)	0	(104,945)	0	0.00
Capital Outlay	(354)	0	(30)	0	(110)	0	(554)	0	0.00
Special Payments	0	0	0	0	(2,421,798)	0	(2,421,798)	0	0.00
Dist to Other Govt Units	(3,703)	0	(22,834)	0	(267,499)	0	(284,036)	0	0.00
Dist to Non-Govt Units	0	0	0	0	(5,106)	0	(5,106)	0	0.00
Dist to Individuals	0	0	0	0	(40,372)	0	(40,372)	0	0.00
Dist to Local School Districts	0	0	(12,871)	0	(1,485)	0	(14,356)	0	0.00
Dist to Comm College Districts	0	0	0	0	0	0	0	0	0.00
Special Payments to DHS	0	0	0	0	0	0	0	0	0.00
Special Payments to OHA	0	0	0	0	0	0	0	0	0.00
Special Payments to OUS	0	0	0	0	0	0	0	0	0.00
Special Payments to Education	0	0	0	0	0	0	0	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Special Payments Dist to Individuals	0	0	0	308,333,000	0	627,167,000	935,500,000	0	0.00
TOTAL ADJUSTMENTS	\$3,070,848	\$0	\$1,102,768	\$308,333,000	\$133,758,980	\$627,107,000	\$1,074,000,070	144	101.02
SUBCOMMITTEE RECOMMENDATION *	\$3,070,848	\$0	\$131,692,072	\$2,077,281,006	\$274,240,072	\$1,003,167,000	\$3,400,080,188	1,500	1,435.90
% Change from 2000-11 Leg Approved Budget	33.18%	0.00%	1.08%	-32.71%	-16.26%	-84.10%	-44.93%	-9.84%	-10.70%
% Change from 2011-13 Current Service Level	-19.30%	0.00%	-2.01%	17.43%	3.72%	166.30%	36.98%	11.60%	8.06%
% Change from 2011-13 Governor's Recommended Budget	100.00%	0.00%	0.60%	17.43%	95.21%	166.80%	44.46%	10.62%	7.61%

* Excludes Capital Construction Expenditures

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

MEASURE: SB 5509-A

Carrier – House: Rep. Huffman
Carrier – Senate: Sen. Nelson

JOINT COMMITTEE ON WAYS AND MEANS

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

Vote: 21 – 0 – 4

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

Senate – Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Winters
– Nays:
– Exc: Bates, Whitsett

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Meeting Date: May 20, 2011

Agency
Employment Department

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Biennium
2011-13

Budget Summary*

	2009-11		2011-13		2011-13		2011-13		Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change	2009-11 Leg Approved	\$ Change	% Change	
General Fund	\$ 2,756,283	\$ 4,548,624	\$ 0	\$ 3,670,948	\$ 914,665	+33.2%				
Other Funds	\$ 129,803,665	\$ 133,705,675	\$ 129,845,430	\$ 131,008,198	\$ 1,204,533	+0.9%				
Other Funds Debt Service	\$ 378,700	\$ 368,888	\$ 368,888	\$ 368,888	\$ (9,812)	-2.6%				
Other Funds Capital Improvement	\$ 125,600	\$ 318,000	\$ 314,986	\$ 314,986	\$ 189,386	+150.8%				
Other Funds Nonlimited	\$ 3,087,207,680	\$ 1,768,948,096	\$ 1,768,948,096	\$ 2,077,281,096	\$ (1,009,926,584)	-32.7%				
Federal Funds	\$ 323,607,099	\$ 264,420,137	\$ 140,492,112	\$ 274,249,072	\$ (49,358,027)	-15.3%				
Federal Funds Nonlimited	\$ 2,794,092,327	\$ 376,000,000	\$ 376,000,000	\$ 1,003,167,000	\$ (1,790,925,327)	-64.1%				
Total	\$ 6,337,971,354	\$ 2,548,309,420	\$ 2,415,969,512	\$ 3,490,060,188	\$ (2,847,911,166)	-44.9%				

Position Summary

Authorized Positions	1,660	1,343	1,356	1,500	-160
Full-time Equivalent (FTE) Positions	1,609.15	1,318.78	1,335.28	1,436.90	-172.25

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

General Fund supports the Child Care Commission and Child Care Resource and Referral Network programs in the Child Care Division.

Unemployment taxes are collected by the state and held by the U.S. Treasury for the payment of benefits to eligible claimants. They are included in the agency budget as Other Funds Nonlimited.

The major sources of Other Funds supporting agency operations are the Supplemental Employment Department Administrative Fund generated from unemployment tax proceeds, periodic distributions of Federal Reed Act funds, Special Administrative Fund revenues from interest and tax compliance penalties, and Fraud Control Fund revenues from overpayment collection activities.

The agency also receives Other Fund revenues from contracts with other state agencies to provide employment placement and research services. The Child Care Division receives revenues from licensing fees and the child care tax credit program. The Office of Administrative Hearings is funded with charges to agencies for which it conducts hearings.

Federal Unemployment Tax Act revenues are generated through a tax on employers to support employment security program administration and are based on the number of claims, employer accounts, time spent on various workload activities, and staff cost. Wagner-Peyser Act funds are allocated based on the civilian labor force and unemployment history for employment related labor exchange services.

The federal Child Care and Development Block Grant funds payments to providers, licensing and regulation, system planning and coordination, research and evaluation, and administration.

Summary of Transportation and Economic Development Subcommittee Action

The Employment Department's mission is to support business and promote employment. To accomplish this mission, the agency administers the Unemployment Insurance (UI) benefits program, recruits and refers applicants to job openings, assists job seekers in their employment searches, and develops and distributes workforce and economic information. The Office of Administrative Hearings (OAH) adjudicates citizen and business disputes with state agencies. Coordination of the state's child care system is located in the department.

The subcommittee approved a budget of \$3,670,948 General Fund, \$3,490,060,188 total funds, and 1,436.90 full-time equivalent (FTE) positions. General Fund is increased by 33.2 percent from the 2009-11 Legislatively Approved Budget (LAB) through March 2011 due to restoration of one-time reductions in the 2009-11 LAB.

Total funds and FTE are reduced by 44.9 percent and 10.7 percent respectively due to an anticipated decrease in the unemployment compensation workload resulting from an improving economy, some claimants exhausting their eligibility for benefits, and the likely phase-out of federal extended and emergency benefit funding. The reduced funding includes adjustments to reflect updated UI caseload projections, passage of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Funding for the Child Care Division is restored to the Employment Department's budget. Possible transfer to an Early Learning Council will be evaluated by the legislature based upon review of a completed proposal by the project's design team.

Packages approved by the Subcommittee reduce Personal Services funding, eliminate funding for inflation, and carry 2009-11 allotment reductions forward into the 2011-13 biennium. Additional approved packages allow the Department to provide job placement and research services on a contractual basis, provide funding for job training services under the federal Trade Act, enhance the department's ability to prevent and collect unemployment insurance benefit overpayments, increase efforts to get unemployment claimants back to work, improve information technology systems and security, and address workload issues for the OAH. In approving these packages, the Subcommittee made reductions in expenditure limitations and positions requested in the Governor's budget and approved positions in several packages as limited duration rather than permanent.

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 percent 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 the budget accordingly.

Unemployment Insurance

The Unemployment Insurance (UI) program provides temporary income maintenance for workers who are unemployed through no fault of their own and acts as a partial economic stabilizer for communities during periods of economic recession. The program determines eligibility and pays unemployment benefits, reviews appeals of eligibility, benefit, and tax decisions, and administers the state's unemployment tax program. The Employment Appeals Board is included in this program area.

The subcommittee approved a budget of \$132.5 million total funds and 666.64 FTE, reduced from the 2009-11 LAB by 22.3 percent and 16 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 081 that increases Other Funds and Federal Funds by \$166,386 and establishes one-full time permanent position to support the Interagency Compliance Network intended to increase compliance with taxation, employment, and independent contractor statutes. At its May 2010 meeting, the Emergency Board authorized expenditure limitation and positions for several agencies to implement House Bill 2815 (2009).
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Modified Package 103 that increases Other Funds and Federal Funds by \$1,622,929 and establishes 12 positions (12.00 full-time equivalent) to comply with federal requirements regarding prevention and recovery of unemployment insurance overpayments. The Subcommittee approved the positions as limited duration, pending a review of workload in the 2012 legislative session.
- Approved Package 105 that increases Federal Funds by \$1,112,998 and establishes 9 limited duration positions (8.50 full-time equivalent) to continue activities funded by the federal Reemployment and Eligibility Assessment Grant from the U.S. Department of Labor.

- Approved Package 106 that increases Federal Funds by \$3,689,565 and establishes 8 full-time limited duration positions (8.00 full-time equivalent) to complete two information technology projects begun in the 2009-11 biennium. The projects will provide the department with a secure on-line portal for customer access and allow employers to manage their UI tax account electronically.
- Approved Package 107 that increases Federal Funds by \$353,339 and establishes 2 full-time permanent positions to improve information systems data security and integrity.
- Approved Package 810 that increases Federal Funds by \$7,759,606 and establishes 97 limited duration positions (59.90 full-time equivalent). The package includes adjustments for an updated projection of mandated caseload increases, adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Business and Employment Services

The Business and Employment Services Division serves businesses by recruiting and referring the best-qualified applicants to jobs, and provides resources to diverse job seekers in support of their employment needs. The division has a statewide network of field offices and one-stop centers to provide a job listing/referral service for Oregon employers and a job referral/placement service for Oregon job seekers.

The subcommittee approved a budget of \$102 million total funds and 510.96 FTE, reduced from the 2009-11 LAB by 7.6 percent and 3.7 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Modified Package 102 that increases Federal Funds by \$1,875,252 and establishes 14 full-time limited duration positions to provide job training services under the federal Trade Act. The Subcommittee approved continuation of 2009-11 staffing levels to serve clients currently eligible for training. An anticipated expansion of the Trade Act program, which would have required increased expenditure limitation and positions, has not been approved by Congress.
- Modified Package 108 that increases Other Funds by \$2,714,504 and establishes 21 full-time limited duration positions (21.00 full-time equivalent) to provide job placement services on a contractual basis. The Subcommittee reduced the number of positions approved based on utilization of contracted services in the 2009-11 biennium.

- Approved Package 802 that reduces \$305,024 Other Funds and eliminates 13 long-term vacancies (12.58 full-time equivalent). The package eliminates 11 Business and Employment Specialist 1 positions, one Business and Employment Specialist 2, and one Principal Executive/Manager B.

Child Care Division

The Child Care Division is responsible for creating a comprehensive statewide system of safe, accessible, affordable, quality child care. The division conducts on-site inspections of child care centers, certified family homes, and registered providers, conducts background checks on child care providers, and investigates complaints against providers it regulates. The division also collaborates with childcare system partners to submit Oregon's federal child care plan, collects and disseminates child care data, staffs the Oregon Commission for Child Care, and conducts education and outreach for parents and employers. Most Federal Funds received by the Child Care Division are transferred to the Department of Human Services for payments to providers.

Funding for the Child Care Division that was recommended by the Governor for transfer to an Early Learning Council has been restored to the Employment Department. The restoration does not include an allocation of federal Child Care and Development Fund funds to the Commission on Children and Families; as in the Governor's budget these funds are directed to the Department of Human Resources to support the Employment Related Daycare program.

The subcommittee approved a budget of \$3.7 million General Fund, \$134.7 million total funds and 73.00 FTE. General Fund is increased from the 2009-11 LAB by 33 percent while total funds and FTE are increased by 2.9 percent and 1.4 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 085 that reduced General Fund by \$228,182, continuing 2009-11 allotment cuts into the 2011-13 biennium.
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 801 that reduces General Fund by \$280,894, as part of a statewide 6.5 percent cut in General Fund Services and Supplies funding.
- Approved Package 810 that increases the Employment Department's special payment to the Department of Human Services by \$5 million Federal Funds to expend 2009-11 caseload savings in the Employment Related Daycare (EDRC) program in 2011-13.
- Approved Package 819 that reduces General Fund \$141,419 to create a supplemental statewide ending balance hold back adjustment for possible restoration in the 2012 legislative session.

Office of Administrative Hearings

The Office of Administrative Hearings (OAH) is an independent and impartial forum for citizens and businesses to adjudicate their disputes with state agencies. The subcommittee approved a budget of \$25.1 million Other Funds and 117.80 FTE, reduced from the 2009-11 LAB by 13.5 percent and 17.9 percent respectively.

The subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Modified Package 109 that increases Other Funds by \$971,824 and establishes 6.00 FTE related to additional hearings anticipated from the Department of Human Services, and eliminates \$1,247,561 Other Funds and 5.5 FTE to reflect reduced utilization of OAH services by the Construction Contractors Board. The net effect is an increase of one position (0.50 full-time equivalent), and a decrease of \$275,737 in Other Funds expenditure limitation.
- Approved Package 810 that increases Other Funds by \$302,349 and establishes three limited duration positions (1.80 full-time equivalent) due to adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011 and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Workforce and Economic Research

The Workforce and Economic Research Division has primary responsibility for providing quality workforce and economic information for the state, its workforce regions, and counties. The division is Oregon's designated Employment Statistics Agency (under the federal Workforce Investment Act of 1998) and Oregon's designated agency for the coordination of occupational and career information.

The subcommittee approved a budget of \$15.3 million Other Funds and 68.50 FTE, reduced from the 2009-11 LAB by 3.4 percent and 1.4 percent respectively.

The subcommittee took the following action:

- Approved the base budget and essential packages.
- Approved Package 086 that eliminates inflation and approved Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 101 that increased Other Funds by \$567,746 and establishes three full-time limited duration positions (3.00 full-time equivalent) for special analysis projects requested by customers.

- Approved Package 802 that reduces Federal Funds by \$220,000 and eliminates one Research Analyst 2 position (1.00 full-time equivalent) due to the federal Bureau of Labor Statistics' assumption of responsibility for monthly Current Economic Statistics.
- Approved Package 810 that increases Federal Funds by \$480,000 to accommodate an extension of a federal Green Jobs grant into the 2011-13 biennium.

Nonlimited

Nonlimited funds include Unemployment tax collections, trust fund interest earnings, and federal revenues that are used to pay unemployment insurance benefits to qualified applicants who are out of work and actively seeking work. Nonlimited funds also include federal revenues used to fund various federal training programs such as the North American Free Trade Act and the Trade Assistance Program.

The subcommittee approved a budget of \$3.1 billion total funds, reduced by 47.6 percent from the 2009-11 LAB. No positions are included in this program unit.

The subcommittee took the following actions:

- Approved the base budget.
- Approved Package 810 that increases Other Funds Non-limited by \$308,333,000 and Federal Funds Non-limited by \$627,167,000. The package includes adjustment for increased unemployment compensation payments due to updated projections for mandated caseload increases, adoption of Senate Bill 637 that provides for federal extended unemployment benefits through December 2011, and an extension of federal Emergency Unemployment Compensation benefits through December 2011.

Summary of Performance Measure Action

The Subcommittee approved the proposed Key Performance Measures. See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 501: Early Childhood									
Personal Services	3,717,643	0	1,073,044	0	7,597,152	0	12,397,839	77	73.00
Services and Supplies	657,895	0	442,707	0	2,393,312	0	3,493,914	0	0.00
Capital Outlay	15,085	0	3,846	0	4,679	0	23,610	0	0.00
Special Payments	0	0	0	0	2,421,798	0	2,421,798	0	0.00
Dist to Other Govt Units	156,001	0	974,246	0	10,986,614	0	12,118,861	0	0.00
Dist to Non-Govt Units	0	0	0	0	260,524	0	260,524	0	0.00
Dist to Individuals	0	0	0	0	1,722,558	0	1,722,558	0	0.00
Dist to Local School Districts	0	0	549,164	0	63,345	0	612,509	0	0.00
Dist to Comm College Districts	0	0	0	0	98,972,377	0	98,972,377	0	0.00
Special Payments to DHS	0	0	0	0	300,000	0	300,000	0	0.00
Special Payments to OHA	0	0	0	0	1,246,733	0	1,246,733	0	0.00
Special Payments to OUS	0	0	0	0	386,552	0	386,552	0	0.00
Special Payments to Education	0	0	0	0	0	0	0	0	0.00
Package 601: Targeted Statewide Adjustments									
Services and Supplies	(280,894)	0	0	0	0	0	(280,894)	0	0.00
Package 810: LFO Analyst Adjustments									
Special Payments	0	0	0	0	5,000,000	0	5,000,000	0	0.00
6100 Special Payments to DHS	0	0	0	0	5,000,000	0	5,000,000	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(115,584)	0	0	0	0	0	(115,584)	0	0.00
Services and Supplies	(20,454)	0	0	0	0	0	(20,454)	0	0.00
Capital Outlay	(469)	0	0	0	0	0	(469)	0	0.00
Special Payments	(4,912)	0	0	0	0	0	(4,912)	0	0.00
SCR 010-40 Office of Administrative Hearings									
Package 109: OAH workload increases									
Personal Services	0	0	(1,155,161)	0	0	0	(1,155,161)	(5)	(5.50)
Services and Supplies	0	0	(92,400)	0	0	0	(92,400)	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	0	0	275,349	0	0	0	275,349	3	1.80
Services and Supplies	0	0	27,000	0	0	0	27,000	0	0.00
SCR 010-50 Workforce and Economic Research									
Package 802: Vacant Position savings									
Personal Services	0	0	0	0	(124,964)	0	(124,964)	(1)	(1.00)
Services and Supplies	0	0	0	0	(95,036)	0	(95,036)	0	0.00
Package 810 LFO Analyst Adjustments									
Personal Services	0	0	0	0	140,000	0	140,000	0	0.00
Services and Supplies	0	0	0	0	150,000	0	150,000	0	0.00
Special Payments	0	0	0	0	190,000	0	190,000	0	0.00
SCR 087-00 Non-limited									

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810 LFO Analyst Adjustments Special Payments Dist to Individuals	0	0	0	308,333,000	0	627,167,000	935,500,000	0	0.00
TOTAL ADJUSTMENTS	\$3,670,948	\$0	\$1,162,768	\$308,333,000	\$133,756,960	\$827,167,000	\$1,074,090,676	144	101.62
SUBCOMMITTEE RECOMMENDATION *	\$3,670,948	\$0	\$131,692,072	\$2,077,281,096	\$274,249,072	\$1,003,167,000	\$3,490,060,188	1,500	1,436.90
% Change from 2009-11 Leg Approved Budget	33.18%	0.00%	1.06%	-32.71%	-15.25%	-64.10%	-44.93%	-9.64%	-10.70%
% Change from 2011-13 Current Service Level	-19.30%	0.00%	-2.01%	17.43%	3.72%	166.80%	36.96%	11.69%	8.96%
% Change from 2011-13 Governor's Recommended Budget	100.00%	0.00%	0.89%	17.43%	95.21%	166.80%	44.46%	10.62%	7.61%

* Excludes Capital Construction Expenditures

Legislatively Proposed 2011-2013 Key Performance Measures

Agency: EMPLOYMENT DEPARTMENT

Mission: The mission of the Oregon Employment Department is to Support Business and Promote Employment.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - ENTERED EMPLOYMENT - % of job seekers who got a job with a new employer after registering with the Employment Department.		Approved KPM	52.00	57.00	57.00
2 - EMPLOYMENT RETENTION - % of Job Seekers who were in employment two quarters after registering with the Employment Department.		Approved KPM	79.00	80.00	80.00
3 - COST PER PLACEMENT- total cost of B&ES programs divided by the total number of job seekers entered into employment after receiving services.		Approved KPM	317.00	200.00	200.00
4 - FIRST PAYMENT TIMELINESS - % of initial unemployment insurance payments made within 21 days of eligibility.		Approved KPM	90.90	95.00	95.00
5 - NON-MONETARY DETERMINATIONS TIMELINESS - % of claims that are adjudicated within 21 days of issue detection		Approved KPM	73.50	80.00	80.00
6 - COST PER CLAIM - total cost of UI programs divided by the total number of initial claims for UI benefits filed.		Approved KPM	141.00	160.00	160.00
7 - UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - % of cases requesting a hearing that are heard or are otherwise resolved within 30 days of the date of request.		Approved KPM	22.00	60.00	60.00
8 - NON-UNEMPLOYMENT INSURANCE APPEALS TIMELINESS - Percentage of orders issued within the standards established by the user agencies.		Approved KPM	92.60	93.00	93.00
9 - AVERAGE DAYS TO ISSUE AN ORDER - Average number of days to issue an order following the close of record.		Approved KPM	4.58	6.60	6.60
10 - COST PER REFERRAL TO OAH - total cost of OAH programs divided by the total number of referrals.		Approved KPM	296.00	404.00	404.00

Agency: EMPLOYMENT DEPARTMENT

Mission: The mission of the Oregon Employment Department is to Support Business and Promote Employment.

Legislatively Proposed KPMs

Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
11 - HIGHER AUTHORITY APPEALS TIMELINESS - % of cases requesting an appeal that receive a decision within 45 days of the date of request.	Approved KPM	93.30	75.00	75.00
12 - TIMELINESS OF NEW STATUS DETERMINATIONS - % of new status determinations completed within 90 days of the end of the liable quarter.	Approved KPM	75.90	80.00	80.00
13 - CHILD CARE HEALTH & SAFETY REVIEWS - % of family child care facilities required to have health & safety onsite reviews that were reviewed by Child Care Division.	Approved KPM	100.00	100.00	100.00
14 - 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.	Approved KPM	95.70	95.50	95.50
14 - 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.	Approved KPM	94.80	95.50	95.50
14 - 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.	Approved KPM	97.30	95.50	95.50
14 - 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.	Approved KPM	97.40	95.50	95.50
14 - 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.	Approved KPM	97.00	95.50	95.50
14 - 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.	Approved KPM	96.40	95.50	95.50

LFO Recommendation:

The Employment Department's existing key performance measures and targets are appropriate to the mission and activities of the agency. The Legislative Fiscal Office recommends the approval of Key Performance Measures and corresponding targets as proposed in the 2011-13 biennium.

Sub-Committee Action:

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

MEASURE: SB 5508-A

Carrier – House: Rep. Richardson
Carrier – Senate: Sen. Devlin

JOINT COMMITTEE ON WAYS AND MEANS

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

Vote: 24 – 0 – 1

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

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters
– Nays:
– Exc: Verger

Prepared By: Sheila Baker, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: June 29, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>Emergency Board</u>				
General Fund - General Purpose	-	-	\$ 25,000,000	\$ 25,000,000
General Fund - Special Purpose Appropriations				
Department of Human Services/ Oregon Health Authority			\$ 8,000,000	\$ 8,000,000
Department of Justice			\$ 2,000,000	\$ 2,000,000
<u>Various Agencies -- see Attachment A</u>				
General Fund	-	-	\$ (3,802,558)	\$ (3,802,558)
General Fund Debt Service	-	-	\$ (17,335,341)	\$ (17,335,341)
Lottery Funds	-	-	\$ (72,114)	\$ (72,114)
Lottery Funds Debt Service	-	-	\$ (24,405,711)	\$ (24,405,711)
Other Funds	-	-	\$ (8,304,448)	\$ (8,304,448)
Other Funds Debt Service	-	-	\$ (25,605,072)	\$ (25,605,072)
Federal Funds	-	-	\$ (2,633,061)	\$ (2,633,061)

ADMINISTRATION PROGRAM AREA

<u>Department of Administrative Services</u>				
General Fund	-	-	\$ 1,325,000	\$ 1,325,000
Lottery Funds Debt Service	-	-	\$ 903,119	\$ 903,119
Other Funds	-	-	\$ 19,514,631	\$ 19,514,631
<u>Office of the Governor</u>				
General Fund	-	-	\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-	\$ 825,616	\$ 825,616
<u>Secretary of State</u>				
General Fund	-	-	\$ 80,000	\$ 80,000
Other Funds	-	-	\$ 380,312	\$ 380,312
Federal Funds	-	-	\$ 634,419	\$ 634,419

*Excludes Capital Construction

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>Oregon Health Licensing Agency</u>				
Other Funds	-	-	\$ 46,356	\$ 46,356
<u>Real Estate Agency</u>				
Other Funds	-	-	\$ 496,400	\$ 496,400
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
Lottery Funds	-	-	\$ 1,300,000	\$ 1,300,000
Other Funds	-	-	\$ 106,207	\$ 106,207
Other Funds Nonlimited	-	-	\$ 10,000,000	\$ 10,000,000
<u>Housing and Community Services Department</u>				
Other Funds	-	-	\$ (4,879,057)	\$ (4,879,057)
<u>Department of Veterans' Affairs</u>				
General Fund	-	-	\$ 800,000	\$ 800,000
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	-	-	\$ 2,327,153	\$ 2,327,153
Lottery Funds	-	-	\$ 2,822,847	\$ 2,822,847
Other Funds	-	-	\$ 625,000	\$ 625,000
<u>Department of Community Colleges and Workforce Development</u>				
General Fund	-	-	\$ 3,900,000	\$ 3,900,000
General Fund Debt Service	-	-	\$ (363,510)	\$ (363,510)
<u>Oregon University System</u>				
General Fund	-	-	\$ (8,974,046)	\$ (8,974,046)
General Fund Debt Service	-	-	\$ 5,660,047	\$ 5,660,047
Other Funds	-	-	\$ 1,753,642	\$ 1,753,642

*Excludes Capital Construction

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Department of Human Services</u>				
General Fund	-	-	\$ 2,753,263	\$ 2,753,263
Federal Funds	-	-	\$ 5,077,079	\$ 5,077,079
<u>Oregon Health Authority</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
Other Funds	-	-	\$ 14,205,000	\$ 14,205,000
Federal Funds	-	-	\$ 23,360,000	\$ 23,360,000
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	-	-	\$ 30,497,095	\$ 30,497,095
General Fund Debt Service	-	-	\$ (486,738)	\$ (486,738)
Other Funds	-	-	\$ (28,627,911)	\$ (28,627,911)
<u>LEGISLATIVE BRANCH</u>				
<u>Legislative Counsel Committee</u>				
Other Funds	-	-	\$ (275,000)	\$ (275,000)
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>State Department of Agriculture</u>				
Lottery Funds	-	-	\$ 543,000	\$ 543,000
<u>State Department of Energy</u>				
Other Funds	-	-	\$ 500,000	\$ 500,000
<u>State Department of Fish and Wildlife</u>				
Other Funds Debt Service	-	-	\$ 726,928	\$ 726,928

*Excludes Capital Construction

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>State Forestry Department</u>				
Other Funds	-	-	\$ 114,881	\$ 114,881
<u>Water Resources Department</u>				
General Fund	-	-	\$ 487,062	\$ 487,062
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Oregon Criminal Justice Commission</u>				
Other Funds	-	-	\$ 176,384	\$ 176,384
<u>Department of Justice</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
<u>Oregon Military Department</u>				
General Fund Debt Service	-	-	\$ 618,000	\$ 618,000
Other Funds	-	-	\$ 7,657,737	\$ 7,657,737
<u>Oregon Youth Authority</u>				
General Fund	-	-	\$ 300,000	\$ 300,000
<u>TRANSPORTATION PROGRAM AREA</u>				
<u>Department of Transportation</u>				
General Fund	-	-	\$ 2,000,000	\$ 2,000,000
Other Funds	-	-	\$ 13,053,627	\$ 13,053,627
<u>2011-13 Budget Summary</u>				
General Fund Total	-	-	\$ 58,985,427	\$ 58,985,427
Lottery Funds Total	-	-	\$ (18,908,859)	\$ (18,908,859)
Other Funds Total	-	-	\$ 1,665,617	\$ 1,665,617
Federal Funds Total	-	-	\$ 27,264,053	\$ 27,264,053

*Excludes Capital Construction

2009-11 Supplemental Appropriations

	<u>2009-11 Legislatively Approved Budget</u>	<u>2009-11 Committee Recommendation</u>	<u>Committee Change</u>
<u>Public Utility Commission</u>			
Other Funds	-	\$ 10,000	\$ 10,000
<u>Oregon University System (Department of Higher Education)</u>			
Federal Funds	-	\$ 3,550	\$ 3,550
<u>Judicial Department</u>			
General Fund	-	\$ 499,999	\$ 499,999
<u>Public Defense Services Commission</u>			
General Fund	-	\$ 802,570	\$ 802,570
<u>Oregon Watershed Enhancement Board</u>			
Federal Funds	-	\$ 800,000	\$ 800,000
<u>Department of Transportation</u>			
Lottery Funds Debt Service	-	\$ 2	\$ 2

2011-13 Position Summary

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>Office of the Governor</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	2.50	2.50
<u>Secretary of State</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	0.50	0.50
<u>Department of Community Colleges and Workforce Development</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>Department of Education</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>State Commission on Children and Families</u>				
Authorized Positions	-	-	0	0
Full-time Equivalent (FTE) positions	-	-	(0.25)	(0.25)
<u>State Department of Energy</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00
<u>Water Resources Department</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2011 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 939, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

Senate Bill 5508 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.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, 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 \$25 million General Fund to the Emergency Board for general purposes.

Senate Bill 5508 makes two special purpose appropriations to the Emergency Board, totaling \$10 million General Fund:

- \$8 million General Fund for the Department of Human Services and/or the Oregon Health Authority for caseloads or costs for programs and services. This appropriation is in addition to the resources, and the special purpose appropriation to the Emergency Board, included in the budget bills for the Department of Human Services (House Bill 5030) and the Oregon Health Authority (Senate Bill 5529).
- \$2 million General Fund for the Department of Justice for: 1) 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; and 2) the Defense of Criminal Convictions program. This appropriation is in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2012, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2011-13 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect savings in multiple agencies based on 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. Agencies will need to reconcile these changes in the appropriate line items with consideration for the 6.5% overall reduction in services and supplies applied to most agency budgets and reductions in uniform/self-support rent charges. Debt service costs are also adjusted based on

updated bonding information, including a net \$24.4 million reduction in Lottery Funds debt service costs. The combined results of these changes on individual agency budgets are shown in Attachment A. Total savings are \$21.1 million General Fund, \$24.5 million Lottery Funds, \$33.9 million Other Funds, and \$2.6 million Federal Funds.

ADMINISTRATION

Oregon Department of Administrative Services

Senate Bill 5508 includes General Fund appropriations to the Department for the following programs:

- \$100,000 for the Confluence Project, a collaborative effort of Pacific Northwest tribes, civic groups from Washington and Oregon, artists, architects, and landscape designers. Each of its seven sites along the Columbia River features an art installation interpreting the area's ecology and history.
- \$400,000 for the Boardman Health Clinic, which gives Columbia River Community Health Services the amount needed to complete the funding package for this project. The new 15,000 square foot medical facility replaces a 5,000 square foot building that can no longer expand with the existing footprint.
- \$400,000 for Southwestern Oregon Community College's Curry Campus project. The money will help finish equipping and furnishing the facility.
- \$425,000 for Port Orford to purchase a building for the planned marine reserve research and interpretive center.

The Subcommittee added \$19,514,631 Other Funds for costs of issuance and special payments associated with the distribution of proceeds from several Lottery Bond sales; projects are detailed below and approved in the Lottery Bond bill (House Bill 5036). Also included is \$903,119 Lottery Funds to cover the 2011-13 debt service on those bonds.

- \$3,251,756 Other Funds for disbursement to the Port of Morrow for the purpose of Willow Creek/Sage Center Improvements, including construction of sidewalks or other walkways. For debt service, \$173,981 Lottery Funds is approved.
- \$6,478,890 Other Funds for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center. For debt service, \$346,294 Lottery Funds is approved.
- \$2,950,809 Other Funds for disbursement to the Milton-Freewater Water Control District for public infrastructure improvements, including levee restoration/repair projects and bridge projects in Milton-Freewater and surrounding areas. For debt service, \$157,711 Lottery Funds is approved.
- \$2,549,322 Other Funds for disbursement to the Oregon Historical Society for payment of mortgage costs associated with the society's storage facility in Gresham. For debt service, \$225,133 Lottery Funds is approved.
- \$4,283,854 Other Funds for disbursement to the Lane Transit District for the West Eugene EmX Extension; this project supports the acquisition, construction and procurement of the components of an extension of the bus rapid transit system in west Eugene. Debt service for this project was included as part of the omnibus adjustments mentioned previously.

Office of the Governor

The Subcommittee appropriated \$3 million General Fund and increased Federal Funds expenditure limitation by \$825,616 for the purpose of implementing Senate Bill 909, which creates the Oregon Education Investment Board and the Early Learning Council. Three positions (2.50 FTE) were also approved: a Chief Investment Officer and Early Learning Systems Director (both Principal Executive/Manager G) and one half-

time Executive Support Specialist 2. An estimated \$354,067 General Fund will be spent on Personal Services and supplies and services. The Governor's Office anticipates expending the balance of the General Fund resources for professional services contracts for change management, development of a school-readiness assessment tool, and development of a comprehensive early childhood education and care budget. The federal funds, from the federal State Early Childhood Advisory Council grant received during the 2009-11 biennium, will support the Early Learning System Director, the half-time executive support position, associated services and supplies and Professional Services costs for the work of the Early Learning Council.

Secretary of State

The budget for the Secretary of State is increased by \$80,000 General Fund for House Bill 2257, which expands electronic filing requirements of statements to the Elections Division; by \$380,312 Other Funds for House Bill 3247, which requires the agency to establish the "One Stop Shop for Oregon Business" internet portal; and by \$634,419 Federal Funds for two federal grants, with the understanding that the Department of Administrative Services will unschedule the Federal Funds expenditure limitation pending award of the grants. One limited-duration Operations and Policy Analyst 2 position (0.50 FTE) is also established for development of the internet portal. The General Fund appropriation is to finance one-time costs and will be phased out in development of the agency's 2013-15 biennium budget. All but \$75,000 of the Other Funds for the internet portal will also be phased out in the development of the 2013-15 biennium budget. The remaining \$75,000 is projected to cover the ongoing maintenance costs of the internet portal.

CONSUMER AND BUSINESS SERVICES

Oregon Health Licensing Agency

The Subcommittee approved \$46,356 Other Funds expenditure limitation to support licensing and regulatory oversight of Polysomnographic Technologists within the Respiratory Therapist and Polysomnographic Technologist Licensing Board, as established in Senate Bill 723. The Other Funds revenue results from applications, licensure, renewals, and other fees associated with licensing the Polysomnographic Technologists.

Real Estate Agency

The Other Funds expenditure limitation for the agency is increased by \$496,400 to cover expenses for an online licensing system. The agency received a \$500,000 limitation for this project during the 2009-11 biennium. However, due to delays in project implementation, vendor payments will not be made until the first quarter of the 2011-13 biennium.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

Senate Bill 5508 establishes \$1.3 million in new Lottery Funds expenditure limitation for the Department. Of this amount, \$1 million is established for identifying regional governance solutions to improve economic development opportunities and for developing a West Coast strategy to create jobs while reducing carbon emissions and the costs of doing business by retrofitting and redesigning the built environment. The remaining \$300,000 is established for a pilot project providing economic gardening services. An additional \$106,207 Other Funds expenditure limitation is provided for payment of costs to issue lottery revenue bonds for the Department. Bond proceeds will provide the source

of these Other Funds. These bonds are associated with the authorization in House Bill 5036 of \$10,000,000 of lottery revenue bond proceeds for infrastructure financing. A total of \$10,000,000 of lottery revenue bond proceeds will be deposited into the Special Public Works Fund and the Water/Waste Water Fund, where they will be used to provide loans and grants to municipalities with eligible infrastructure projects. The Department is authorized to make these loans and grant payments as Nonlimited Other Funds. The Lottery Funds, Other Funds, and Nonlimited Other Funds expenditures are one-time expenditures that will be phased out in the development of the Department's 2013-15 biennium budget.

Of the Lottery Funds available to the Department in the 2011-13 biennium budget, the amount of \$20,000 is designated for the purpose of promoting Oregon businesses at the 2011 and 2012 China International Fairs for Investment & Trade in Xiamen, China.

Housing and Community Services Department

Other Funds expenditure limitation for the Housing and Community Services Department is reduced by \$4,879,057 to reconcile the amount of Lottery Bond proceeds approved in the Capital Construction budget for the purpose of preserving low income housing with expiring federal subsidies. The low income housing preservation package is anticipated to provide gap financing to preserve about 125 units of affordable housing. The total amount approved is \$5,000,000 Other Funds for project costs and \$120,943 Other Funds for costs of issuance.

Department of Veterans' Affairs

Senate Bill 5508 appropriates a total of \$800,000 General Fund to the Department of Veterans' Affairs for the following purposes:

- \$350,000 to augment payments to county veterans' service organizations for the 2011-13 biennium.
- \$350,000 in one-time funding for interim operation of the Military HelpLine service for veterans until federal funding is secured for the service by the Oregon Military Department.
- \$100,000 in one-time funding to provide assistance with medical transportation to veterans who use wheelchairs.

EDUCATION

Department of Education

The State School Fund is adjusted in Senate Bill 5508 to reflect a rebalance of statewide resources, decreasing General Fund and increasing Lottery Funds expenditure limitation by \$2,822,847.

The Subcommittee approved a one-time appropriation of \$150,000 General Fund for the For Inspiration and Recognition of Science and Technology (FIRST) program.

The Oregon Court of Appeals affirmed a ruling against the Department of Education for breach of contract with Vantage Learning which provided standardized testing in Oregon schools. The resulting judgments total \$3.5 million plus accrued interest at 9% per annum from October 2006 to date of payment, which will exceed \$5 million in total. The Subcommittee approved \$5 million General Fund to assist in covering this liability. The Department estimates that approximately \$2.4 million may be available within its existing 2009-11 legislatively approved budget that would otherwise be reverted to the General Fund. The Department is to first utilize its 2009-11 legislatively approved budget to the greatest

extent possible to address the payments due to Vantage Learning; any remaining balance due may be paid from this new appropriation. Any remaining funds from the \$5 million will be disappropriated when the Legislature convenes in 2012.

One position (1.00 FTE) is established for the Director of the Office of Regional Educational Services approved in Senate Bill 250.

The Subcommittee approved an increase of \$625,000 Other Funds expenditure limitation for the Oregon School for the Deaf (OSD) to support building improvements, repairs and maintenance costs, with the understanding that the Department of Administrative Services (DAS) will unschedule \$450,000 pending a joint report from DAS Facilities Division and OSD. The \$175,000 that is not uncheduled is for replacing carpet in the elementary/middle school building and the building used for the infirmary, food service and administration, as the old carpet is a safety hazard for children. Consistent with the direction provided by the Emergency Board in December 2010, the agency and DAS shall bring forward a five-year maintenance plan that is inclusive of funding available within the existing operating budget, community donations, proceeds from the sale of the School for the Blind, and any resources available from other state agencies. The report should also include an update on facility utilization with the improvements sponsored by the Extreme Makeover: Home Edition program. This report shall be considered in conjunction with the work of a legislative interim work group to review deferred maintenance needs and sustainability of the OSD and the staffing model prepared by ODE in response to a budget note adopted with House Bill 5020 (2011) prior to rescheduling the balance of the expenditure limitation.

Department of Community Colleges and Workforce Development

The Subcommittee approved a net increase of \$3.54 million General Fund for the following purposes:

- \$3.4 million General Fund for Oregon's National Career Readiness Certificate (NCRC) and on-the-job training programs which support the Governor's "Getting Oregon Back to Work" initiative. The Subcommittee also approved establishing one limited duration Program Analyst position (1.00 FTE) to support the NCRC. The position is grant funded and the Department has sufficient Federal Funds expenditure limitation.
- \$500,000 General Fund for a one-time expenditure of \$100,000 to the Trucking Solutions Consortium for administration and \$400,000 for a loan program for students participating in commercial driver license training. These loans are not part of a State program and funding is provided only to establish the private program.
- Decreased debt service by \$363,510 to reflect updated principal and interest payments following the April 2011 sale of Article XI-G bonds.

Oregon University System

The Oregon University System (OUS) budget is adjusted in Senate Bill 5508 to reflect the fiscal impact of Senate Bill 242. The OUS budget was reduced \$7,440,000 General Fund to reflect the System now retaining interest on all monies it receives. The interest on tuition and other revenues was previously deposited in the General Fund. To mitigate the impact of this change on the General Fund, OUS agreed to a reduction in its base budget to offset the lost General Fund revenues. OUS is further directed to phase-out an additional \$14,603,000 General Fund during development of its 2013-15 budget request to reflect the 2013-15 lost General Fund revenue estimate of \$22,043,000. Additional changes due to approval of Senate Bill 242 include a \$1,947,230 General Fund reduction to eliminate funding included in the budget to pay Department of Justice costs now that OUS will no longer be represented by the State. OUS estimates it will cost more to retain outside legal counsel, however, so the budget was increased by \$2,307,230 Other Funds to accommodate the increase in legal costs. Reductions of \$236,816 General Fund and

\$1,018,168 Other Funds are made to reflect OUS not paying DAS assessments after July 1, 2012. Additional Other Funds adjustments related to the fiscal impact of Senate Bill 242 include adding \$250,000 for a risk management consultant, \$200,000 for a study on alternative health plans, and \$14,580 due to increasing the membership of the Board of Higher Education to 15 people. Overall, these changes reduce the OUS budget for education and general services by \$9.6 million General Fund and add \$1.8 million Other Funds expenditure limitation. For complete details on the fiscal effects of Senate Bill 242, see the fiscal impact statement issued for Senate Bill 242-C.

Senate Bill 5508 also appropriates \$5,660,047 General Fund for debt service on outstanding Article XI-Q general obligation bonds. The budget for OUS included no debt service for these bonds, which have largely replaced the use of Certificates of Participation.

The Subcommittee approved an additional \$500,000 General Fund for Dispute Resolution services at the University of Oregon and an additional \$150,000 General Fund for the Labor Education Research Center at the University of Oregon. Both increases were made as one time additions in General Fund support for the 2011-13 biennium only.

HUMAN SERVICES

Oregon Health Authority

The Subcommittee approved an additional \$13.9 million Other Funds and \$23.3 million Federal Funds expenditure limitation for the increased hospital benefits for clients in the Oregon Health Plan Standard program. These increased benefits were part of the hospital provider tax expansion, but were contingent on the passage of Senate Bill 204. For this reason the limitation was not included in Senate Bill 5529, the budget bill for the Oregon Health Authority. The Subcommittee also approved the addition of \$600,000 General Fund to mitigate the reduction to the reimbursement rate for durable medical equipment.

In addition, \$300,000 Other Funds expenditure limitation was added to Public Health to restore funding to the Oregon Trauma System. The Seniors Farmers Market Program was increased by \$5,000 Other Funds and \$60,000 Federal Funds expenditure limitation. Revenues from increased medical marijuana fees will fund the state portion of these two items.

The Subcommittee directed the following budget note related to contracts for managed care plans:

BUDGET NOTE

The Oregon Health Authority (OHA) priority shall be to renew contracts of prepaid managed care plans under contract January 1, 2011 within budgetary constraints. The OHA shall not use a competitive bid process or similar process in the renewal of the contracts for prepaid managed care organizations. OHA will work cooperatively with plans to develop capitation rates using realistic pricing structures which are actuarially sound and which address the fiscal viability of the plans given the budget reductions. This structure should reflect the legislatively approved budget and its reductions as well as the need for federal approval in the most expeditious and fiscally prudent manner.

Department of Human Services

The Subcommittee added \$1.5 million Federal Funds expenditure limitation to the Children, Adults and Families budget, based on a federal bonus for Oregon's low negative error rate in administering the Supplemental Nutrition Assistance Program (SNAP/food stamps). The agency expects to use the one-time federal award to offset General Fund expenditures in program administration. The General Fund will be shifted to the Temporary Assistance to Needy Families (TANF) program budget to continue, for at least the first year of the biennium, the \$50 monthly Post-TANF payments for families who are transitioning from TANF cash assistance to employment. House Bill 5030, the department's budget bill, anticipated eliminating these payments for the full 2011-13 biennium as a budget savings action.

The Subcommittee approved an additional \$500,000 General Fund for Oregon Project Independence. Together with funding in House Bill 5030, this brings program funding to \$9.5 million General Fund for the 2011-13 biennium.

After completion of the DHS budget in House Bill 5030, DHS discovered that the budgeted funding level for Type B Area Agencies on Aging (AAAs), who determine long-term care service and financial eligibility and provide adult protective services for seniors and people with physical disabilities, was not sufficient to fund the AAAs at 85% equity relative to state office costs as was intended. The funding level in House Bill 5030 would instead fund Type B AAAs at 83.7% equity. The Subcommittee approved \$279,161 General Fund and \$260,139 Federal Funds to fund the AAAs at 85% equity through February 2012. This allows time for DHS and the AAAs to review the funding allocation model, overall costs, revenues and caseload trends, with the intent that DHS and the AAAs make a recommendation to the 2012 Legislative Assembly for addressing this issue for the balance of the 2011-13 biennium.

An additional \$2 million General Fund and \$3.3 million Federal Funds was approved to partially restore rate reductions slated for certain providers of developmental disability (DD) comprehensive services. The budget continues the DD provider rate reductions implemented as part of the DHS allotment reductions for the 2009-11 biennium, but the added funding will avoid, at least through February 2012, further reductions otherwise expected for the 2011-13 biennium. The added funding will delay the October 1, 2011 4% comprehensive services rate reduction through February 2012 for Adult Supportive Living Services, Adult and Children's 24-Hour DD Residential Services, Employment Services and Children's Proctor Care; and fund brokerage administration at 89% of equity. The funding will not impact the following reductions set to take effect October 1, 2011: 10% reduction to Adult DD Foster Care providers and Community Developmental Disability Programs; a further 4% reduction in Children's DD Foster Care; and a 4% reduction to non-Alternatives to Employment program transportation.

State Commission on Children and Families

An additional 0.25 FTE reduction is made as a technical adjustment to reflect the Commission's final staffing plan to implement its legislatively adopted budget in Senate Bill 5550.

JUDICIAL BRANCH

Judicial Department

The Subcommittee approved adjustments to the budget for the Judicial Department as follows:

- House Bill 2710 transfers funding of the Collection and Revenue Management Program from Other Funds back to the General Fund. This results in a \$28.2 million Other Funds expenditure limitation reduction, with General Fund appropriations of \$9.3 million for third party debt collection fees and \$18.9 million for Personal Service and services and supplies costs. This action does not result in any change to the Department's positions or FTE.
- A General Fund appropriation of \$2 million for Trial and Appellate level operations costs.
- General Fund appropriations for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000).
- An Other Funds reduction of \$405,816 for the costs of issuance for Oregon eCourt Program Article XI-Q bonds. The Department's budget will retain \$100,000 for the \$6 million of Article XI-Q bonds approved in House Bill 5005.
- A General Fund Debt Service reduction of \$486,738, which reflects a lower Article XI-Q bond issuance for the Oregon eCourt Program than was assumed in the Governor's recommended budget.

LEGISLATIVE BRANCH

Legislative Counsel Committee

The Other Funds expenditure limitation for the Legislative Counsel Committee is decreased by \$275,000 for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000). For the 2011-13 biennium, these two entities will receive a General Fund appropriation through the Oregon Judicial Department (see the Judicial Branch program area narrative above).

NATURAL RESOURCES

State Department of Agriculture

Lottery funds expenditure limitation is increased by \$543,000 on a one-time basis to accommodate 2009-11 carry forward for weed control activities. Due to the excessively wet spring, the Department was unable to complete all the weed control projects originally planned for the 2009-11 biennium.

State Department of Energy

Senate Bill 5508 increases the Department's Other Funds expenditure limitation by \$100,000 for financing and technical assistance to school districts for investments in energy efficiency in the 2011-13 biennium; this includes one limited-duration finance position (1.00 FTE). It also increases Other Funds by \$400,000 for the expenses of one limited-duration Governor's energy policy advisor position (1.00 FTE), for supporting the development of a 10-year plan for energy, and for coordinating other activities related to energy policy within the Office of the Governor and the Department.

The following budget note was approved:

BUDGET NOTE

The Department of Energy will establish a work group to develop policy recommendations to be provided to the Legislature during the February 2012 session relating to large single load customers that result in small utilities being re-designated as large utilities under the renewable portfolio standard. Members of the workgroup shall consist of nine members, appointed as follows:

- The Department of Energy shall appoint:
 - two representatives of the Umatilla Electric Cooperative;
 - one representative of the environmental community;
 - one representative of the natural resource community; and
 - one representative of consumer owned utilities.
- The Co-Speakers of the House of Representatives shall appoint two members, one from each caucus, who shall serve as ex-officio members.
- The Senate President shall appoint two members, one from each caucus, who shall serve as ex-officio members.

A representative of the Governor's office, designated by the Governor, is also invited to participate.

The work group shall:

- examine issues and develop policy recommendations relating to small utilities that have large single load customers, which result in the utilities being reclassified as large utilities under the renewable portfolio standard;
- examine complications resulting from contract requirements between the Bonneville Power Administration and preferred energy customers for Tier II energy contracts, and make recommendations for potential rule or policy changes; and
- submit a report, including findings and recommendations, to the Department of Energy and the interim legislative committees relating to energy and consumer protection no later than February 1, 2012.

Department of Environmental Quality

The Subcommittee approved the following budget note relating to the implementation of new water quality standards:

BUDGET NOTE

By February 15, 2013, DEQ shall report to the Seventy-seventh Legislative Assembly on the status of the water quality standards rules proposed for adoption in June 2011, including whether the rules were adopted by the Environmental Quality Commission (EQC) and approved by the Environmental Protection Agency (EPA). If the standards are adopted and approved, the report shall also include, but need not be limited to:

- the number and types of variances granted;
- a summary of the conditions contained in the variances;
- for each variance application received by DEQ, the cost incurred by a permittee to prepare the variance application as made available by the applicant; and,
- information provided by permittees who applied for a variance on the estimated costs associated with implementing the pollution prevention plan required by the variance and other related fiscal impacts.

By February 15, 2015, DEQ shall report to the Seventy-eighth Legislative Assembly on the status and implementation of the human health toxics standards and any related standards adopted by the EQC and approved by EPA after June 2011. The report shall also include but not be limited to the information listed above.

State Department of Fish and Wildlife

Senate Bill 5508 establishes \$726,928 Other Funds expenditure limitation for State Department of Fish and Wildlife debt service payments for the agency's headquarters building project to be financed with Article XI-Q bonds authorized in HB 5005.

State Forestry Department

The Subcommittee approved an increase of \$414,881 Other Funds for the cost of issuance related to the sale of lottery bonds (\$1.9 million) authorized in House Bill 5036 for the purchase of land in the Gilchrist Forest. The Subcommittee reduced the Private Forests Other Funds expenditure limitation by \$300,000 to remove limitation related to contract services funded by the harvest tax revenue. These services will be accommodated within the Department's total budget authorization for the 2011-13 biennium.

Water Resources Department

Senate Bill 5508 appropriates \$487,062 General Fund to restore a Water Availability Modeler position (\$152,972), a Groundwater Hydrogeologist position (\$159,090) and groundwater research funds (\$125,000) that the Governor's recommended budget proposed to eliminate, and provide \$50,000 services and supplies to contract data systems maintenance and software applications related to the program. Restoring the two positions (2.00 FTE) enables the department to maintain water availability models and hydrographic data needed to make decisions when water right applications, permits, and transfers are evaluated; and identify aquifer boundaries, define water budgets, document the interaction between surface water and groundwater and quantify the impacts of future allocations on senior users and the water resource.

PUBLIC SAFETY

Oregon Criminal Justice Commission

Other Funds expenditure limitation for the Criminal Justice Commission is increased by \$176,384 to provide sufficient limitation for payment to drug courts to comply with the 2005 law that requires the Commission pay 20% of forfeiture collections to drug courts.

Department of Justice

The Subcommittee appropriated \$600,000 General Fund to the Department of Justice for two Crime Victims' programs. The Child Abuse Multidisciplinary Account (CAMI) is to receive \$458,940 General Fund and the Oregon Domestic and Sexual Violence Abuse program is to receive \$141,060 General Fund. These appropriations are in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

Oregon Military Department

The Subcommittee approved \$7.5 million Other Funds expenditure limitation for the expenditure of Article XI-M seismic rehabilitation bonds approved in House Bill 5005. Additionally, the Subcommittee appropriated \$618,000 in General Fund debt service for the Article XI-M bonds and added \$114,000 Other Funds expenditure limitation for the cost of issuance.

The Subcommittee approved a \$43,737 Other Funds expenditure limitation increase for the cost of issuance of The Dalles Readiness Center's Article XI-Q bonds, as approved in House Bill 5005. This issuance, which will occur late in the 2011-13 biennium, does not have any associated General Fund debt service during the biennium.

Oregon Youth Authority

An additional \$300,000 General Fund is appropriated to the Oregon Youth Authority to enhance funding for east Multnomah County gang intervention services.

TRANSPORTATION

Department of Transportation

The Subcommittee added \$2 million General Fund for Senior and Disabled Transportation operating grants in the Oregon Transportation Department's Public Transit division. Public transit activities include offering mobility grants to communities to ensure equality of opportunity to access transportation systems and services for seniors and individuals with disabilities.

The Subcommittee approved an increase of \$12,503,912 Other Funds expenditure limitation to implement provisions of House Bill 5036 authorizing issuance of lottery bonds for Connect Oregon IV for multimodal transportation projects. This amount includes the cost of issuance and the amount of bond proceeds that is anticipated to be distributed during the biennium.

An additional \$549,715 Other Funds expenditure limitation was approved to correct a calculation error in vacancy savings for Motor Carrier Transportation (\$193,815), Transportation Program Development (\$334,957), and the Transportation Safety Program (\$20,943).

Adjustments to 2009-11 Budgets

Public Utility Commission

Senate Bill 5508 increases the Commission's Other Funds expenditure limitation by \$10,000 for the Board of Maritime Pilots related to Attorney General charges associated with rate cases.

Oregon University System (Department of Higher Education)

Federal Funds expenditure limitation for the Oregon University System is increased by \$3,550. Unallocated federal American Recovery and Reinvestment Act funding is added for 2009-11 to ensure the correct distribution of these funds is maintained between the education sectors as required by the granting authority.

Judicial Department

The Judicial Department budget is increased with a \$499,999 General Fund appropriation for operations. The amount of the appropriation is to ensure that the Department receives seven quarters of House Bill 2287 revenues (\$22,002,005) as anticipated in the Department's 2009-11 legislatively approved budget.

Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$802,570 for the Public Defense Services Account for trial-level public defense. The amount of the appropriation is to ensure that the agency receives seven quarters of House Bill 2287 revenues (\$12,380,573) as anticipated in the Commission's 2009-11 legislatively approved budget.

Oregon Watershed Enhancement Board

Expenditure limitation for this Board is increased by \$800,000 Federal Funds to pay out federal land acquisition grants that the agency expects to expend late in the current biennium.

Department of Transportation

The Subcommittee added \$2 Lottery Funds expenditure limitation for debt service payments for Connect Oregon II for multimodal transportation projects and the Southeast Metro Milwaukie Extension bonds.

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
ADMINISTRATION								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,691)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-06	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	(249)	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(6,360)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(404)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	-	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
CONSUMER AND BUSINESS SERVICES								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetery Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill		Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
		Number	Section/ Sub					
HEALTH RELATED LICENSING BRDS	Oregon State Veterinary Medical Examining Board	HB 5028	07	OF	-	-	4,633	-
OREGON HEALTH LICENSING AGENCY	Operating Expenses	HB 5026	01	OF	-	-	(19,614)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	01	GF	(10,650)	-	-	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	02	OF	-	-	(3,637)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	04	FF	-	-	-	(819)
PUBLIC UTILITY COMMISSION	Utility program	SB 5542	01-01	OF	-	-	(5,168)	-
PUBLIC UTILITY COMMISSION	Residential Service Protection Fund	SB 5542	01-02	OF	-	-	(286)	-
PUBLIC UTILITY COMMISSION	Administration	SB 5542	01-03	OF	-	-	(17,065)	-
PUBLIC UTILITY COMMISSION	Board of Maritime Pilots	SB 5542	01-04	OF	-	-	(71)	-
PUBLIC UTILITY COMMISSION	Operating Expenses	SB 5542	02	FF	-	-	(506,788)	(36)
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	01	OF	-	-	-	-
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	02	FF	-	-	-	(2,438)
REAL ESTATE AGENCY	Operating Expenses	SB 5544	01	OF	-	-	(33,430)	-
BOARD OF NURSING	Operating Expenses	SB 5527	01	OF	-	-	(55,413)	-
OREGON MEDICAL BOARD	Operating Expenses	SB 5526	01	OF	-	-	(2,002)	-
PHARMACY, OREGON BOARD OF	Operating Expenses	SB 5536	01	OF	-	-	2,463	-
ECONOMIC DEVELOPMENT								
OREGON BUSINESS DEVELOPMENT DEF Arts		SB 5528	01	GF	(1,316)	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	02-01	OF	-	-	(912)	-
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	02-02	OF	-	-	(9,335)	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	02-03	OF	-	-	(1,923)	-
OREGON BUSINESS DEVELOPMENT DEF Arts & Cultural Trust		SB 5528	02-04	OF	-	-	(1,614)	-
OREGON BUSINESS DEVELOPMENT DEF Debt Service		SB 5528	02-05	OF	-	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	03-01a	LF	-	(8,976)	-	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	03-01b	LF	-	(11,753)	-	-
OREGON BUSINESS DEVELOPMENT DEF Debt service on lottery bonds		SB 5528	03-01d	LF	-	(7,636,301)	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	04-01	FF	-	-	(8)	-
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	04-02	FF	-	-	-	(158)
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	01	GF	822	-	140,692	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	02-01	OF	-	-	-	26,833
DEPT OF HOUSING/COMMUNITY SVCS	Debt service on lottery bonds	SB 5515	03	LF	-	(893,958)	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	04	FF	-	-	-	-
DEPT OF VETERANS AFFAIRS	Veis' Services Organizations Payments	SB 5546	01-03	GF	(572)	-	-	-
DEPT OF VETERANS AFFAIRS	Veis' Services Organizations Payments	SB 5546	02-01	OF	-	-	(39,377)	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	02-01	OF	-	-	1,204,757	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	05	FF	-	-	-	(365,884)
EDUCATION								
TEACHER STANDARDS/PRACTICES	Operating Expenses	SB 5545	01	OF	-	-	7,367	-
STUDENT ASSISTANCE COMMISSION	Office of Degree Authorization	HB 5043	01-04	GF	(359)	-	-	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	02	OF	-	-	(5,890)	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	01-03	GF	(3,546)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	01-01	GF	(79,021)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	01-02	GF	(6,578)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	01-03	GF	(6,176)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	01-04	GF	(760)	-	-	-

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF HIGHER EDUCATION	Debt service on outstanding general obligation bonds	SB 5532	01-05-a	GF	(4,613,989)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Debt service for COPs	SB 5532	01-05-b	GF	(8,483,611)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Repayment to Dept of Energy (Debt Service)	SB 5532	01-05-c	GF	2,085,658	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	02-01	OF	-	-	(247,055)	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	02-02	OF	-	-	(2,191)	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	02-03	OF	-	-	(1,361)	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	02-04	OF	-	-	(1,466)	-
DEPARTMENT OF HIGHER EDUCATION	Debt service on lottery bonds	SB 5532	04	LF	-	(2,450,028)	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	01-01	GF	(9,475)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	02-01	OF	-	-	(4,956)	-
COMMUNITY COLLEGES DEPARTMENT	Oregon Youth Conservation Corps	HB 5011	02-02	OF	-	-	(67)	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	03	FF	-	-	-	(18,423)
COMMUNITY COLLEGES DEPARTMENT	Debt service on lottery bonds	HB 5011	08	LF	-	(586,989)	-	-
DEPT OF EDUCATION	Operations	HB 5020	01-01	GF	(242,493)	-	-	-
DEPT OF EDUCATION	Operations	HB 5020	03-01	OF	-	-	(95,444)	-
DEPT OF EDUCATION	Oregon State Schools for the Deaf	HB 5020	03-02	OF	-	-	(2,358)	-
DEPT OF EDUCATION	Youth Corrections Education Program	HB 5020	03-05	OF	-	-	(1,229)	-
DEPT OF EDUCATION	Operations	HB 5020	04-01	FF	-	-	-	(75,881)
DEPT OF EDUCATION	Debt service on lottery bonds	HB 5020	07	LF	-	(935,761)	-	-
DEPT OF EDUCATION	Debt service on lottery bonds (OEF)	HB 5020	08	LF	-	(322,502)	-	-
HUMAN SERVICES								
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	01	GF	(1,439)	-	-	-
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	02	OF	-	-	(183)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	01	GF	(1,512)	-	-	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	02	OF	-	-	(5,298)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	03	FF	-	-	-	(41,149)
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	01	GF	(552)	-	-	-
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	02	OF	-	-	-	-
DEPT OF HUMAN SERVICES	Central Services	SB 5539	02	OF	-	-	-	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	01-01	GF	(5,783)	-	-	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	01-02	GF	(693,929)	-	-	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	01-03	GF	(250,138)	-	-	-
DEPT OF HUMAN SERVICES	Debt Service	HB 5030	01-04	GF	(73,213)	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	02-01	OF	-	-	(946)	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	02-02	OF	-	-	(38,928)	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	02-03	OF	-	-	(6,453)	-
DEPT OF HUMAN SERVICES	Shared Services	HB 5030	02-04	OF	-	-	(175,921)	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	03-01	FF	-	-	-	30,542
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	03-02	FF	-	-	-	(824,071)
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	03-03	FF	-	-	-	(400,838)
COMMISSION ON CHILDREN/FAMILIES	General Fund	SB 5550	01	GF	(5,608)	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	01-01	GF	(578,758)	-	-	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	01-02	GF	(8,386)	-	-	-
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	01-04	GF	96,134	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	02-01	OF	-	-	(164,642)	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	02-02	OF	-	-	(2,149)	-
OREGON HEALTH AUTHORITY	Shared Services	SB 5529	02-03	OF	-	-	(306,791)	-

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill		Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
		Number	Section/ Sub					
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	02-04	OF	-	-	(7,053,790)	-
	Programs	SB 5529	04-01	FF	-	-	-	(412,885)
	Central Services	SB 5529	04-02	FF	-	-	-	57,432
JUDICIAL BRANCH	Operations	SB 5517	01-01	GF	(45)	-	-	-
	Operations	SB 5516	01-02	GF	(136,824)	-	-	-
	Mandated payments	SB 5516	01-03	GF	(272)	-	-	-
	Debt Service	SB 5516	01-05	GF	(2,790,843)	-	-	-
	Operations	SB 5516	02-01	OF	-	-	(801)	-
	Operations	SB 5516	04	FF	-	-	-	(7)
	Appellate Division	SB 5540	01-01	GF	(12,289)	-	-	-
	Contract and Business Services Division	SB 5540	01-03	GF	(3,410)	-	-	-
	General program	SB 5520	01-01	GF	(17,594)	-	-	-
	Presiding Officers, caucuses, desks	SB 5520	04-01	GF	(24,066)	-	-	-
Assembly - Interim	SB 5520	05-01	GF	(1,624)	-	-	-	
Assembly - session	SB 5520	05-02	GF	(2,375)	-	-	-	
Operating Expenses	SB 5520	09	GF	(5,286)	-	-	-	
Operating Expenses	SB 5520	12	GF	(2,667)	-	-	-	
Operating Expenses	SB 5520	13	GF	(756)	-	-	-	
Operating Expenses	SB 5520	14	GF	(201)	-	-	-	
NATURAL RESOURCES	Administration and education	SB 5525	01-01	OF	-	-	(11,610)	-
	Administration and education	SB 5525	02-01	FF	-	-	-	(466)
	Operations	SB 5511	01	OF	-	-	(14,134)	-
	Operations	SB 5511	03	FF	-	-	-	(181)
	General Fund	SB 5514	01	GF	(2,846)	-	-	-
	Other funds	SB 5514	02	OF	-	-	(663)	-
	Federal funds	SB 5514	03	FF	-	-	-	(927)
	Central Services	SB 5534	01-02	OF	-	-	(50,836)	-
	Central Services	SB 5534	02-02	LF	-	(32,312)	-	-
	General Fund	HB 5034	01	GF	(597)	-	-	-
	Other funds	HB 5034	02	OF	-	-	(24)	-
	Water resources program	HB 5049	01	GF	(15,771)	-	-	-
	Debt service on lottery bonds	HB 5049	02	LF	-	152,455	-	-
	Water resources program	HB 5049	03-01	OF	-	-	(2,485)	-
	Water development fund	HB 5049	03-02	OF	-	-	(31)	-
	Operating Expenses	HB 5049	04	FF	-	-	-	(22)
	Watershed Improvement Operating Fund	SB 5547	05	LF	-	(8,025)	-	-
Operations - Oregon Plan Activities	SB 5547	06	FF	-	-	-	(133)	
Operations - Oregon Plan Activities	SB 5547	07	OF	-	-	(15)	-	
Common School Fund programs	HB 5042	01-01	OF	-	-	(33,568)	-	
Oregon Removal-Fill Mitigation Fund	HB 5042	01-02	OF	-	-	(14)	-	
Natural Heritage Advisory Council	HB 5042	01-03	OF	-	-	(10)	-	
South Slough National Estuarine Research Reserve operations	HB 5042	01-04	OF	-	-	(1,056)	-	

SENATE BILL 5503-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	02-01	FF	-	-	-	(24)
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	02-03	FF	-	-	-	(1,020)
DEPT OF AGRICULTURE	Food Safety	HB 5002	01-02	GF	(4,323)	-	-	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	01-03	GF	(2,085)	-	-	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	01-04	GF	(2,506)	-	-	-
DEPT OF AGRICULTURE	Administrative and Support Services	HB 5002	02-01	OF	-	-	(2,243)	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	02-02	OF	-	-	(11,003)	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	02-03	OF	-	-	(12,017)	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	02-04	OF	-	-	(8,294)	-
DEPT OF AGRICULTURE	Parks and Natural Resources Fund	HB 5002	03	LF	-	(4,557)	-	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	04-01	FF	-	-	-	(47)
DEPT OF AGRICULTURE	Natural Resources	HB 5002	04-02	FF	-	-	-	(475)
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	04-03	FF	-	-	-	(487)
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	01-01	GF	(507)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	01-02	GF	(1,856)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	01-03	GF	(54)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	01-04	GF	(23)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	02-01	OF	-	-	(7,575)	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	02-02	OF	-	-	(4,865)	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	02-03	OF	-	-	(4,227)	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	02-04	OF	-	-	(6)	-
DEPT OF ENVIRONMENTAL QUALITY	Agency management	HB 5022	02-05	OF	-	-	(125,857)	-
DEPT OF ENVIRONMENTAL QUALITY	Parks and Natural Resources Fund	HB 5022	03	LF	-	(856)	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	05-01	FF	-	-	-	(814)
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	05-02	FF	-	-	-	(1,188)
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	05-03	FF	-	-	-	(1,348)
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	05-04	FF	-	-	-	(97)
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	01-01	GF	(257)	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	01-02	GF	(35)	-	-	-
DEPT OF FISH AND WILDLIFE	Administration Division	SB 5513	01-03	GF	(22,619)	-	-	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	02-01	OF	-	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	02-02	OF	-	-	(4,106)	-
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	02-03	OF	-	-	(3,552)	-
DEPT OF FISH AND WILDLIFE	Capital Improvement	SB 5513	02-04	OF	-	-	(99,257)	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	04-01	FF	-	-	(172)	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	04-02	FF	-	-	-	(3,120)
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	04-03	FF	-	-	-	(987)
DEPT OF FISH AND WILDLIFE	Fire Protection	HB 5023	01-01	GF	-	-	-	(57)
DEPT OF FORESTRY	Private forests	HB 5023	01-02	GF	(25,985)	-	-	-
DEPT OF FORESTRY	Debt Service	HB 5023	01-03	GF	(6,436)	-	-	-
DEPT OF FORESTRY	Agency administration	HB 5023	02-01	OF	(48,018)	-	-	-
DEPT OF FORESTRY	Protection from fire	HB 5023	02-02	OF	-	-	(81,246)	-
DEPT OF FORESTRY	State forests	HB 5023	02-03	OF	-	-	(66,576)	-
DEPT OF FORESTRY	Private forests	HB 5023	02-04	OF	-	-	(91,666)	-
DEPT OF FORESTRY	Debt Service	HB 5023	02-06	OF	-	-	(7,257)	-
DEPT OF FORESTRY	Equipment pool	HB 5023	02-07	OF	-	-	(19,077)	-
DEPT OF FORESTRY	Facilities maintenance and management	HB 5023	02-08	OF	-	-	(26,752)	-
DEPT OF FORESTRY	Debt service on lottery bonds	HB 5023	03	LF	-	175,837	(64)	-

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF FORESTRY	Agency administration	HB 5023	04-01	FF	-	-	-	(472)
DEPT OF FORESTRY	Protection from fire	HB 5023	04-02	FF	-	-	-	(5,779)
DEPT OF FORESTRY	Private forests	HB 5023	04-04	FF	-	-	-	(2,808)
DEPT OF LAND CONSERVATION/DEVELOPMENT	Planning program	HB 5032	01-01	GF	(8,499)	-	-	-
DEPT OF LAND CONSERVATION/DEVELOPMENT	Operating expenses	HB 5032	02	OF	-	-	(55)	-
DEPT OF LAND CONSERVATION/DEVELOPMENT	Planning program	HB 5032	03	FF	-	-	-	(3,008)
COLUMBIA RIVER GORGE COMMISSION	Operating Expenses	HB 5010	01	GF	(54)	-	-	-
PUBLIC SAFETY								
BOARD OF PAROLE/POST PRISON	General Fund	SB 5535	01	GF	(1,693)	-	-	-
OREGON STATE POLICE	Patrol services, criminal investigations and gaming enforcement	SB 5537	01-01	GF	(121,630)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	01-02	GF	(3,867)	-	-	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	01-03	GF	(20,086)	-	-	-
OREGON STATE POLICE	Administrative Services, Criminal Justice Information services and Office of the State Fire Marshal	SB 5537	01-04	GF	(38,137)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	02-02	OF	-	-	(14,755)	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	02-03	OF	-	-	(195)	-
OREGON STATE POLICE	Administrative Services, Criminal Justice Information services and Office of the State Fire Marshal	SB 5537	02-04	OF	-	-	(30,270)	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	03-02	FF	-	-	-	(737)
OREGON STATE POLICE	Administrative Services, Criminal Justice Information services and Office of the State Fire Marshal	SB 5537	03-04	FF	-	-	-	(458)
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	04-00	LF	-	(4,692)	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	01-01	GF	(45,050)	-	-	-
DEPT OF CORRECTIONS	Administration, public services, general services and human resources	SB 5505	01-02	GF	(781,145)	-	-	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	01-03	GF	(1,505)	-	-	-
DEPT OF CORRECTIONS	Debt Service	SB 5505	01-05	GF	(3,022,038)	-	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	02-01	OF	-	-	(4,402)	-
DEPT OF CORRECTIONS	Administration, public services, and general services	SB 5505	02-02	OF	-	-	(85,615)	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	02-03	OF	-	-	(13)	-
CRIMINAL JUSTICE COMMISSION	General Fund	SB 5507	01	GF	(1,421)	-	-	-
CRIMINAL JUSTICE COMMISSION	Other funds	SB 5507	02	OF	-	-	(50)	-
CRIMINAL JUSTICE COMMISSION	Federal funds	SB 5507	03	FF	-	-	-	(191)
DISTRICT ATTORNEYS/DEPUTIES	Department of Justice for District Attorneys	HB 5019	01	GF	(3,060)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	02	OF	(107,062)	-	(460,491)	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	03	FF	-	-	-	(514,045)
DEPT OF JUSTICE	Operating Expenses	SB 5518	03	FF	-	-	-	-
DEPT OF MILITARY	Administration	HB 5037	01-01	GF	(8,530)	-	-	-
DEPT OF MILITARY	Operations	HB 5037	01-02	GF	(17,641)	-	-	-
DEPT OF MILITARY	Emergency Management	HB 5037	01-03	GF	(388)	-	-	-
DEPT OF MILITARY	Community Support	HB 5037	01-04	GF	(513)	-	-	-
DEPT OF MILITARY	Capital Debt Service and Related Costs	HB 5037	01-05	GF	(211,996)	-	-	-
DEPT OF MILITARY	Administration	HB 5037	02-01	OF	-	-	(466)	-
DEPT OF MILITARY	Operations	HB 5037	02-02	OF	-	-	(1,066)	-
DEPT OF MILITARY	Emergency Management	HB 5037	02-03	OF	-	-	(3,495)	-
DEPT OF MILITARY	Community Support	HB 5037	02-04	OF	-	-	(17)	-
DEPT OF MILITARY	Operations	HB 5037	03-01	FF	-	-	-	(26,146)

SENATE BILL 5508-A
 ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF MILITARY	Emergency Management	HB 5037	03-02	FF	-	-	-	(2,475)
DEPT OF MILITARY	Community Support	HB 5037	03-03	FF	-	-	-	(1,647)
PUBLIC SAFETY/STDS/TRAINING	Operations	SB 5541	02	OF	-	-	(40,497)	-
OREGON YOUTH AUTHORITY	Operations	SB 5549	01-01	GF	(156,486)	-	-	-
OREGON YOUTH AUTHORITY	Debt Service	SB 5549	01-02	GF	(159,158)	-	-	-
OREGON YOUTH AUTHORITY	Operations	SB 5549	03	FF	-	-	-	(4,584)
TRANSPORTATION								
AVIATION DEPARTMENT	Operations	HB 5004	01-01	OF	-	-	(2,668)	-
OREGON DEPT OF TRANSPORTATION	Maintenance and emergency relief program	HB 5046	02-02	OF	-	-	(582,909)	-
OREGON DEPT OF TRANSPORTATION	Preservation program	HB 5046	02-03	OF	-	-	(6,613)	-
OREGON DEPT OF TRANSPORTATION	Bridge program	HB 5046	02-04	OF	-	-	(21,791)	-
OREGON DEPT OF TRANSPORTATION	Operations program	HB 5046	02-05	OF	-	-	(76,146)	-
OREGON DEPT OF TRANSPORTATION	Modernization program	HB 5046	02-06	OF	-	-	(3,562)	-
OREGON DEPT OF TRANSPORTATION	Special programs	HB 5046	02-07	OF	-	-	(625,605)	-
OREGON DEPT OF TRANSPORTATION	Local government program	HB 5046	02-08	OF	-	-	(7,778)	-
OREGON DEPT OF TRANSPORTATION	Driver and motor vehicle services	HB 5046	02-09	OF	-	-	(1,862,141)	-
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	02-10	OF	-	-	(92,287)	-
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	02-11	OF	-	-	(103,298)	-
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	02-13	OF	-	-	(3,625)	-
OREGON DEPT OF TRANSPORTATION	Rail	HB 5046	02-14	OF	-	-	(11,201)	-
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	02-15	OF	-	-	(14,980)	-
OREGON DEPT OF TRANSPORTATION	Central services	HB 5046	02-16	OF	-	-	(1,903,041)	-
OREGON DEPT OF TRANSPORTATION	Debt Service	HB 5046	02-17	OF	-	-	(17,906,875)	-
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	03-02	FF	-	-	-	(1,123)
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	03-03	FF	-	-	-	(2,272)
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	03-04	FF	-	-	-	(5,164)
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	03-06	FF	-	-	-	(21,148)
OREGON DEPT OF TRANSPORTATION	Debt service on lottery bonds	HB 5046	04-01	LF	-	(11,276,491)	-	-
TOTAL					(21,137,899)	(24,477,825)	(33,909,520)	(2,633,061)

Enrolled
Senate Bill 5701

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Joint Interim Committee on Ways and Means)

CHAPTER

AN ACT

Relating to state financial administration; creating new provisions; amending section 5, chapter 20, Oregon Laws 2011; repealing section 5, chapter 339, Oregon Laws 2011, section 12, chapter 496, Oregon Laws 2011, section 6, chapter 577, Oregon Laws 2011, section 5, chapter 590, Oregon Laws 2011, section 52, chapter 600, Oregon Laws 2011, section 12, chapter 609, Oregon Laws 2011, section 5, chapter 621, Oregon Laws 2011, and section 4, chapter 666, Oregon Laws 2011; appropriating money; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Notwithstanding any other law limiting expenditures, the amount of \$1,712,451 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including reimbursements from federal service agreements, but excluding lottery funds and federal funds, collected or received by the Judicial Department, for specialty courts.

SECTION 2. Notwithstanding any other law limiting expenditures, the amount of \$413,449 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Department of Corrections, for capital improvements.

SECTION 3. Notwithstanding any other law limiting expenditures, the amount of \$200,000 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds, federal funds and those funds described in section 7, chapter 616, Oregon Laws 2011, collected or received by the Department of Community Colleges and Workforce Development, for debt service on outstanding general obligation bonds sold pursuant to Article XI-G of the Oregon Constitution.

SECTION 4. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$3,500,000, to be allocated to the Public Defense Services Commission for trial level public defense.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2012, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 5. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of State Lands, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$681,266, which may be expended for payment of expenses related to the Portland Harbor Superfund project.

SECTION 6. Notwithstanding any other provision of law, the General Fund appropriation made to the Emergency Board by section 1, chapter 600, Oregon Laws 2011, for the biennium beginning July 1, 2011, is decreased by \$681,266.

SECTION 7. Notwithstanding any other provision of law, the General Fund appropriation made to the Emergency Board by section 6, chapter 537, Oregon Laws 2011, for the biennium beginning July 1, 2011, for allocation to the State Forestry Department for fire suppression costs, is decreased by \$2,120,017.

SECTION 8. Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Office of the Governor from the Governor's Office Operating Fund.

SECTION 9. Notwithstanding any other law limiting expenditures, the amount of \$140,000 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses for capital improvement from federal funds received by the State Department of Fish and Wildlife.

SECTION 10. Notwithstanding any other law limiting expenditures, the amount of \$85,455 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from federal funds received by the Teacher Standards and Practices Commission.

SECTION 11. Notwithstanding any other law limiting expenditures, the amount of \$3,932,550 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses for construction and maintenance of court facilities from bond proceeds collected or received by the Oregon Department of Administrative Services.

SECTION 12. (1) Notwithstanding any other law limiting expenditures, the amount of \$134,361,683 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from federal funds collected or received by the Employment Department under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and section 418 of the Social Security Act (42 U.S.C. 618), as amended.

(2) Notwithstanding any other law limiting expenditures, the amount of \$158,066,704 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses from federal funds other than those described in section 3, chapter 339, Oregon Laws 2011, or subsection (1) of this section collected or received by the Employment Department.

SECTION 13. Notwithstanding any other law limiting expenditures, the amount of \$97,460 is established for the biennium beginning July 1, 2011, as the maximum limit for payment of expenses for capital improvement from fees, moneys or other revenues, including Miscellaneous Receipts, and including reimbursements from federal service agreements, but excluding lottery funds and federal funds other than those described in this section, collected or received by the Judicial Department.

SECTION 14. In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$2,900,000 for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 15. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$60,000,000 for:

(a) Supplemental allocations to state agencies for restoration of targeted programs if the Oregon Department of Administrative Services reduces allotments under ORS 291.261;

- (b) Home foreclosure issues; or
- (c) Human services caseload increases.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2012, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 16. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$10,000,000, to be allocated for the preservation of education programs as described in subsection (2) of this section.

(2) If the Oregon Department of Administrative Services reduces allotments under ORS 291.261, a state agency administering a program appropriation described in this subsection may request allocations of moneys from the Emergency Board in a total amount that does not exceed the total amount of the allotment reduction applicable to the appropriation. This subsection applies to:

(a) The appropriation made to the Oregon Department of Administrative Services by section 1, chapter 582, Oregon Laws 2011;

(b) The appropriation made to the Department of Community Colleges and Workforce Development by section 1 (2), chapter 616, Oregon Laws 2011; and

(c) The appropriation made to the Department of Education by section 2, chapter 619, Oregon Laws 2011.

(3) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2012, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 17. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$1,084,432, to be allocated to the Judicial Department for court operations.

(2) If any of the moneys appropriated by subsection (1) of this section are not allocated by the Emergency Board prior to December 1, 2012, the moneys remaining on that date become available for any purpose for which the Emergency Board lawfully may allocate funds.

SECTION 18. Section 5, chapter 339, Oregon Laws 2011, section 12, chapter 496, Oregon Laws 2011, section 6, chapter 577, Oregon Laws 2011, section 5, chapter 590, Oregon Laws 2011, section 52, chapter 600, Oregon Laws 2011, section 12, chapter 609, Oregon Laws 2011, section 5, chapter 621, Oregon Laws 2011, and section 4, chapter 666, Oregon Laws 2011, are repealed.

SECTION 19. Notwithstanding any other provision of law, the authorized appropriations and expenditure limitations for the biennium beginning July 1, 2011, for the following agencies and programs are changed by the amounts specified:

(1) ADMINISTRATIVE.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Oregon Department of Administrative Services: Operating expenses		

Other funds	Ch. 571 2(1)	-\$6,307,494
Mill Creek debt service		
General Fund	Ch. 571 1(2)	+29,427
Go Oregon debt service		
General Fund	Ch. 571 1(3)	+209,061
Debt service on lottery bonds		
Oregon Public Broadcasting		
Lottery funds	Ch. 571 3(1)	+65,729
Pendleton Round-Up		
Lottery funds	Ch. 571 3(2)	+3,054
Port of Morrow		
Lottery funds	Ch. 571 3(3)	+6,110
Port of Newport-NOAA		
Lottery funds	Ch. 571 3(4)	+108,960
Judicial Department		
court facilities		
Lottery funds	Ch. 571 3(5)	+34,444
Tillamook FEMA match		
Lottery funds	Ch. 571 3(6)	+46,550
Lane Transit District EmX		
Lottery funds	Ch. 571 3(7)	+24,276
Coos Bay railroad		
Lottery funds	Ch. 571 3(8)	+10,854
SAGE Center		
Lottery funds	Ch. 600 39(2)(a)	+6,310
Eastern Oregon Trade Center		
Lottery funds	Ch. 600 39(2)(b)	+12,560
Milton-Freewater		
flood control		
Lottery funds	Ch. 600 39(2)(c)	+5,720
Oregon Historical Society		
Lottery funds	Ch. 600 39(2)(d)	+8,165
State Treasurer:		
Other funds	Ch. 627 1(1)	+250,000
Public Employees Retirement		
System:		
Other funds	Ch. 495 1(1)	-750,000
Secretary of State:		
Executive Office, Business		
Services Division, Information		
Systems Division and Human		
Resources Division		
General Fund	Ch. 411 1(1)	-128,891
Elections Division		
General Fund	Ch. 411 1(2)	-4,006
Archives Division		
General Fund	Ch. 411 1(3)	-423
Oregon Liquor Control		
Commission:		
Other funds	Ch. 578 1(1)	+507,973
Department of Revenue:		

General Fund	Ch. 625 1	-1,175,191
Employment Relations Board:		
General Fund	Ch. 572 1	+1,000,000
Office of Governor:		
General Fund	Ch. 538 1	+372,362
Oregon Education		
Investment Board		
General Fund	Ch. 600 30	-105,000
State Library:		
General Fund	Ch. 341 1	-19,886

(2) CONSUMER AND BUSINESS SERVICES.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Oregon Health Licensing Agency:		
Other funds	Ch. 539 1	-\$20,751
Bureau of Labor and Industries:		
General Fund	Ch. 576 1	-213,815
Department of Consumer and Business Services:		
Federal funds	Ch. 617 2	+2,434,040

(3) ECONOMIC AND COMMUNITY DEVELOPMENT.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Oregon Business Development Department:		
Oregon Arts Commission		
General Fund	Ch. 579 1	-\$8,729
Debt service		
Other funds	Ch. 579 2(5)	+321,885
Business, innovation and trade		
Other funds	Ch. 579 2(1)	-277,500
Lottery funds	Ch. 579 3(1)(a)	-284,920
Shared services		
Lottery funds	Ch. 579	

	3(1)(b)	-127,418
Oregon Film and Video Office		
Lottery funds	Ch. 579 3(1)(c)	-81,315
Debt service on lottery bonds		
Lottery funds	Ch. 579	
	3(1)(d)	+2,830,159
Housing and Community		
Services Department:		
General Fund	Ch. 574 1	+136,416
Other funds	Ch. 574 2	+9,081,162
Federal funds	Ch. 574 4	+5,000,000
Debt service on lottery bonds		
Lottery funds	Ch. 574 3	+80,919
Department of Veterans'		
Affairs:		
Services provided by		
Department of Veterans'		
Affairs		
General Fund	Ch. 587 1(1)	+91,964
Veterans' services		
organizations payments		
General Fund	Ch. 587 1(3)	+572
Employment Department:		
General Fund	Ch. 339 1	-336,868
Other funds	Ch. 339 2(1)	-5,385,131

(4) EDUCATION.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Oregon Student Access		
Commission:		
Oregon Opportunity Grants		
General Fund	Ch. 541 1(1)	-\$34,152
Other payments to individuals		
and institutions		
General Fund	Ch. 541 1(2)	+34,152
Operations		
General Fund	Ch. 541 1(3)	-29,756
Oregon University System:		
Education and general		
services of higher education		
General Fund	Ch. 583 1(1)	-11,550
Debt service on outstanding		
general obligation bonds		
General Fund	Ch. 583	

	1(5)(a)	+1,653,560
Debt service on outstanding certificates of participation		
General Fund	Ch. 583	
	1(5)(b)	+585,977
Repayment to State Department of Energy		
General Fund	Ch. 583	
	1(5)(c)	-3,132,437
Debt service		
Other funds	Ch. 583 2(6)	+344,054
Sports Lottery Account		
Lottery funds	Ch. 583 3	-232,960
Debt service on lottery bonds		
Lottery funds	Ch. 583 4	+260,577
Department of Community Colleges and Workforce Development:		
General Fund	Ch. 600 31	-119,000
General Fund	Ch. 600 32	-17,500
Operations		
General Fund	Ch. 616 1(1)(a)	-96,762
Skill centers		
General Fund	Ch. 616	
	1(1)(b)	-19,250
Debt service on Article XI-G bonds		
General Fund	Ch. 616	
	1(1)(c)	+351,965
Debt service on lottery bonds		
Lottery funds	Ch. 616 8	+261,437
Department of Education:		
Operations		
General Fund	Ch. 619 1(1)	-298,878
Oregon State School for the Deaf		
General Fund	Ch. 619 1(2)	-151,056
Early Head Start		
General Fund	Ch. 619 2(11)	+587,015
Grants-in-aid and purchased services		
Other funds	Ch. 619 6	+5,610,036
Debt service on lottery bonds		
Lottery funds	Ch. 619 7	+1,907,943
Lottery funds	Ch. 619 8	-59,056
Other funds	Ch. 619 9	+61,218
State School Fund		
General Fund	Ch. 20 1	+5,479,570
State School Fund - Administrative Services		
Economic Development Fund		

Lottery funds	Ch. 20 2	-2,979,570
State School Fund - Local		
Option Equalization		
General Fund	Ch. 496 17	-175,000
General Fund	Ch. 682 8	-70,000
General Fund	Ch. 639 9	-8,750
General Fund	Ch. 600 55	-2,000,000
General Fund	Ch. 600 56	-5,250
General Fund	Ch. 663 3	-7,000
General Fund	Ch. 711 2(1)	-5,250
General Fund	Ch. 711 2(2)	-1,050
Oregon Health and Science		
University		
General Fund	Ch. 651 3	-18,375

(5) HUMAN SERVICES.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Department of Human Services:		
Central Services		
General Fund	Ch. 621 1(1)	-\$522,515
Other funds	Ch. 621 2(1)	-10,047
Federal funds	Ch. 621 3(1)	-1,269,217
Children, Adults and Families		
General Fund	Ch. 621 1(2)	+26,759,752
Other funds	Ch. 621 2(2)	+14,874,410
Federal funds	Ch. 621 3(2)	+32,127,357
Seniors and People with Disabilities		
General Fund	Ch. 621 1(3)	+77,249,200
Other funds	Ch. 621 2(3)	+4,371,222
Federal funds	Ch. 621 3(3)	+129,821,636
Shared Services		
Other funds	Ch. 621 2(4)	+2,769,858
Oregon Health Authority:		
Programs		
General Fund	Ch. 580 1(1)	-26,058,247
Other funds	Ch. 580 2(1)	+15,403,999
Federal funds	Ch. 580 4(1)	+74,029,869
Central Services		
General Fund	Ch. 580 1(2)	+2,139,813
Other funds	Ch. 580 2(2)	-31,170
Federal funds	Ch. 580 4(2)	+78,803,882
Capital improvement		
General Fund	Ch. 580 1(3)	-663,318
Shared Services		

Other funds	Ch. 580 2(3)	+3,221,972
Gambling addiction treatment and prevention		
Lottery funds	Ch. 580 3	-390,969

(6) JUDICIAL BRANCH.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Commission on Judicial Fitness and Disability: Operations		
General Fund	Ch. 340 1(1)	+\$6,228
Extraordinary expenses		
General Fund	Ch. 340 1(2)	-12,647
Judicial Department: Judicial compensation		
General Fund	Ch. 634 1(1)	+1,868,270
Operations		
Other funds	Ch. 634 2(1)	+5,449,982
Mandated payments		
General Fund	Ch. 634 1(3)	+472,992
Electronic court		
General Fund	Ch. 634 1(4)	-93,643
Other funds	Ch. 634 3	+23,391,369
Debt service		
General Fund	Ch. 634 1(5)	+3,286,198
Other funds	Ch. 634 2(3)	+226,592
Third party collections		
General Fund	Ch. 600 15	+2,379,729
Operations - special payments		
General Fund	Ch. 628 1	-259,000
General Fund	Ch. 628 2	-259,000
General Fund	Ch. 628 3	-4,900
Public Defense Services Commission:		
Appellate Division		
General Fund	Ch. 636 1(1)	-112,000
Contract and Business Services Division		
General Fund	Ch. 636 1(3)	+112,000
Public Defense Services Account		
Other funds	Ch. 636 2(1)	+2,637,500

(7) LEGISLATIVE BRANCH.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Legislative Administration Committee:		
General program		
General Fund	Ch. 577 1(1)	-\$371,755
Debt service		
General Fund	Ch. 577 1(2)	+236,904
Legislative Assembly:		
Presiding officers, caucuses, desks		
General Fund	Ch. 577 4(1)	-558,047
Assembly - interim		
General Fund	Ch. 577 5(1)	+557,027
Assembly - session		
General Fund	Ch. 577 5(2)	-127,140
Legislative Counsel Committee:		
General Fund	Ch. 577 9	+400,043
Legislative Fiscal Officer:		
General Fund	Ch. 577 12	+29,973
Legislative Revenue Officer:		
General Fund	Ch. 577 13	-14,531
Commission on Indian Services:		
General Fund	Ch. 577 14	-26,451

(8) NATURAL RESOURCES.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
State Marine Board:		
Administration and education		
Federal funds	Ch. 187 2(1)	+\$243,200
Marine law enforcement		
Other funds	Ch. 187 1(2)	+757,200
Federal funds	Ch. 187 2(2)	+292,800
Facilities construction, maintenance and land acquisition		
Other funds	Ch. 187 1(3)	+509,800
Federal funds	Ch. 187 2(3)	-536,000
State Department of Energy:		

Other funds	Ch. 632 1	+4,249,010
Federal funds	Ch. 632 3	+109,164
Energy efficiency and sustainable technology		
Lottery funds	Ch. 632 2	+75,746
State Department of Geology and Mineral Industries:		
General Fund	Ch. 186 1	-1,204
Other funds	Ch. 186 2	+1,788,385
Federal funds	Ch. 186 3	+1,709,304
State Parks and Recreation Department:		
Director's office		
Lottery funds	Ch. 584 2(1)	+45,638
Central Services		
Lottery funds	Ch. 584 2(2)	+280,114
Park development		
Lottery funds	Ch. 584 2(3)	+592,240
Federal funds	Ch. 584 3(1)	+2,190,000
Direct services		
Lottery funds	Ch. 584 2(4)	+673,108
Community support and grants		
Lottery funds	Ch. 584 2(5)	+140,142
Federal funds	Ch. 584 3(3)	+861,950
Water Resources Department:		
Water resources program		
General Fund	Ch. 416 1	-255,387
Debt service on lottery bonds		
Lottery funds	Ch. 416 2	+25,633
Oregon Watershed Enhancement Board:		
Watershed Improvement Operating Fund		
Lottery funds	Ch. 588 5	-784,354
Department of State Lands:		
Common School Fund programs		
Other funds	Ch. 412 1(1)	+1,057,597
Federal funds	Ch. 412 2(1)	+178,000
Natural Heritage Advisory Council		
Federal funds	Ch. 412 2(2)	+250,127
State Department of Agriculture:		
Administrative and support services		
General Fund	Ch. 409 1(1)	+20,125
Food Safety		
General Fund	Ch. 409 1(2)	-46,288
Other funds	Ch. 409 2(2)	+31,311
Natural Resources		

General Fund	Ch. 409 1(3)	-589,002
Agricultural Development		
General Fund	Ch. 409 1(4)	-193,203
Other funds	Ch. 409 2(4)	+10,000
Parks and Natural Resources Fund		
Lottery funds	Ch. 409 3	+932,123
County fair support		
Lottery funds	Ch. 409 5	+763
Department of Environmental Quality:		
Water quality		
General Fund	Ch. 536 1(2)	-169,003
Land quality		
General Fund	Ch. 536 1(3)	-86,615
Debt service		
General Fund	Ch. 536 1(5)	+193,612
State Department of Fish and Wildlife:		
Fish Division		
General Fund	Ch. 573 1(1)	-294,504
Other funds	Ch. 573 2(1)	+41,000
Administrative Services Division		
General Fund	Ch. 573 1(3)	-5,368
Debt service		
General Fund	Ch. 573 1(4)	+12,168
Capital Improvement		
Other funds	Ch. 573 2(4)	-70,000
State Forestry Department:		
Protection from fire		
General Fund	Ch. 537 1(1)	+2,993,720
Private forests		
General Fund	Ch. 537 1(2)	-985,723
Debt service		
General Fund	Ch. 537 1(3)	+102,087
Debt service on lottery bonds		
Lottery funds	Ch. 537 3	+88,377
Department of Land Conservation and Development:		
Planning program		
General Fund	Ch. 254 1(1)	-302,792

(9) PUBLIC SAFETY.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
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Department of State Police:		
Patrol services, criminal investigations and gaming enforcement		
General Fund	Ch. 635 1(1)	+\$5,369,604
Federal funds	Ch. 635 3(1)	+521,944
Fish and wildlife enforcement		
General Fund	Ch. 635 1(2)	-98,021
Other funds	Ch. 635 2(2)	+436,875
Lottery funds	Ch. 635 4	+202,180
Forensic services and State Medical Examiner		
General Fund	Ch. 635 1(3)	-709,326
Administrative services, information management and Office of the State Fire Marshal		
General Fund	Ch. 635 1(4)	+693,862
Department of Corrections: Operations and health services		
General Fund	Ch. 631 1(1)	+22,771,363
Other funds	Ch. 631 2(1)	+10,306
Administration, public services, general services and human resources		
General Fund	Ch. 631 1(2)	+3,275,828
Other funds	Ch. 631 2(2)	+87,684
Transitional services		
General Fund	Ch. 631 1(3)	+1,862,081
Other funds	Ch. 631 2(3)	+29
Community corrections		
General Fund	Ch. 631 1(4)	+5,270,671
Other funds	Ch. 631 2(4)	+3,223,179
Debt service		
General Fund	Ch. 631 1(5)	+4,887,059
Capital improvements		
General Fund	Ch. 631 1(6)	+92,240
Agency operations		
Federal funds	Ch. 631 3	+907,373
Oregon Criminal Justice Commission:		
Federal funds	Ch. 214 3	+6,987,121
Department of Justice for district attorneys:		
General Fund	Ch. 252 1	+359,976
Department of Justice:		
General Fund	Ch. 575 1	-160,840
Other funds	Ch. 575 2	-722,713
Federal funds	Ch. 575 3	-795,709
Oregon Military Department: Operating expenses		

General Fund	Ch. 623 1(2)	+36,891
Emergency management		
General Fund	Ch. 623 1(3)	+4,379,103
Other funds	Ch. 623 2(3)	+4,000,000
Community support		
Other funds	Ch. 623 2(4)	+118,339
Capital debt service and related costs		
General Fund	Ch. 623 1(5)	-71,937
Other funds	Ch. 623 2(5)	+548,167
Department of Public Safety		
Standards and Training:		
General Fund	Ch. 586 1	+315,518
Other funds	Ch. 586 2	-873,897
Oregon Youth Authority:		
Operations		
General Fund	Ch. 590 1(1)	-1,605,977
Debt service		
General Fund	Ch. 590 1(2)	+186,988

(10) TRANSPORTATION.

Agency/Program/Funds	2011 Oregon Laws Chapter/ Section	Adjustment
Department of Transportation:		
Debt service - Oregon		
Wireless Interoperability		
Network (OWIN)		
General Fund	Ch. 542 1	-\$15,416,043
Maintenance and emergency relief programs		
Other funds	Ch. 542 2(2)	+9,211,366
Driver and motor vehicle services		
Other funds	Ch. 542 2(9)	+500,000
Debt service		
Other funds	Ch. 542 2(17)	+15,970,871
Lottery funds	Ch. 542 4	+2,914,388

SECTION 20. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$200,000, which may be expended for payment of expenses related to regional land use planning activities.

SECTION 21. In addition to and not in lieu of any other appropriation, there is appropriated to the State Forestry Department, for the biennium beginning July 1, 2011, out of the

General Fund, the amount of \$200,000, which may be expended for payment of expenses related to forest policy.

SECTION 22. In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Land Conservation and Development, for the biennium beginning July 1, 2011, out of the General Fund, the amount of \$350,000, for grants to Jackson, Josephine and Douglas counties for expenses related to regional land use planning activities.

SECTION 23. Section 5, chapter 20, Oregon Laws 2011, as amended by section 21, chapter 496, Oregon Laws 2011, and section 47, chapter 600, Oregon Laws 2011, is amended to read:

Sec. 5. (1) The Department of Education may not spend more than \$2,928,830,000 from the State School Fund for the fiscal year beginning July 1, 2011.

(2) The Department of Education may not spend more than [~~\$2,842,830,000~~] \$2,845,330,000 from the State School Fund for the fiscal year beginning July 1, 2012.

SECTION 24. This 2012 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect on its passage.

Passed by Senate March 5, 2012

.....
Robert Taylor, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House March 5, 2012

.....
Bruce Hanna, Speaker of House

.....
Arnie Roblan, Speaker of House

Received by Governor:

.....M.,....., 2012

Approved:

.....M.,....., 2012

.....
John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M.,....., 2012

.....
Kate Brown, Secretary of State

76th OREGON LEGISLATIVE ASSEMBLY – 2012 Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5701-A

Carrier – House: Rep. Richardson
Carrier – Senate: Sen. Devlin

JOINT COMMITTEE ON WAYS AND MEANS

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

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc: Edwards

Prepared By: Linda Ames, Laurie Byerly, Doug Wilson
Legislative Fiscal Office

Reviewed By: Sheila Baker, Legislative Fiscal Office

Meeting Date: March 5, 2012

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Various Agencies	---	---	2011-13
Emergency Board	---	---	2011-13

Budget Summary*

* Excludes Capital Construction

Emergency Board

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Emergency Fund</u>				
General Fund - Emergency Fund	\$ 25,000,000	\$ 27,218,734	\$ 2,218,734	8.87%
General Fund - Special Purpose Appropriations				
Public Defense Services Commission	\$ 0	\$ 3,500,000	\$ 3,500,000	-
Oregon Judicial Department	\$ 0	\$ 1,084,432	\$ 1,084,432	-
Allotment mitigation; home foreclosure issues; human services caseloads	\$ 0	\$ 60,000,000	\$ 60,000,000	-
Education programs	\$ 0	\$ 10,000,000	\$ 10,000,000	-
Forestry, fire suppression costs	\$ 4,781,000	\$ 2,660,983	\$ -2,120,017	-44.34%
Early learning programs	\$ 17,649,000	\$ 0	\$ -17,649,000	-100.00%
Employment-related daycare and others	\$ 5,713,750	\$ 0	\$ -5,713,750	-100.00%
Child welfare differential response	\$ 5,000,000	\$ 0	\$ -5,000,000	-100.00%
Department of Human Services/ Oregon Health Authority program costs	\$ 8,000,000	\$ 0	\$ -8,000,000	-100.00%
Oregon Youth Authority	\$ 1,700,000	\$ 0	\$ -1,700,000	-100.00%

Education Program Area

Department of Community Colleges and Workforce Development

General Fund	\$ 403,049,433	\$ 402,796,921	\$ -252,512	-0.06%
General Fund Debt Service	15,341,082	15,693,047	351,965	2.29%
Lottery Funds Debt Service	6,882,643	7,144,080	261,437	3.80%
Other Funds Debt Service	0	200,000	200,000	-

Department of Education

General Fund	\$ 5,498,242,728	\$ 5,501,087,079	\$ 3,344,351	0.06%
Lottery Funds	556,980,287	554,000,717	\$ -2,979,570	-0.53%
Lottery Funds Debt Service	52,311,630	54,160,517	1,848,887	3.53%
Other Funds	55,144,882	60,754,918	5,610,036	10.17%
Other Funds Debt Service	2,464,515	2,525,733	61,218	2.48%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Oregon University System</u>				
General Fund	\$ 596,905,346	\$ 596,893,796	\$ -11,550	0.00%
General Fund Debt Service	72,263,657	71,370,757	-892,900	-1.24%
Lottery Funds	8,825,680	8,592,720	-232,960	-2.64%
Lottery Funds Debt Service	14,133,456	14,394,033	260,577	1.84%
Other Funds Debt Service	23,541,337	23,885,391	344,054	1.46%
<u>Oregon Health & Science University</u>				
General Fund	\$ 66,059,636	\$ 66,041,261	\$ -18,375	-0.03%
<u>Oregon Student Access Commission</u>				
General Fund	\$ 99,921,326	\$ 99,891,570	\$ -29,756	-0.03%
<u>Teacher Standards & Practices Commission</u>				
General Fund	\$ 100,000	\$ 0	\$ -100,000	-100.00%
Federal Funds	0	85,455	85,455	-
<u>Human Services Program Area</u>				
<u>Oregon Health Authority</u>				
General Fund	\$ 1,667,478,497	\$ 1,642,896,745	\$ -24,581,752	-1.47%
Lottery Funds	10,779,583	10,388,614	-390,969	-3.63%
Other Funds	1,918,748,828	1,937,343,629	18,594,801	0.97%
Federal Funds	4,877,574,818	5,030,408,569	152,833,751	3.13%
<u>Department of Human Services</u>				
General Fund	\$ 2,019,007,853	\$ 2,122,494,290	\$ 103,486,437	5.13%
Other Funds	430,256,781	452,262,224	22,005,443	5.11%
Federal Funds	3,131,478,990	3,292,158,766	160,679,776	5.13%

* Excludes Capital Construction

Public Safety Program Area

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Department of Corrections</u>				
General Fund	\$ 1,188,270,117	\$ 1,221,349,965	\$ 33,079,848	2.78%
General Fund Debt Service	133,972,115	138,859,174	4,887,059	3.65%
General Fund Capital Improvement	2,543,185	2,635,425	92,240	3.63%
Other Funds	27,563,757	30,884,955	3,321,198	12.05%
Other Funds Capital Improvement	0	413,449	413,449	-
Federal Funds	6,908,809	7,816,182	907,373	13.13%
<u>Criminal Justice Commission</u>				
Federal Funds	\$ 12,512,069	\$ 19,499,190	\$ 6,987,121	55.84%
<u>District Attorneys and their Deputies</u>				
General Fund	\$ 9,979,285	\$ 10,339,261	\$ 359,976	3.61%
<u>Department of Justice</u>				
General Fund	\$ 53,992,283	\$ 53,831,443	\$ -160,840	-0.30%
Other Funds	225,622,550	224,899,837	-722,713	-0.32%
Federal Funds	107,968,730	107,173,021	-795,709	-0.74%
<u>Oregon Military Department</u>				
General Fund	\$ 14,341,387	\$ 18,757,381	\$ 4,415,994	30.79%
General Fund Debt Service	9,727,048	9,655,111	-71,937	-0.74%
Other Funds	120,644,724	124,763,063	4,118,339	3.41%
Other Funds Debt Service	112,363	660,530	548,167	487.85%

* Excludes Capital Construction	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Department of State Police</u>				
General Fund	\$ 215,889,726	\$ 221,145,845	5,256,119	2.43%
Lottery Funds	6,653,450	6,855,630	202,180	3.04%
Other Funds	93,439,786	93,876,661	436,875	0.47%
Federal Funds	9,122,153	9,644,097	521,944	5.72%
<u>Department of Public Safety Standards and Training</u>				
General Fund Debt Service	\$ 10,968,292	\$ 11,283,810	315,518	2.88%
Other Funds	33,836,196	32,962,299	-873,897	-2.58%
<u>Oregon Youth Authority</u>				
General Fund	\$ 251,618,682	\$ 250,012,705	-1,605,977	-0.64%
General Fund Debt Service	5,155,518	5,342,506	186,988	3.63%
<u>Economic and Community Development Program Area</u>				
<u>Oregon Business Development Department</u>				
General Fund	\$ 3,851,208	\$ 3,842,479	-8,729	-0.23%
Lottery Funds	57,070,679	56,577,026	-493,653	-0.86%
Lottery Funds Debt Service	79,270,043	82,100,202	2,830,159	3.57%
Other Funds	24,000,075	23,722,575	-277,500	-1.16%
Other Funds Debt Service	1,797,848	2,119,733	321,885	17.90%
Other Funds Nonlimited	196,559,609	193,244,609	-3,315,000	-1.69%
<u>Employment Department</u>				
General Fund	\$ 3,670,948	\$ 3,334,080	-336,868	-9.18%
Other Funds	132,527,941	127,142,810	-5,385,131	-4.06%
Federal Funds - CCDF	128,161,683	134,361,683	6,200,000	4.84%
Federal Funds -Non-CCDF	145,721,505	158,066,704	12,345,199	8.47%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Housing and Community Services Department</u>				
General Fund	\$ 10,018,855	\$ 10,155,271	\$ 136,416	1.36%
Lottery Funds Debt Service	10,383,766	10,464,685	80,919	0.78%
Other Funds	140,534,236	149,615,398	9,081,162	6.46%
Federal Funds	203,039,554	208,039,554	5,000,000	2.46%
<u>Department of Veterans' Affairs</u>				
General Fund	\$ 6,469,659	\$ 6,562,195	\$ 92,536	1.43%
<u>Natural Resources Program Area</u>				
<u>State Department of Agriculture</u>				
General Fund	\$ 12,917,172	\$ 12,108,804	\$ -808,368	-6.26%
Lottery Funds	6,894,457	7,827,343	932,886	13.53%
Other Funds	52,099,191	52,140,502	41,311	0.08%
<u>Department of Geology and Mineral Industries</u>				
General Fund	\$ 2,465,906	\$ 2,464,702	\$ -1,204	-0.05%
Other Funds	7,246,479	8,955,783	1,788,304	23.59%
Federal Funds	3,558,985	5,347,289	1,709,304	50.25%
<u>State Department of Energy</u>				
Lottery Funds	\$ 2,088,439	\$ 2,164,185	\$ 75,746	3.63%
Other Funds	31,477,822	35,726,832	4,249,010	13.50%
Federal Funds	36,736,670	36,845,834	109,164	0.30%
<u>Department of Environmental Quality</u>				
General Fund	\$ 19,693,974	\$ 19,438,356	\$ -255,618	-1.30%
General Fund Debt Service	5,379,568	5,573,180	193,612	3.60%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>State Department of Fish and Wildlife</u>				
General Fund	\$ 6,729,454	\$ 6,429,582	\$ -299,872	-4.46%
General Fund Debt Service	338,094	350,262	12,168	3.60%
Other Funds	197,593,072	197,564,072	-29,000	-0.01%
Federal Funds	109,794,486	109,934,486	140,000	0.13%
<u>State Forestry Department</u>				
General Fund	\$ 45,035,023	\$ 47,243,020	\$ 2,207,997	4.90%
General Fund Debt Service	2,836,524	2,938,611	102,087	3.60%
Lottery Funds Debt Service	2,453,947	2,542,324	88,377	3.60%
<u>Land Conservation & Development Department</u>				
General Fund	\$ 10,885,017	\$ 11,132,225	\$ 247,208	2.27%
<u>State Marine Board</u>				
Other Funds	\$ 22,020,102	\$ 23,287,102	\$ 1,267,000	5.75%
<u>Department of State Lands</u>				
General Fund	\$ 0	\$ 681,266	\$ 681,266	-
Other Funds	36,548,525	37,606,122	1,057,597	2.89%
Federal Funds	5,671,787	6,099,914	428,127	7.55%
<u>State Parks and Recreation Department</u>				
Lottery Funds	\$ 79,815,323	\$ 81,546,565	\$ 1,731,242	2.17%
<u>Oregon Watershed Enhancement Board</u>				
Lottery Funds	\$ 64,796,420	\$ 64,012,066	\$ -784,354	-1.21%
<u>Water Resources Department</u>				
General Fund	\$ 20,614,684	\$ 20,359,297	\$ -255,387	-1.24%
Lottery Funds Debt Service	706,751	732,384	25,633	3.63%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Transportation Program Area</u>				
<u>Department of Transportation</u>				
General Fund Debt Service	\$ 15,416,053	0	-15,416,053	-100.00%
Lottery Funds Debt Service	69,700,542	72,614,930	2,914,388	4.18%
Other Funds	3,201,362,946	3,211,074,312	9,711,366	0.30%
Other Funds Debt Service	351,243,517	367,214,388	15,970,871	4.55%
<u>Consumer and Business Services Program Area</u>				
<u>Department of Consumer and Business Services</u>				
Federal Funds	\$ 753,662	\$ 3,187,702	2,434,040	322.96%
<u>Oregon Health Licensing Agency</u>				
Other Funds	\$ 6,612,566	\$ 6,591,815	-20,751	-0.31%
<u>Bureau of Labor and Industries</u>				
General Fund	\$ 11,282,811	\$ 11,068,996	-213,815	-1.90%
<u>Administration Program Area</u>				
<u>Department of Administrative Services</u>				
General Fund Debt Service	\$ 6,575,467	\$ 6,813,955	238,488	3.63%
Lottery Funds Debt Service	8,164,343	8,497,075	332,732	4.08%
Other Funds	397,950,590	395,575,646	-2,374,944	-0.60%
<u>Employment Relations Board</u>				
General Fund	\$ 932,803	\$ 1,932,803	1,000,000	107.20%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Office of the Governor</u>				
General Fund	\$ 13,339,757	\$ 13,607,119	\$ 267,362	2.00%
Other Funds	2,740,911	2,740,912	1	0.00%
<u>State Library</u>				
General Fund	\$ 2,868,303	\$ 2,848,417	\$ -19,886	-0.69%
<u>Oregon Liquor Control Commission</u>				
Other Funds	\$ 133,668,473	\$ 134,176,446	\$ 507,973	0.38%
<u>Public Employees Retirement System</u>				
Other Funds	\$ 78,010,820	\$ 77,260,820	\$ -750,000	-0.96%
<u>Department of Revenue</u>				
General Fund	\$ 146,373,434	\$ 145,198,243	\$ -1,175,191	-0.80%
<u>Secretary of State</u>				
General Fund	\$ 12,040,291	\$ 11,906,971	\$ -133,320	-1.11%
<u>State Treasurer</u>				
Other Funds	\$ 34,998,684	\$ 35,248,684	\$ 250,000	0.71%
<u>Judicial Branch Program Area</u>				
<u>Judicial Department</u>				
General Fund	\$ 342,262,371	\$ 346,366,819	\$ 4,104,448	1.20%
General Fund Debt Service	16,971,657	20,257,855	3,286,198	19.36%
Other Funds	24,966,976	55,747,370	30,780,394	123.28%
Other Funds Capital Improvement	0	97,460	97,460	-
<u>Commission on Judicial Fitness and Disability</u>				
General Fund	\$ 183,353	\$ 176,934	\$ -6,419	-3.50%

* Excludes Capital Construction

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Public Defense Services Commission</u>				
Other Funds	\$ 1,192,555	\$ 3,830,055	2,637,500	221.16%
<u>Legislative Branch Program Area</u>				
<u>Legislative Assembly</u>				
General Fund	\$ 35,780,449	\$ 35,652,289	-128,160	-0.36%
<u>Legislative Administration Committee</u>				
General Fund	\$ 28,438,846	\$ 28,303,995	-134,851	-0.47%
<u>Legislative Counsel Committee</u>				
General Fund	\$ 8,127,672	\$ 8,527,715	400,043	4.92%
<u>Legislative Fiscal Officer</u>				
General Fund	\$ 5,596,558	\$ 5,626,531	29,973	0.54%
<u>Legislative Revenue Officer</u>				
General Fund	\$ 1,903,986	\$ 1,889,455	-14,531	-0.76%
<u>Commission on Indian Services</u>				
General Fund	\$ 395,270	\$ 368,819	-26,451	-6.69%
<u>General Fund Total</u>				
General Fund Total	\$ 158,436,374	\$ 158,436,374		
Lottery Funds Total	\$ 6,703,657	\$ 6,703,657		
Other Funds Total	\$ 119,666,478	\$ 119,666,478		
Federal Funds Total	\$ 349,585,545	\$ 349,585,545		

Position Summary

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Oregon Health Authority</u>				
Authorized Positions	4,089	4,036	-53	-1.30%
Full-time Equivalent (FTE) positions	4,033.27	3,980.27	-53.00	-1.31%
<u>Department of Human Services</u>				
Authorized Positions	7,392	7,405	13	0.18%
Full-time Equivalent (FTE) positions	7,298.44	7,311.44	13.00	0.18%
<u>Department of Corrections</u>				
Authorized Positions	4,511	4,509	-2	-0.04%
Full-time Equivalent (FTE) positions	4,420.74	4,416.55	-4.19	-0.09%
<u>Department of Justice</u>				
Authorized Positions	1,290	1,290	0	0.00%
Full-time Equivalent (FTE) positions	1,270.80	1,268.55	-2.25	-0.18%
<u>Department of Public Safety Standards and Training</u>				
Authorized Positions	137	137	0	0.00%
Full-time Equivalent (FTE) positions	135.79	132.04	-3.75	-2.76%
<u>Oregon Business Development Department</u>				
Authorized Positions	131	132	1	0.76%
Full-time Equivalent (FTE) positions	129.37	129.87	0.50	0.39%
<u>Employment Department</u>				
Authorized Positions	1,500	1,514	14	0.93%
Full-time Equivalent (FTE) positions	1,450.30	1,463.68	13.38	0.92%
<u>Housing and Community Services Department</u>				
Authorized Positions	190	210	20	10.53%
Full-time Equivalent (FTE) positions	168.37	183.72	15.35	9.12%

	2011-13 Legislatively Adopted Budget	2012 Session Legislatively Approved Budget	Legislative Adjustments (difference between 2012 and 2011-13)	Percentage Change from Legislatively Adopted Budget
<u>Department of Geology and Mineral Industries</u>				
Authorized Positions	43	53	10	23.26%
Full-time Equivalent (FTE) positions	42.20	48.57	6.37	15.09%
<u>Department of Energy</u>				
Authorized Positions	127	128	1	0.79%
Full-time Equivalent (FTE) positions	113.23	118.73	5.50	4.86%
<u>Department of Forestry</u>				
Authorized Positions	1,192	1,192	0	0.00%
Full-time Equivalent (FTE) positions	862.32	852.19	-10.13	-1.17%
<u>Department of Fish and Wildlife</u>				
Authorized Positions	1,469	1,467	-2	-0.14%
Full-time Equivalent (FTE) positions	1,227.32	1,225.32	-2.00	-0.16%
<u>Department of Consumer and Business Services</u>				
Authorized Positions	930	934	4	0.43%
Full-time Equivalent (FTE) positions	919.68	921.90	2.22	0.24%
<u>Department of Administrative Services</u>				
Authorized Positions	774	773	-1	-0.13%
Full-time Equivalent (FTE) positions	770.67	769.67	-1.00	-0.13%
<u>Oregon Judicial Department</u>				
Authorized Positions	1,878	1,878	0	0.00%
Full-time Equivalent (FTE) positions	1,739.20	1,752.66	13.46	0.77%

Revenue

The budget adjustments in Senate Bill 5701 anticipate a net \$101 million increase in General Fund resources from transfers of Other Funds account balances included in Senate Bill 1579 and other actions. Two major legal settlements contribute to this increase in General Fund resources. First, the State's share of the punitive damages related to the Williams vs. Philip Morris tobacco related case is \$56.2 million. This amount is transferred from the Criminal Injuries Compensation Account by Senate Bill 1579. The second is a multi-state agreement between 49 states and major mortgage lenders over mortgage fraud practices. The amount of \$25.2 million will be directly deposited in the General Fund. Senate Bill 1579 transfers a further \$4 million from the Department of Justice's Education and Protection Fund to the General Fund.

The rebalance plan also assumes a net increase to the June 2012 forecast of \$5 million from lower than anticipated costs related to the issuance of Tax Anticipation Notes (TANs).

Summary of Committee Action

Senate Bill 5701 is the omnibus budget reconciliation bill for the 2012 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2011 session. The Joint Committee on Ways and Means approved Senate Bill 5701 with amendments to reflect budget adjustments as described below.

Statewide Adjustments/Special Actions

Statewide Restructure of State Government Business Operations

As part of the legislative plan to rebalance the 2011-13 biennium budget, the Co-Chairs of the Joint Committee on Ways and Means included a reduction of \$28 million in combined General Fund and Lottery Funds as part of an effort to restructure state government business operations designed to make permanent changes to the management of agency programs and services. This effort is complementary to the Executive Branch interest in studying and modifying the state's compensation and classification systems to potentially realign the relative balance of management service and represented employees in state government.

Based on this decision, the personal services budgets of selected state agencies were reduced by targeted amounts. These amounts are highlighted in each agency's section of this budget report. The following budget note was adopted, to apply to each agency subject to the management service personal services reduction:

BUDGET NOTE

The budget rebalance plan developed by the Co-Chairs of the Joint Committee on Ways and Means included the elimination of targeted amounts from adopted budgets through actions to be taken to reduce the number of middle managers and public affairs positions in state government and to reduce the amount currently planned for advertising and personal services contracts. In order to make these targeted reductions primarily to personal services appropriations, the Legislative Fiscal Office is directed to work with agencies to identify specific management and other positions to be eliminated as part of a restructuring of business operations aimed at making permanent changes to the management of agency programs and services. Affected agencies are directed to report on the status of this effort, with the assistance of the Legislative Fiscal Office, to the Emergency Board in May 2012. Since these reductions are intended to be permanent, it is expected that no positions recommended for elimination as a result of this plan will be included in the Governor's proposed 2013-15 budget.

E-Government Funding Model Change

The statewide budget rebalance includes General Fund savings in agencies resulting from an upcoming change in the state's e-government funding model. Currently, agencies are assessed by the Department of Administrative Services (DAS) based on the number of an agency's full-time equivalent (FTE) positions to the cost of the statewide contract for e-government services. The expenditure is part of the statewide price list and is budgeted as a State Government Service Charge in an agency's budget.

In November 2011, DAS signed a contract with NICUSA to take over e-government services (the current contract expires in June 2012) using a self-funded model; under the model the vendor will be paid primarily through a convenience fee tied to certain (mostly commercial business) transactions. The new vendor and funding model is projected to be up and running in July 2012; DAS has calculated that it will be able to reduce agency assessments by \$2,232,000 for the last portion of the biennium. Those assessments are eliminated in the DAS budget, along with \$970,912 General Fund budgeted in other state agencies to pay for that assessment.

Emergency Board

The Emergency Board provides General Fund appropriations and Other Funds and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. As part of the 2011-13 biennium statewide rebalance plan, Senate Bill 5701 adjusts the Emergency Board's general purpose and special purpose appropriations as described below.

General Purpose Emergency Fund

The bill disappropriates \$681,266 General Fund from the Emergency Fund to correspond with a General Fund appropriation to the Department of State Lands, in the same amount, for payment of expenses related to the Portland Harbor Superfund. It also increases the Emergency Fund by \$2.9 million. These two actions leave a balance of \$27.2 million in the general purpose Emergency Fund for the 2011-13 biennium.

Special Purpose Appropriations

Senate Bill 5701 repeals five special purpose appropriations established during the 2011 legislative session for early learning programs and services (\$17.7 million); employment related day care or other supports and services for children and families (\$5.7 million); child welfare differential response (\$5 million); Department of Human Services and Oregon Health Authority caseload and costs for programs and services (\$8 million); and education-related expenses in the Oregon Youth Authority (\$1.7 million). The bill also:

- Reduces a special purpose appropriation for the Department of Forestry by \$2,120,017, with a corresponding \$2,120,017 General Fund appropriation to the Department of Forestry to pay for fire suppression costs.
- Establishes a \$3.5 million special purpose appropriation for the Public Defense Services Commission in the event that the Commission requires additional resources to support trial-level public defense services.
- Establishes a \$1.1 million special purpose appropriation for the Judicial Department to meet any potential operating needs of the courts.
- Establishes a \$60 million special purpose appropriation for potential allotment reduction mitigation; for home foreclosure issues; or for human services caseload increases.
- Establishes a \$10 million special purpose appropriation for the preservation of education programs in case of allotment reductions. This applies to the Community College Support Fund, the Department of Education grant-in-aid programs, and the state General Fund support of the Oregon Health Sciences University.

If the moneys in the special purpose appropriations are not allocated by the Emergency Board before December 1, 2012, the moneys are available to the Emergency Board to be allocated for any purpose for which the Emergency Board lawfully may allocate funds.

Adjustments to Agency Budgets

Education Program Area

Department of Community Colleges and Workforce Development

The Committee approved a 3.5% reduction to the General Fund appropriation for the following programs that had not been subject to the supplemental ending balance adjustment made during the 2011 legislative session:

- Skill Centers – \$19,250
- Trucking Solutions Consortium and loans to students participating in commercial driver training – \$17,500
- National Career Readiness Certificate and on-the-job training programs – \$119,000

The Committee restored \$813,402 for debt service (\$551,965 General Fund, \$261,437 Lottery Funds, and \$200,000 Other Funds) which had been reduced as part of the supplemental ending balance in the 2011 legislative session. The Community College and Workforce Development Department has \$200,000 available in interest earnings on bond proceeds to make a portion of the debt service payment.

As part of the statewide effort to restructure state government business operations and management of agency programs and services, the personal services budget for the agency was reduced by \$95,768 General Fund. A reduction of \$994 General Fund was made for the agency's share of the statewide e-government savings.

Department of Education

The Committee approved a 3.5% reduction to the General Fund appropriation for the Oregon Department of Education (ODE) for the following new programs that had not been subject to the supplemental ending balance adjustment made during the 2011 legislative session:

- School District Collaboration (Senate Bill 252) – \$175,000
- Career and Technical Education (House Bill 3362) – \$70,000
- Accelerated College Credit (Senate Bill 254) – \$8,750
- For Inspiration and Recognition of Science and Technology (FIRST) – \$5,250
- Farm-to-School (House Bill 2800) – \$7,000
- After School Meal and Snack (Senate Bill 480) – \$6,300

An increase of \$5,610,036 Other Funds expenditure limitation was approved for the long-term care and treatment program. The increase supports an additional 271 slots from the implementation of Senate Bill 170 (2011) and \$1.6 million Other Funds for a high-cost reserve and inflation in the average net operating expenditures.

The 2011-13 legislatively adopted budget included \$5 million General Fund to cover the cost from a breach of contract lawsuit. The Department was directed to first use its 2009-11 legislatively approved budget to the greatest extent possible to address the payments, with any remaining balance due to be paid from the 2011-13 appropriation. The Committee approved a reduction of \$2 million General Fund as final payments have been made.

The overall funding level for the State School Fund was increased by \$2.5 million to cover the cost of extending the sunset for the Small School District Supplement Fund until June 30, 2013 (one additional year). Further, the Committee modified the funding sources to address a forecasted decline in Lottery Funds revenues. The General Fund appropriation is increased by \$5,479,570; the Lottery Funds allocation and expenditure limitation is decreased by \$2,979,570 million.

The Committee added \$587,015 General Fund for the Early Head Start Program. With this additional funding, the Department is expected to maintain 59 enrollment slots for the balance of the biennium.

A \$431,521 General Fund reduction in the personal services budget for the agency was made as ODE's share of the statewide effort to restructure state government business operations and management of agency programs and services (\$280,465 Operations, \$151,056 School for the Deaf). The budget was also reduced by \$18,413 General Fund to capture statewide e-government savings.

The Committee restored debt service of \$1,848,887 Lottery Funds and \$61,218 Other Funds to cover obligations that were reduced as part of the supplemental ending balance in the 2011 legislative session.

Oregon Health & Science University

The Committee approved a 3.5% reduction, or \$18,375 General Fund, for new Health Care Loans (House Bill 2397, 2011) that had not been subject to the supplemental ending balance adjustment made during the 2011 legislative session.

Oregon Student Access Commission

Senate Bill 5701 reflects three adjustments to the Commission's budget. The Committee transferred \$34,152 General Fund from the Oregon Opportunity Grants to child care grants to offset the 3.5% supplemental ending balance reduction for that program in the legislatively adopted budget. The second reduced personal services by \$29,294 General Fund for the Commission's share of the statewide effort to restructure state government business operations and management of agency programs and services. The third change was a \$462 General Fund reduction to capture statewide e-government savings.

Teacher Standards and Practices Commission

As part of the Co-Chairs' statewide rebalance plan, the Committee eliminated the \$100,000 General Fund appropriation for the Educator Preparation Improvement Fund established in House Bill 3474 (2011). The Fund remains in statute and the Teacher Standards and Practices Commission may still accept grants, donations or gifts of money.

The Committee also established an \$85,455 Federal Funds expenditure limitation for the Advancing Longitudinal Data for Educational Reform (ALDER) grant funds received through an intergovernmental agreement with the Department of Education. Funds will be used to support staff time, data gathering, and hardware.

Oregon University System

General Fund debt service appropriations for the Oregon University System (OUS) are adjusted based on updated repayment schedules and restorations of supplemental ending balance reductions taken as part of the legislatively adopted budget. General Fund debt service on Article XI-G general obligation bonds was increased by \$1.7 million. General Fund debt service on certificates of participation (COPs) was increased by \$585,977. General Fund debt service for repayment of energy loans to the Department of Energy (SELP) was decreased by \$3.1 million. The net effect of these adjustments is a savings of \$892,900 General Fund. Lottery Funds expenditure limitation for debt service was increased by \$260,577 to meet lottery bond obligations. Sports Lottery was reduced by \$232,960 to make Lottery Funds available to meet debt service obligations, with direction that this reduction be split between the University of Oregon (\$118,613) and Oregon State University (\$144,347), both of which are on track to experience significant increases in athletic revenues in the 2012-13 fiscal year. In addition, Other Funds debt service was increased by \$344,054 to reflect the redirection of lottery bonds proceeds issued in 2007 for capital repair projects to now pay for debt service on existing lottery bonds.

The Committee approved a 3.5% reduction, \$11,550 General Fund, for clinical legal education (House Bill 5056, 2011) that had not been subject to the supplemental ending balance adjustment made during the 2011 legislative session

Human Services Program Area

Oregon Health Authority

The Oregon Health Authority (OHA) budget is organized into several program areas including Health Care Programs, Addictions and Mental Health, and Public Health, as well as Central and Shared Services. Senate Bill 5701 adjusts the OHA budget for updated pricing of program caseloads, costs and revenues, and selected management actions to help “rebalance” the budget. Most notable are additional costs of \$21.3 million General Fund mostly related to a shortfall in personal services funding in the budget, and \$25.0 million General Fund savings primarily related to caseload changes. The rebalance plan includes agency actions to manage a portion of the personal services underfunding. Finally, the rebalance plan includes a number of technical adjustments to fix errors made in the original split of the Department of Human Services (DHS) into two agencies, and to realign resources within OHA. This includes moving 13 positions from OHA to DHS, and a realignment of positions in the Oregon State Hospital.

The budget as adjusted reflects a number of actions to be taken as a result of the \$62.4 million General Fund and \$390,969 Lottery Funds withheld in the legislatively adopted budget for the 3.5% supplemental statewide ending balance. These actions include various program reductions and the use of one-time revenue sources. They also include total administrative reductions of \$15.3 million General Fund, including the expectation that the agency will manage \$8.3 million of the personal services underfunding in the agency through holding position vacancies and other actions. This total also includes a reduction of \$5.1 million General Fund, which is OHA’s share of the statewide effort to restructure state government business operations and management of agency programs and services. The budget was reduced by \$104,840 General Fund and \$100,729 Federal Funds to reflect savings in State Government Service Charges from the changes in the state’s e-government funding model.

With the addition of certain other actions beyond that already described, the approved adjustments result in an overall \$146.5 million increase in the agency’s total funds budget, but a \$24.6 million General Fund decrease. These actions also result in a \$390,969 decrease in Lottery Funds expenditure limitation, an \$18.6 million increase in Other Funds expenditure limitation, a \$152.8 million increase in Federal Funds limitation, and a reduction of 53 positions (53.00 FTE).

A more detailed description of each program area follows.

Health Care Programs

The budget adjustments in Senate Bill 5701 reflect a net reduction of \$34.1 million General Fund in the Health Care Programs budget, with a \$4.3 million increase in Other Funds expenditure limitation and a \$64 million increase in Federal Funds expenditures limitation. Positions are reduced by 18 (18.00 FTE).

The rebalance plan approved by the Committee includes overall savings of \$25.9 million General Fund, primarily as a result of lower caseloads, but also savings from a slight increase in the federal match rate. Increased costs include a shortfall of \$1.2 million in tobacco tax forecast, as well as \$2.6 million in General Fund costs related to the Medicaid Management Information System (MMIS) as a result of new federal requirements. The federal government will contribute \$21.8 million or 90% of these costs. The rebalance also includes an additional \$80 million in Federal Funds expenditure limitation for the Federal Medical Insurance Pool (FMIP), which is a new federal program to provide insurance coverage for high risk individuals.

The Committee approved a number of other actions, partially to manage the \$33.1 million General Fund withheld in the legislatively adopted budget for the 3.5% supplemental statewide ending balance. Federal revenues from both the 2010 and 2011 federal Children's Health Insurance Program Reauthorization Act (CHIPRA) bonuses, totaling \$23.5 million, will replace General Fund. A total of \$16.8 million of insurer's tax revenue will be redirected to help ensure access to health care for children. Of this total, \$11 million will be used to preserve services for children by preventing program reductions in the Oregon Health Plan (OHP) Plus program. These resources come from unallocated funds of \$10 million and an additional \$1 million in reduced marketing/advertising for the Healthy Kids program. Another \$5.8 million will be used in the Family Health Insurance Assistance Program (FHIAP) to prevent further program reductions. These resources result from lower than expected caseloads in Healthy Kids Connect. The following budget note was approved related to the insurer's tax:

BUDGET NOTE

The Oregon Health Authority is instructed to convene a stakeholder work group consisting of all eight health insurers domiciled in Oregon to review whether there is a future for the health insurance premium tax. Further, by December 2012, the work group shall make recommendations on how to address the funding gap that will arise after the September 30, 2013 sunset of the existing tax authority and how to allocate any surplus premium tax revenue in the remaining months of the 2011-13 biennium to health care programs, especially for Oregon's children. The Oregon Health Authority is instructed to memorialize discussions in writing, as well as to provide updates on the work group discussions to the interim health care policy committees.

A number of program reductions are included in this budget, including administrative reductions of \$1.5 million General Fund. In addition, the agency is expected to manage all personal services underfunding within this program area. Membership in FHIAP will be reduced to save \$2 million General Fund, and those clients will be eligible for OHP Standard. Six positions (6.00 FTE) are also eliminated in the program. Funding for outreach workers at Federally Qualified Health Centers will be reduced by \$134,875 General Fund. The Committee approved the addition of \$1 million General Fund to mitigate the earlier reductions to the reimbursement rates for durable medical equipment. These adjustments are expected to be implemented at the same time as the overall rate adjustments for durable medical equipment for the fiscal year beginning July 1, 2012. This budget has also been reduced by \$699,560 General Fund as a result of the statewide effort to restructure state government business operations and management of agency programs and services. The following budget note relating to generic drugs was approved:

BUDGET NOTE

The Oregon Health Authority is directed to pursue a competitive bidding process for the purchase of lowest cost generic drugs within the Medicaid program. The agency shall report back to the Emergency Board by December 2012 on the status and results of this initiative.

At the direction of the Governor and legislative leadership, OHA suspended new program enrollment in OHP Standard effective January 2012. This was done in order to give the Legislature maximum flexibility to rebalance the budget. These resources were not used in the budget rebalance, and the agency is expected to reopen enrollment in this program.

Addictions and Mental Health

Overall budget adjustments for Addictions and Mental Health increase General Fund by \$3.3 million. These adjustments also result in a reduction to Lottery Funds expenditure limitation of \$390,969, an increase in Other Funds limitation of \$5.7 million, and an increase in Federal Funds limitation of \$3.2 million. A total of 35 positions are eliminated (\$5.00 FTE).

The rebalance plan approved by the Committee includes General Fund costs of \$12 million, primarily a result of underfunded personal services costs. The Oregon State Hospital accounts for \$14.1 million out of the total \$17.5 million General Fund shortfall in personal services funding agency wide. The rebalance plan reports management actions to absorb about 30% of this shortfall. This is a particularly difficult area of the budget in which to manage personal services costs, since holding vacancies of direct-care staff can result in inadequate staffing levels to provide the necessary care, and may also result in higher overtime costs. The rebalance includes a realignment of positions in the Oregon State Hospital. While this has no impact on the budget, it does result in a reduction of 34 positions. An additional Federal Funds expenditure limitation of \$3.9 million is included in the rebalance. A portion of this is needed as a result of more federal resources from Alcohol and Drug program grants than was originally anticipated. The remainder is for additional federal match of General Fund at the state hospital, which was understated in the legislatively adopted budget.

The Committee approved a number of other actions, partially to manage the \$23.4 million General Fund withheld in the legislatively adopted budget for the 3.5% supplemental statewide ending balance. Four wards in the new Oregon State Hospital will not be opened until the beginning of the 2013-15 biennium. This results in one-time General Fund savings of \$19.6 million in 2011-13, primarily as a result of positions held vacant for part of the biennium. Gambling addiction programs have been reduced by \$390,969 Lottery Funds. This is in addition to the program reduction as a result of the 3.5% supplemental ending balance holdback. Funding for the development of new capacity in the community mental health system is reduced by \$2.8 million General Fund, leaving \$4.8 million in the budget to move forward with immediate plans for expansion of capacity.

This budget anticipates using, in the second year of the biennium, \$5.7 million Other Funds from the Community Mental Health (Dammasch) Housing Trust Fund to support program services. This amount is equal to one-half of the current principal in the Fund. The Other Funds will be used to continue to provide community services to children and adults with mental illness. The community housing grant program will continue during the 2011-13 biennium, at reduced levels as funding permits. The following budget note related to the Dammasch Fund was approved:

BUDGET NOTE

Funds from the Dammasch Trust Fund in the 2011-13 budget are being used due to the severe revenue shortfall the state has experienced. Dammasch funds are being used exclusively for vital mental health services. If revenue should substantially increase in the current biennium, the Legislature will restore these funds to their full amount.

This budget has been reduced by \$3.4 million General Fund as a result of the statewide effort to restructure state government business operations and management of agency programs and services. The agency is also expected to manage a portion of the personal services underfunding within this program area.

Public Health

In Public Health, the overall budget adjustments add \$1.8 million General Fund, \$5.1 million Other Funds, and \$5.7 million Federal Funds.

The rebalance plan approved by the Committee includes a General Fund cost of \$1.2 million, primarily a result of underfunded personal services costs. The plan also includes a \$6.2 million Federal Funds expenditure limitation increase for the Office of Family Health and the Office of Environmental Health. This includes grant awards for the Maternal Infant and Early Childhood Home Visiting Program, the WIC Breastfeeding Program, and the Healthy Homes grant.

Actions were approved to manage the \$1.2 million General Fund withheld in the legislatively adopted budget for the 3.5% supplemental statewide ending balance. The agency is expected to manage all personal services underfunding within this program area. This budget has also been reduced by \$303,303 General Fund as a result of the statewide effort to restructure state government business operations and management of agency programs and services. Other approved actions include the transfer of \$1.5 million from the Tobacco Use Reduction Account to the state General Fund.

Central, Shared & Direct Charge Services

The budget adjustments for Central, Shared and Direct Charge Services increase General Fund by \$5.1 million, Other Funds expenditure limitation by \$3.5 million, and Federal Funds expenditure limitation by \$80 million.

The rebalance plan includes a General Fund cost of \$4 million, primarily a result of underfunded personal services costs. The plan also includes a \$3.5 million increase in Other Funds expenditure limitation for Shared Services. Federal Funds expenditure limitation is increased by \$80.4 million to support additional resources for projects supported by the Office of Health Information Technology (OHIT). OHIT has received additional federal grant funds to support the infrastructure that will promote the development of health information technology strategies and applications to support the widespread improvement of the health care system. It also expects to receive \$67.8 million Federal Funds during the biennium to pass through to health care professionals and hospitals in Oregon as incentives to develop electronic health record systems.

The Committee approved a number of other actions, partially to manage the \$4.7 million General Fund withheld in the legislatively adopted budget for the 3.5% supplemental statewide ending balance. The agency is expected to manage all personal services underfunding within this program area. The original \$4.7 million holdback included \$1.9 million General Fund related to debt service, which was added back. This budget has also been reduced by \$691,053 General Fund as a result of the statewide effort to restructure state government business operations and management of agency programs and services.

Department of Human Services

Senate Bill 5701 increases the Department of Human Services (DHS) budget by a net \$103.5 million General Fund, \$22 million Other Funds, \$160.7 million Federal Funds, and 13 positions (13.00 FTE). The 13 positions are moved from the Oregon Healthy Authority, for no net increase between the two agencies. The net adjustments reflect updated pricing of program caseloads, costs and revenues, and selected agency actions to help "rebalance" the legislatively adopted budget; technical adjustments to fix errors made in the initial distribution of resources between DHS and the Oregon Health Authority when that new agency was created; actions to be taken to address the \$73.7 million General Fund unspecified reduction in the legislatively adopted budget for the 3.5% supplemental statewide ending balance; and other actions anticipated in the Ways and

Means Co-Chairs' statewide budget plan. The budget was reduced by \$240,259 General Fund and \$196,576 Federal Funds to reflect savings in State Government Service Charges from the change in the state's e-government funding model. More detailed description of the budget changes and actions in each program area follows.

Central Services

The Central Services budget is reduced by \$522,515 General Fund, \$10,047 Other Funds, \$1.3 million Federal Funds, and 9 positions (8.99 FTE). This includes reductions of \$580,630 General Fund and \$478,824 Federal Funds as part of the statewide effort to restructure state government business operations and management of agency programs and services. This unit is also expected to manage \$310,205 General Fund and \$310,205 Federal Funds in higher-than-budgeted position costs through holding position vacancies and other actions. Technical adjustments are made to move one position (1.00 FTE) into and 10 positions (9.99 FTE) out of this budget.

Children, Adults and Families

Senate Bill 5701 increases funding for Children, Adults and Families (CAF) by \$26.8 million General Fund, \$14.9 million Other Funds, and \$31.1 million Federal Funds. This reflects budget adjustments based on CAF's budget rebalance needs and technical adjustments, the \$28.7 million General Fund reduction made in the 2011-13 legislatively adopted budget for the 3.5% supplemental ending balance, and other actions anticipated in the statewide budget plan.

DHS identified a net \$34.5 million General Fund need in the CAF budget in its financial report to the Joint Interim Committee on Ways and Means in January 2012. The federally-funded Supplemental Nutrition Assistance Program (SNAP) caseload continues significant growth: \$130 million was added to CAF's unlimited Federal Funds expenditure limitation in December 2011, 5.6% above the legislatively adopted budget level. Caseloads and costs in the Temporary Assistance to Needy Families (TANF) cash assistance programs are forecast to be \$44.1 million General Fund higher than budgeted, with the most notable increase in the TANF Basic caseload, where the average caseload is now projected to be 28,607 monthly, 17.2% higher than the 24,407 average in the legislatively adopted budget. Child Substitute Care caseloads are forecast higher than budgeted, primarily in regular foster care, special contracts, residential treatment, and target children cases. Other substitute care programs show a small savings compared to the budget. Adoptions program caseloads and costs are projected to be lower than funded in the legislatively adopted budget.

Notable revenue adjustments in CAF's budget rebalance and in the statewide budget plan include the use of \$16 million in federal TANF funds received but not spent in the 2009-11 biennium; \$5.1 million in SNAP access and application process bonuses; and \$6.2 million in federal Child Care and Development Fund moneys received from the Employment Department as Other Funds. In addition, \$10 million in federal fiscal year 2013 TANF contingency funds are assumed to replace a \$5 million shortfall in federal fiscal year 2012 funding and to help avoid \$8 million in further reductions in TANF programs.

Key elements of the CAF budget after the Senate Bill 5701 adjustments include the following:

- In the TANF program, basic cash assistance payment levels and income eligibility criteria are unchanged. Current TANF Parents as Scholars clients can complete their education without losing cash assistance. The TANF Family Support and Connections program is maintained at full funding. Adults who meet the federal 60-month time limit in- or out-of-state will not be eligible for TANF in Oregon. The current "job quit"

ineligibility period is extended from 60 to 120 days. Post-TANF payments to working families are ended May 1, 2012, two months earlier than originally budgeted. There continues to be risk in TANF caseloads which are already running above the Fall 2011 forecast level.

- \$9 million in unallocated JOBS funding is maintained for job placement, contracted slots and client support services such as child care and transportation.
- Employment Related Day Care (ERDC) caseloads are funded at an expected 8,500 average cases, with a continued mix of General Fund and federal Child Care and Development Fund moneys. Client co-payments are increased by 10%, an average of \$5 to \$10 monthly for families receiving subsidies. The unallocated \$5.7 million special purpose appropriation to the Emergency Board for ERDC or other supports and services for children and families is eliminated.
- Child welfare services are maintained, including funding for SB 964 (2011) community-based, family preservation and reunification programs. The unallocated \$5 million special purpose appropriation to the Emergency Board for child welfare differential response is abolished. The new initiative to contract for domestic violence advocates in program offices is scaled back, and \$1 million for new infrastructure grants to domestic violence shelters is eliminated. Foster care, adoptions assistance and other child welfare provider reimbursement payments are unchanged from the legislatively adopted budget level.
- Funding for refugee services is decreased by \$100,000, reducing the legislatively adopted budget for the program by less than 1% overall. The \$100,000 reduction is made in federal TANF funds which will be used elsewhere in CAF to free up \$100,000 General Fund.
- Vocational Rehabilitation Services are continued without reduction.

Higher-than-budgeted position costs in CAF total \$15.6 million General Fund and \$15.6 million Federal Funds; these costs will be managed through holding position vacancies and other actions. An additional \$1.9 million General Fund and \$1.9 million Federal Funds reduction is made in CAF self-sufficiency program staffing and other operating costs. The CAF budget is further reduced by \$3 million General Fund, \$180,000 Other Funds and \$2.8 million Federal Funds as part of the statewide effort to restructure state government business operations and management of agency programs and services. Overall, the impact of these actions is expected to reduce CAF staffing by the equivalent of more than 310 positions, and bring field staffing levels for self-sufficiency and child welfare programs down to less than 70% of the workload staffing models for those programs.

Seniors and People with Disabilities

The budget for Seniors and People with Disabilities (SPD) is increased by \$77.2 million General Fund, \$4.4 million Other Funds, and \$129.8 million Federal Funds. Technical adjustments move one position (1.00 FTE) from SPD to the Central Services budget. These budget adjustments address SPD's budget rebalance and technical adjustments, the \$44.1 million General Fund reduction made in the 2011-13 legislatively adopted budget for the 3.5% supplemental ending balance, and other actions anticipated in the statewide budget plan.

DHS reported in January 2012 to the Joint Interim Committee on Ways and Means that caseloads in long-term care facilities for seniors and people with physical disabilities are expected to be down just slightly overall from the caseloads funded in the legislatively adopted budget.

However, costs for in-home cases and community-based care were higher than budgeted, in part because of some clients shifting to home and community-based care settings from Medicare Part A and Part B Buy-in programs that pay Medicare premiums for low-income "dual eligible" seniors who qualify for both Medicare and Medicaid. In the programs serving people with developmental disabilities, caseloads overall were slightly less than initially funded, although costs per case were running higher due to higher client acuity levels and some movement between program settings. Higher Medicaid client participation rates in those programs were expected to provide more Federal Funds to help offset the higher overall costs. Overall, SPD's budget rebalance showed a small General Fund savings from the legislatively adopted budget, before consideration of the 3.5% supplemental ending balance reduction and the budgeted long-term care reimbursement reduction.

In addition to the unspecified \$44.1 million General Fund reduction for the 3.5% supplemental ending balance, the legislatively adopted budget reflected a reduction of \$51.5 million General Fund, \$147.6 million total funds in the second year of the biennium for long-term care costs for seniors and adults with physical disabilities in in-home services, community-based facilities, and nursing facilities. When repriced for the shift in service settings and costs in the agency's budget rebalance, to fully restore this reduction would require \$53.4 million General Fund. The adjustments in Senate Bill 5701 include an additional \$40 million General Fund appropriation in this program area, reducing the potential reimbursement reduction from \$53.4 million to \$13.4 million. The Co-Chairs' intent is that the Governor's Office, the Oregon Health Authority and DHS will pursue additional federal Medicaid funding or other federal revenue to mitigate or eliminate the full reduction. DHS is expected to report on this issue to the Emergency Board at its May 2012 meeting, with recommendations regarding any further action to be taken at that time. In addition, as part of the Co-Chairs' budget rebalance plan, an agreement was made to consider using the Emergency Fund to cover the remaining \$13.4 million reimbursement reduction if additional federal funds are not obtainable and the June 2012 Oregon Economic and Revenue Forecast of 2011-13 biennium General Fund revenues, excluding the impact of 2012 legislative session adjustments, exceeds the amount of General Fund revenues in the March 2012 forecast by at least \$25 million.

The approved budget makes no reductions in Oregon Project Independence services, Medicaid adult day services, or Medicaid home-delivered meals programs.

Alternatives to Employment Services, Sheltered Employment, Supported Employment, the Family Support Program and Family-to-Family network for people with developmental disabilities and their families also continue without reductions. The plan avoids further reductions to reimbursement rates for brokerages and community developmental disability programs (CDDPs). It also adds \$7.5 million General Fund for 24-hour residential providers; for supported living providers; and for children's residential providers including children's foster care group homes, to bring the 2011-13 biennial budget reductions to no more than 6% below the 2009-11 level. No changes were made at this time for the adult foster care programs, which are currently in collective bargaining negotiations. The following budget note was approved:

BUDGET NOTE

The Department of Human Services is to report to the Emergency Board in September 2012 on the outcome of the negotiations for the adult foster care programs. If the negotiations result in a reduction that is more than 6% below the 2009-11 reimbursement rate, DHS is to identify options for bringing reimbursement for adult foster care programs to no more than a 6% reduction for the balance of the biennium, and include its preferred option in the agency's next budget rebalance plan.

Costs for crisis diversion and in-home services for some individuals with developmental disabilities will be limited, resulting in budget savings of \$241,149 General Fund and \$956,710 Federal Funds. Clients in three additional state operated group homes for adults with disabilities will be moved to private group homes, for a \$350,190 General Fund and \$571,410 Federal Funds savings this biennium. With three state operated group homes already in the process of being closed, DHS will move a total of 30 clients to private group homes by the end of the biennium, for an estimated net savings of \$1.3 million General Fund and \$3.4 million Federal Funds.

The budget adjustments anticipate \$2.8 million in General Fund savings from a total of \$1.5 million Other Funds and \$1.3 million Federal Funds in increased revenue, based on contractor estimates for higher third-party recoveries for long-term care cases, higher projected estate recoveries, and a new Medicaid 1915(c) waiver for in-home comprehensive services for children with developmental disabilities.

Higher-than-budgeted position costs in SPD total \$9.4 million General Fund and \$10.7 million Federal Funds; these costs will be managed through holding position vacancies and other actions. An additional \$1 million General Fund and \$1 million Federal Funds reduction is made in SPD and Area Agencies on Aging (AAAs) program staffing and other operating costs. The SPD budget is further reduced by \$2.5 million General Fund and \$3.3 million Federal Funds as part of the statewide effort to restructure state government business operations and management of agency programs and services. Overall, the impact of these actions is expected to reduce staffing for AAA, DD, and SPD staffing by the equivalent of 180 positions, with reduced field staffing levels for Medicaid eligibility and case management.

Shared Services

The Shared Services budget is increased by a net \$2.8 million Other Funds and 23 positions (22.99 FTE). Technical adjustments add \$3.5 million Other Funds, based on the transfer of 23 positions to Shared Services from within DHS and the Oregon Health Authority. The budget reflects a reduction of \$716,863 Other Funds as part of the statewide effort to restructure state government business operations and management of agency programs and services. Higher-than-budgeted position costs of \$4 million Other Funds will be managed through holding position vacancies and other actions.

Of note: Senate Bill 5701 abolishes the unallocated \$8 million special purpose appropriation to the Emergency Board established in 2011 for Department of Human Services and Oregon Health Authority caseloads and costs for programs and services. However, the agencies may, if needed, be able to access a part of the new \$60 million special purpose appropriation to the Emergency Board designated for potential allotment reduction mitigation; for home foreclosure issues; or for human services caseload increases.

Public Safety Program Area

Department of Corrections

Senate Bill 5701 adds a net \$38.1 million General Fund for the Department of Corrections (DOC), reflecting a partial restoration of the 2011-13 legislatively adopted budget's adjustment for the supplemental ending balance, a "rebalance" of resources across the agency's divisions, and DOC's share of the statewide effort to restructure state government business operations and management of agency programs and services.

- The 2011-13 legislatively adopted budget included a \$48.2 million General Fund (3.5%) reduction for the supplemental ending balance. The Committee restored \$38.1 million resulting in the following reductions and actions the agency must make to close the resulting funding gap:
- The amount of funding dedicated for the reimbursement of counties for the jail costs of incarcerating Ballot Measure 73 offenders is reduced by \$1.6 million General Fund. Requests for reimbursement have been lower than expected for the first six months of the biennium. The agency would need to request further funding or reallocate resources within its budget if requests return to at least the amount assumed in the legislatively adopted budget.
 - A greater amount of federal funds through the State Criminal Alien Assistance Program (SCAAP) is now anticipated so \$315,352 General Fund in the Health Services Division may be replaced with an equivalent amount of federal funds.
 - The amount of debt service required for 2011-13 is reduced by \$81,641 General Fund through refinancing of existing certificates of participation (COPs). Future biennial budgets will reflect savings due to this refinancing.
 - DOC's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$7.9 million General Fund.

BUDGET NOTE

The Department of Corrections is instructed not to close or deactivate any facility or units for the purposes of the \$7.9 million reduction related to the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services without consulting the Emergency Board or the Legislature.

The Committee also approved an agency-wide rebalance of appropriation and expenditure limitation affecting most of the divisions. Overall, this rebalance reflects no net increase in General Fund, a \$98,019 increase in Other Funds expenditure limitation, and a \$7,989 decrease in the Federal Funds expenditure limitation. As part of this rebalance, \$220,875 General Fund is transferred to the Operations Division from the Transitional Services Division accounting for funding for one of the five management positions that were eliminated in the 2011-13 legislatively adopted budget. This bill eliminates the five positions (5.00 FTE) since only the funding was eliminated in the 2011 legislative session. The agency's budget was also reduced by \$266,788 General Fund to capture statewide e-government savings.

The bill also repeals the appropriation section for Chapter 666 (House Bill 2940, 2011) and combines this \$100,095 General Fund appropriation with the primary appropriation for the agency found in Chapter 635 (Senate Bill 5505, 2011). Also established in this bill is an Other Funds expenditure limitation for Capital Improvements of \$413,449 for the replacement of components of the Eastern Oregon Correctional Institution's (EOCI) water heating system utilizing solar panels.

The Other Funds expenditure limitation is increased by \$3.2 million for grants to local jails funded by criminal court fees. This limitation was inadvertently left out of House Bill 2712 (2011). The Federal Funds expenditure limitation is also increased by \$600,000 for a federal grant that the agency has received relating to the Prison Rape Elimination Act (PREA). There are three limited duration positions (0.81 FTE) authorized for the activities associated with this grant.

Oregon Criminal Justice Commission

The Committee approved an increase in the Federal Funds expenditure limitation for the Criminal Justice Commission (CJC) of \$6,987,121 reflecting the amount of federal resources that must be spent by the end of the 2011-13 biennium. At the time final action on CJC's 2011-13 budget was taken during the 2011 legislative session, the amount of available federal funding through various grants was not finalized. These funds will mostly be used for programs similar to drug courts for Ballot Measure 57 offenders.

District Attorneys and Their Deputies

Senate Bill 5701 appropriates \$359,976 General Fund for the District Attorneys and Their Deputies. This increase represents a restoration of the entire amount reduced for the supplemental ending balance in the 2011-13 legislatively adopted budget offset by a \$2,078 General Fund decrease for the e-government adjustment. The only option for adjusting this budget is to reduce the compensation of the 36 locally elected District Attorneys.

Department of Justice

The Committee approved a net reduction of \$160,840 in the General Fund appropriation for the Department of Justice (DOJ). Instead of restoring the \$1.9 million General Fund (3.5%) that had been reduced in the 2011-13 legislatively adopted budget for the supplemental ending balance, several reductions were made to fill the gap. These General Fund adjustments include \$600,652 for the Defense of Criminal Convictions (DCC) program. At this time the agency believes this reduction will not significantly affect the DCC program as long as the target savings from management actions are met and the resources in a special purpose appropriation to the Emergency Board are available for the program. This DCC reduction also leads to decreases in the Other Funds expenditure limitations for the Appellate Division of \$210,442 (one position/1.00 FTE) and for the Trial Division of \$39,347 (0.25 FTE).

The Division of Child Support will use mostly vacancy savings to save \$785,156 General Fund, also resulting in a decrease of \$1,395,709 in federal matching funds. The Committee did approve a \$300,000 General Fund increase and a \$600,000 increase in the Federal Funds expenditure limitation for matching federal funds to continue the development of the replacement of the Division of Child Support's major information management system necessary to keep pace with changing program and federal requirements. The Criminal Justice Division will reduce its District Attorney Assist and Organized Crime programs by \$270,831 General Fund (2 positions/1.00 FTE) which also results in a \$221,874 reduction in the Other Funds expenditure limitation for the Division. Other General Fund reductions include \$10,500 for the grant to Project Clean Slate and \$50,000 from the Civil Rights unit. The change in the General Fund also reflects the use of \$348,950 Other Funds in penalties and other resources collected through the Medicaid Fraud unit to offset an equivalent amount of General Fund.

The DOJ's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$600,000 Other Funds. It is expected all of the agency's programs will be reviewed and that a portion of the resulting reduction could lead to overall General Fund savings as the rate for agency legal services is adjusted.

The Department of Justice has joined the Attorneys General in 49 other states in a financial settlement with major private mortgage lenders. Funding to assist distressed homeowners and direct payments to states are part of this settlement. The following budget note is included for the Department of Justice.

BUDGET NOTE

The Department of Justice may request funding for activities related to mortgage fraud and similar issues from the special purpose appropriation established for this purpose. These activities may include investigation and prosecution of mortgage fraud cases, efforts to assist distressed homeowners access funding made available by the recent multi-state settlement with private mortgage lenders, housing counseling, and other activities relating to possible foreclosures. The Department of Justice shall work with the Department of Consumer and Business Services, the Housing and Community Services Department, and other agencies and entities in formulating a plan for the best use of these funds for presentation to the Emergency Board as part of its request for these funds.

Oregon Military Department

None of the funding reduced in the 2011-13 legislatively adopted budget was restored for the Oregon Military Department. The Committee made further reductions including \$35,046 General Fund in the Operations program through vacancy savings for a facilities engineer position, and transferred \$71,937 in savings from the Capital Debt Service program to the Operations program for general operating services and supplies expenses. The net General Fund increase to the Operations program is \$36,891. The Committee also decreased the Emergency Management program by a total of \$120,897 General Fund. A portion of this reduction is from vacancy savings in the Director of Emergency Management position (\$11,816) with the remainder as the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services (\$109,081).

The Committee appropriated \$4.5 million General Fund to Military Department for depositing into the Oregon Local Disaster Assistance Loan and Grant Account for school districts that have raised at least 50% of the cost from local resources and donations for the replacement and relocation of school buildings damaged or destroyed by a flood that is declared a federal disaster. The Committee also approved \$4 million Other Funds expenditure limitation for the Oregon Local Disaster Assistance Loan and Grant Account for the payment of such expenses.

The Community Support program's Other Funds expenditure limitation is increased by \$118,339 for 2011 fire season expenditures.

The Committee also increased the Capital Debt Service Other Funds expenditure limitation by \$306,589 for cash proceeds from previously issued Seismic Rehabilitation Grant bonding and \$241,578 for cash proceeds from previously issued certificates of participation used to fund various armory capital improvements. These funds will be used in lieu of General Fund, for \$548,167 in General Fund Debt Service savings.

The following budget note was adopted.

BUDGET NOTE

The Military Department is directed to prepare a statewide information technology plan for upgrading Oregon's 9-1-1 system(s) to Next Generation technology. The plan shall include a detailed component to consolidate the state's Public Safety Answering Points based upon the 2012 L.R. Kimball Consolidation Analysis and Next Generation 9-1-1

Implementation Report. The plan is to be submitted through the normal budget review process for an information technology project and be reviewed by the Department of Administrative Services - Information Enterprise Strategy and Policy Division.

Department of State Police

Senate Bill 5701 reflects a net \$5.3 million increase in the General Fund appropriation for the Oregon State Police (OSP), including adjustments for the restoration of the reduction for the supplemental ending balance, adjustments across divisions based on a rebalance plan proposed by the agency, and OSP's share of the statewide effort to restructure state government business operations and management of agency programs and services. The total \$7.8 million reduced in the 2011-13 legislatively adopted budget for the supplemental ending balance (3.5% reduction) is restored across the agency.

The changes in the bill include the adjustment of General Fund appropriations for each division based on updated projected spending for the remainder of the biennium. This "rebalance" of resources generally transfers General Fund from the Forensics and Information Management divisions to the Patrol and Criminal divisions. Major factors for these transfers include final employee compensation decisions greater than what was assumed in the legislatively adopted budget, savings from vacant positions, increasing fuel costs, need to replace patrol car video camera systems, and specific programmatic needs. The Committee also approved a reduction of \$2.5 million General Fund for OSP's share of the statewide effort to restructure state government business operations and management of agency programs and services.

The 2011-13 legislatively adopted budget was also reduced by \$241,486 Lottery Funds for the supplemental ending balance. None of this reduction is restored in this bill. In addition, other cost increases (e.g., employee compensation and fuel costs) have left the Fish and Wildlife Division with a Lottery Funds shortfall of over \$700,000. To avoid further staffing reductions, funding for up to five Fish and Wildlife trooper positions will be transferred from Ballot Measure 76 Lottery Funds to Other Funds resources available from carry-forward of Oregon Department of Fish and Wildlife revenues and vacancy savings. This transfer requires an additional \$436,875 in Other Funds expenditure limitation. An increase of \$202,180 in the Lottery Funds expenditure limitation is also approved taking advantage of a greater use of Lottery Funds balances.

The Committee approved a \$521,944 increase in the Federal Funds expenditure limitation for OSP to execute a spending plan for the use of forfeiture and seizure funds. These federal resources have restrictions on how they may be used; and generally do not include the salaries and benefits of current permanent personnel. They also may not be used to replace or supplant appropriated resources of the agency. OSP plans to use these funds to purchase equipment to increase the productivity and safety of troopers including Tasers, equipment for the bomb squad, "Speak Write" software, and "confidential" funds for Criminal Division detectives.

Department of Public Safety Standards and Training

An increase of \$315,518 General Fund was approved for the Department of Public Safety Standards and Training (DPSSST). All of the General Fund for the agency is for Debt Service payments for the certificates of participation (COPs) issued for the construction of the agency's Salem facility. This amount represents what was reduced for the supplemental ending balance during the 2011 legislative session, less the amount of savings from refinancing some of the COPs.

The Committee approved an \$873,897 decrease of Other Funds expenditure limitation for the Criminal Justice Training program. This reduction corresponds with a decrease in the allocation of Criminal Fines Account (CFA) resources to the agency that is included in House Bill 5702 (2012). This allocation adjustment increases the amount of CFA resources available for the General Fund. This reduction in training funding will result in the discontinuation of the child abuse training program and the elimination of six positions (3.75 FTE) including a Training Support Specialist, two Range Masters, a Training Development Coordinator, a Health and Fitness Coordinator and a general trainer position. The agency has stated that these reductions will not affect the number of basic law enforcement training classes.

Oregon Youth Authority

To restore county programs affected by the supplemental ending balance reduction applied in the Oregon Youth Authority (OYA) 2011-13 legislatively adopted budget, the Committee added \$910,596 General Fund for Diversion (\$325,265), Juvenile Crime Prevention (\$276,061), Multnomah County Gang (\$163,264), and Individualized Services (\$146,006). As part of the county funding discussion, state support for the East Metro Gang Enforcement Team (EMGET) was confirmed to be \$1,666,753 General Fund for the 2011-13 biennium. This amount consists of \$566,753 in state General Fund from Multnomah County's gang funding grant along with \$1.1 million in designated EMGET General Fund.

The Committee used \$186,988 General Fund from OYA's operations budget to restore debt service. The budget was also reduced by \$64,628 General Fund to capture statewide e-government savings.

To generate additional program savings, \$1 million General Fund was eliminated from the budget based on lower utilization of about 25 foster care and residential beds. The personal services budget was also reduced by \$1.3 million as part of the statewide effort to restructure state government business operations and management of agency programs and services.

Economic and Community Development Program Area

Oregon Business Development Department

The Committee reduced the agency's General Fund appropriation by \$8,729; reduced Lottery Funds expenditures for operations by \$493,653; reduced Other Funds expenditures for operations by \$277,500; and increased Lottery Funds debt service expenditures by \$2,830,159 and Other Funds debt service expenditures by \$321,885, to restore reductions and fully finance debt service costs on lottery revenue bonds. The budget adjustments will generally allow the agency to implement its budget as it identified it would with the 3.5% holdback that was approved to generate a supplemental statewide ending balance, but with certain modifications. These modifications include limiting the Lottery Funds reduction for the Strategic Reserve Fund to \$700,000; increasing the Lottery Funds reduction for Oregon InC by \$357,000; increasing Lottery Funds for the Government Contract Assistance Program with the understanding that the Department will provide a total of \$290,000 Lottery Funds to that program; and increasing the Lottery Funds reduction to the Oregon Film and Video Office by \$81,125.

The Committee also approved budget adjustments to eliminate any additional grant or loan commitments in the Building Opportunities for Oregon Small Business Today (BOOST) program. The Business, Innovation and Trade Division's Other Funds expenditure limitation was reduced by \$377,500 for the reduction in BOOST program grant expenditures, and Other Funds Nonlimited were reduced by \$3,315,000 for the

reduction in BOOST program loan expenditures. Senate Bill 1579 transfers the combined reduction of \$3,692,500 in uncommitted BOOST program account Other Funds to the General Fund.

Lottery Funds were reduced by \$3,547 for the e-government funding model change. Expenditures were reduced by \$9,006 General Fund and \$432,802 Lottery Funds for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services. Finally, a \$100,000 Other Funds increase in the Business, Innovation and Trade Division, and one position (0.50 FTE), were approved to implement Senate Bill 817 (2011), which established the Oregon Low Income Community Jobs Initiative.

Employment Department

The General Fund appropriation to Employment Department's Child Care Division was reduced by \$336,868. Of this amount, \$250,000 reflects delayed implementation of a health consultation program model being developed by the Oregon Health Authority that was assumed in the Child Care plan and legislatively adopted budget, and a reduction in administrative costs related to the provision of customized reports for child care providers; the remaining \$86,868 is attributable to the statewide effort to restructure state government business operations and management of agency programs and services.

Senate Bill 5701 amends the agency's Federal Funds expenditure limitations to distinguish expenditures from Federal Funds received for benefits administration and operation of public employment offices from expenditures from federal Child Care and Development Funds.

The Committee increased Federal Funds expenditure limitation for benefits administration and public employment offices by \$12,345,199 and established three limited duration positions (6.50 FTE) to accommodate changes in caseload across several programs, as follows:

- \$1.3 million and 5.00 FTE for timely benefit administration of federal unemployment insurance benefit extensions for two additional months that had been approved by the U.S. Congress as of February 14, 2012;
- \$427,704 for Office of Administrative Hearings adjudication of those benefits;
- \$1.2 million and 3 positions (1.50 FTE) for casework and benefit administration of an anticipated 300 dislocated workers per quarter under a federally approved extension of the expanded Trade Act;
- \$447,958 for information technology expenditures necessary to enable participation in the Treasury Offset Grant Program, which enables the Department to recover employer taxes or benefit overpayments from Federal tax returns; and
- \$9 million for utilization of Federal Funds for administration in place of Other Funds (Reed Act) dollars.

The Employment Department identified \$16.6 million in Child Care and Development Funds carried over from previous biennia. The Committee increased Child Care and Development Federal Funds by \$6.2 million for the Employment Department for allowable child care expenditures, per federal guidelines. The statewide budget plan anticipates this \$6.2 million will be transferred to the Department of Human Services for child care subsidies and related expenditures. Decisions regarding how to utilize the remaining Child Care and Development Funds will be made at a later date.

Other Funds expenditure limitation adjustments resulted in a net reduction of \$5,385,131, consisting of the following:

- An additional \$2.5 million and eight limited duration positions (5.00 FTE) to allow for timely administrative hearings and decisions due to the 2-month extension of federal unemployment insurance benefits, and higher than anticipated caseloads originating in the Department of Education and the Portland Police and Fire Disability Fund;
- An additional \$1.4 million and three limited duration positions (1.88 FTE) associated with the Department's successful grant application for development of a national model workforce registration system;
- A reduction of \$9 million Other Funds due to the receipt and utilization of a like amount of Federal Funds for the administration of Unemployment Insurance activities; and
- A reduction of \$250,000 that is attributable to the statewide effort to restructure state government business operations and management of agency programs and services.

Housing and Community Services Department

The General Fund appropriation for the Department was increased by \$75,956 to restore funding to the General Fund Food Program, and by \$76,910 to restore the 3.5% supplemental ending balance reduction to the Court Appointed Special Advocate (CASA) program transferred and funded in House Bill 4082 (2012). General Fund for the Low Income Rental Housing Fund was reduced by 3.5% (\$16,450). The bill increases Lottery Fund expenditures by \$80,919 for debt service costs on lottery revenue bonds. Other Funds expenditure limitation was increased by a total of \$9,081,162, consisting of \$5 million for the Oregon Energy Assistance Program pursuant to Senate Bill 863 (2011), \$2,697,087 and 20 positions (15.35 FTE) for administration of the Home Ownership Stabilization Initiative, and \$1,384,075 for administration of the CASA program. Federal Funds expenditure limitation was increased by \$5 million to reflect a federal grant award for phase three of the Neighborhood Stabilization Program.

Department of Veterans' Affairs

The Committee increased the General Fund appropriation to the Oregon Department of Veterans' Affairs by a net \$92,536, based on the following adjustments:

- Restoration of \$115,656 of the 3.5% supplemental ending balance adjustment, with the intention that the General Fund appropriation made for Veterans' Disabled Transportation be reduced by \$90,000 in lieu of reductions to other services provided by the Department of Veterans' Affairs; and
- A reduction of \$23,120 that is attributable to the statewide effort to restructure state government business operations and management of agency programs and services.

A technical adjustment was approved to transfer a state agency assessment adjustment from the General Fund appropriation for National Services Organizations to the General Fund appropriation for services provided to the Oregon Department of Veterans' Affairs; this transfer has no net General Fund impact.

Natural Resources Program Area

Department of Environmental Quality

Senate Bill 7501 adds \$193,612 General Fund to restore funding for debt service payments. A one-time \$86,615 General Fund reduction to the Land Quality program captures savings from putting a position on special assignment in the Water Quality program. The agency's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$169,003 General Fund, which was taken in the Water Quality program.

Department of Geology and Mineral Industries

To accommodate increased demand for contract services such as Lidar data collection and FEMA flood hazard mapping, the Committee increased Federal Funds expenditure limitation by \$1,788,385, increased Other Funds expenditure limitation by \$1,709,304, and established 10 limited duration positions (6.37 FTE). General Fund was also reduced \$1,204 in the Geologic Survey program to reflect savings in State Government Service Charges from a change in the state's e-government funding model.

Department of State Lands

For payment of expenses related to the Portland Harbor Superfund, the Committee added \$681,266 General Fund (with a corresponding disappropriation of \$681,266 General Fund from the Emergency Fund) and an increase of \$333,333 Other Funds expenditure limitation.

Other Funds expenditure limitation was increased by \$468,125 for fire suppression and land rehabilitation costs as a result of fire damage during the 2011 fire season on Common School Fund rangeland, and by \$256,139 for completion of the Territorial Seafloor Mapping Project. Federal Funds expenditure limitation was increased by \$428,127 for the Department to finalize administration of existing contract balances for eight federal grants in the Natural Heritage program (\$250,127) and to accept a grant from the Environmental Protection Agency for a Wetland Program Development grant (\$178,000).

State Department of Agriculture

Senate Bill 5701 reflects a number of one-time fund shifts with the agency's budget, using Ballot Measure 66 (M66) ending balance carried over from the 2009-11 biennium and Other Funds in the Animal Health program, to rebalance the 3.5% General Fund supplemental ending balance reductions taken across agency programs as part of the 2011-13 legislatively adopted budget. These rebalance adjustments increase Administration and Support Services by \$29,703 General Fund; increase Food Safety Policy Area by \$150,882 General Fund and \$31,311 Other Funds; decrease Natural Resources Policy Area by \$73,647 General Fund, but increase dedicated Lottery Funds by \$416,788 (which includes about \$290,000 carry forward expenditure limitation for improvements at the Plant Division's Hawthorne facility); and decrease Agriculture Development Policy Area by \$113,203 General Fund, but increase non-dedicated Lottery Funds by \$763.

Additional adjustments were approved to make General Fund available as part of the state-wide budget rebalance plan. These include two fund shifts to use M66 Lottery Funds carry forward to replace General Fund: \$354,631 in the Invasive Weeds program and \$160,724 in the Insect Pest Prevention and Management program. In the Plant Health program, \$10,000 Other Funds was used to replace General Fund. The Agriculture Development and Marketing program was reduced by \$70,000 General Fund to reflect vacancy savings. Finally, General Fund was reduced \$4,328 in the Administrative and Support Services Division to reflect savings in State Government Service Charges from a change in the state's

e-government funding model. The Department's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$197,170 General Fund, which was taken from the Food Safety program.

A 3.5% reduction, \$5,250 General Fund, was approved for individual farm credit mediations (House Bill 5056) that had not been subject to the supplemental ending balance adjustment made during the 2011 legislative session.

State Department of Energy

Senate Bill 5701 adds \$4,249,010 Other Funds expenditure limitation, \$109,164 Federal Funds expenditure limitation, one position and 5.50 FTE for administration of energy incentive programs created or modified by the passage of House Bill 3672 (2011). Lottery Fund expenditures are increased by \$75,746 for debt service costs on lottery revenue bonds.

State Department of Fish and Wildlife

The Committee approved a one-time \$41,000 fund shift, replacing General Fund for services and supplies with Other Funds at the Hatchery Research Center. Funding was adjusted for a fish ladder capital improvement package on Steamboat Creek by decreasing Other Funds capital improvement expenditure limitation by \$70,000 and increasing Federal Funds capital improvement expenditure limitation by \$140,000. When the Natural Resources Subcommittee considered budget requests from the Department, it also recommended the expenditure of \$20,000 from the Commercial Fish Fund to support the Port Orford Ocean Resource Team facility and \$100,000 from the Recreational Shellfish Fund for a subtidal survey of brood stock clams in Tillamook Bay with the understanding that if the Department requires an increase in Other Funds expenditure limitation to accommodate these expenditures they are to return later in the biennium to request such an increase.

In addition, \$12,168 General Fund was restored for debt service payments on outstanding certificates of participation. Finally, General Fund was reduced \$5,368 in the Administration Division to reflect savings in State Government Service Charges from a change in the state's e-government funding model. The Department's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$253,504 General Fund, which was taken from the Fish Division.

A technical correction to the Department's adopted budget eliminates position authority for two positions (2.00 FTE) in the Conservation Strategy program that were added in error. The funding was intended to be used instead for services and supplies

State Forestry Department

The Committee, per the Co-Chair budget plan, restored the 3.5% supplemental ending balance reduction for some agency programs, adding \$1,189,182 General Fund to the Fire Protection program, along with \$102,087 General Fund and \$81,990 Lottery Funds for debt service.

An additional one-time payment of \$200,000 General Fund was approved in the Agency Administration program to fund a position in the Governor's Office to support forest policy issues, in particular finding a solution to the county government financial predicament related to the Oregon & California (O&C) Act reduction in federal forest payments.

The budget for the Private Forests program was reduced by \$932,036 General Fund, affecting 50 positions and 9.92 FTE, for the Department of Forestry's share of reductions to address the statewide General Fund shortfall and budget rebalance. The budget was reduced by \$312,995

General Fund in the Fire Protection program and \$53,178 General Fund for the Department of Forestry's share of the statewide effort to restructure state government business operations and management of agency programs and services.

To cover 2011 fire suppression severity costs, Senate Bill 5701 appropriates \$2,120,017 General Fund for the Fire Protection program. The bill makes a corresponding disappropriation of \$2,120,017 General Fund from the special purpose appropriation made to the Emergency Board for costs associated with contracting for large air tankers and helicopters to supplement fire suppression resources for the 2011 fire season.

General Fund is reduced by \$2,484 in the Protection from Fire program and \$509 in the Private Forests program to reflect savings in State Government Service Charges from a change in the state's e-government funding model.

Department of Land Conservation and Development

To support an anticipated Governor's directive to pilot a regional land use planning project, \$200,000 General Fund was added to the agency's budget to support rulemaking and related activities. In addition, \$350,000 General Fund was appropriated to the Department for distribution to Jackson, Josephine, and Douglas counties through intergovernmental agreements. The counties will use these funds to complete technical studies, mapping, and preparation of materials required for preparing a petition to the Land Conservation and Development Commission for rulemaking to consider regional definitions of agricultural and forest lands.

As part of the statewide rebalance plan, the agency's budget is reduced by \$265,752 General Fund to capture one-time budget savings achieved by holding positions vacant and through the agency director taking a job rotation to the Governor's office. Personal services expenditures are reduced by \$33,801 General Fund to capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs. The budget also reflects a \$3,239 General Fund reduction in State Government Service Charges from a change in the state's e-government funding model.

The following budget note was adopted:

BUDGET NOTE

The Department of Land Conservation and Development shall prepare a report that identifies which counties and cities with a population over 10,000 people have completed or not completed the following:

1. The requirement of urban service agreements contained in ORS 195.
2. Approved facilities plans.

The report shall include the date the county and city's comprehensive plan was approved by the Land Conservation and Development Commission. The report shall include options to bring counties and cities into compliance with the ORS and shall be presented to the Joint Committee on Ways and Means prior to the 2013 legislative session.

State Marine Board

The Oregon State Marine Board (OSMB) Law Enforcement program's funding is increased by a total of \$1.1 million, of which \$757,200 is Other Funds and \$292,800 is Federal Funds that would be transferred from the Facilities program. Of the total amount, \$945,000 would be used to increase funding for fiscal year 2013 law enforcement contracts to a level commensurate with fiscal years 2011 and 2012. Those fiscal year contracts totaled \$5.9 million each.

The Committee also approved a \$105,000 Other Funds expenditure limitation increase for the replacement of marine law enforcement boats. This is in addition to the \$300,000 Other Funds expenditure limitation in the Board's 2011-13 legislatively adopted budget.

Federal Funds expenditure limitation for the Administration and Education program is increased by \$243,200. The limitation would be transferred from the Facilities program for the replacement of the agency's legacy mainframe boat registration system. The project is currently estimated to cost \$310,000. OSMB has identified \$66,800 of Federal Funds in its 2011-13 legislatively adopted budget to partially fund the purchase with the remaining \$243,200 in Federal Funds coming from the Facilities program. Annual operation and maintenance costs are estimated at \$38,250 per year. Federal Funds from the U.S. Coast Guard's Recreational Boating Safety grant would be used to pay for both the registration system's development and ongoing operation and maintenance costs.

The Facilities program's funding is increased by \$509,800 in Other Funds expenditure limitation and the transfer of \$536,000 in Federal Funds expenditure limitation from the Law Enforcement and the Administration and Education programs. According to OSMB, the Federal Funds expenditure limitation is available for transfer because there are insufficient local matching funds for U.S. Fish and Wildlife Service Boating and Infrastructure grants. The \$509,800 in Other Funds expenditure limitation will be used to fund a second round of local grants for facility maintenance and improvements or to match Federal Funds provided through the Clean Vessel Act, which funds vessel waste pump out facilities and dump stations.

These adjustments in Other Funds and Federal Funds expenditure limitation are approved as one-time increases for the 2011-13 biennium and are not to carry forward into the 2013-15 biennium.

State Parks and Recreation Department

Senate Bill 5701 includes an increase of \$1,731,242 in Lottery Funds dedicated to the Parks and Recreation Department, due to a higher than anticipated carryover of Lottery Fund savings from the 2009-11 biennium. This action offsets the 3.5% supplemental ending balance reductions for the Director's Office (\$45,638), Central Services (\$280,114), Park Development (\$592,240), Direct Services (\$673,108), and Community Support/Grants (\$140,142).

The budget is increased by \$861,950 Federal Funds to support disbursement of grant funds received from the U.S. Fish and Wildlife Service for the Natural Heritage Program, and by \$2,190,000 Federal Funds for grant funds from the National Oceanic and Atmospheric Administration and the U.S. Fish and Wildlife Service. The latter funding supports the Park Development program's purchase of property adjacent to the Carl B. Washburn State Park and Ona Beach State Park.

Water Resources Department

Senate Bill 5701 includes an increase of \$25,633 Lottery Funds Debt Service to restore the 3.5% supplemental ending balance reduction. The agency's budget is reduced by \$7,516 General Fund due to savings in State Government Service Charges from a change in the state's funding model for e-government, and by \$247,871 General Fund for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services.

Oregon Watershed Enhancement Board

The Committee reduced carry forward Lottery Funds expenditure limitation, provided to complete payments during 2011-13 on grants made in the 2009-11 biennium, by \$784,354 because the agency did not need all \$3.3 million in expenditure limitation provided in the 2011-13 legislatively adopted budget to close out these grants.

Transportation Program Area

Department of Transportation

In the Department of Transportation budget, a \$9,211,366 increase in Other Funds expenditure limitation was approved for the Highway Maintenance program for repair of damage sustained during winter storms in 2009 and 2011. The Committee also approved an increase of \$500,000 Other Funds in the Driver and Motor Vehicles (DMV) program to contract with third-party expertise and resources to assist in evaluating DMV's information systems against current and future business needs. The agency expects to develop a prioritized blueprint for moving forward with critical systems modernization initiatives. Deliverables will include prioritized business and technical requirements, environmental/peer analysis, identification of applicable best practices, a comprehensive technology inventory, assessment of the identified technical components to meet current and future needs, and a strategic vision for moving ahead. Subsequent work will include a tactical plan with an interrelated set of viable, prioritized, and phased initiatives.

Debt service on the Oregon Wireless Interoperability Network in the Department of Transportation was decreased by \$15,416,043 General Fund and increased by \$15,970,871 Other Funds. The source of Other Funds is State Highway Funds for the Department of Transportation's share to date of the State Radio Project. Future debt service is expected to be partially paid by the General Fund and State Highway Fund on an assumed benefit ratio of approximately 40% General Fund and 60% State Highway Fund for the 2013-15 biennium and on a calculated benefit ratio in 2015-17 based on the final bond sale amount, and actual usage data; adjusted by actual amounts paid by each fund. To date, General Fund has paid \$14,878,509, 100% of the bond debt.

Department of Transportation Debt Service was increased by \$2,914,388 Lottery Funds to restore the 3.5% supplemental ending balance reduction.

The following budget note was approved:

BUDGET NOTE

The Department of Transportation shall provide a report to the Joint Committee on Ways and Means and the appropriate legislative policy committees by February 2013 on the criteria used for selecting ConnectOregon projects, and the public benefits derived from investments made by ConnectOregon.

Consumer and Business Services Program Area

Department of Consumer and Business Services

The Committee approved a \$2,434,040 Federal Funds expenditure limitation increase and established four limited-duration positions (2.22 FTE) relating to expenditures financed from a U.S. Department of Health and Human Services Health Insurance Rate Review-Cycle II grant. The agency was awarded a \$4,040,777 grant, but only a portion of these funds will be spent this biennium. It is anticipated that the agency will request that the positions be continued, again on a limited-duration basis for the remainder of the Cycle II grant, and request Federal Funds expenditure limitation for the remaining \$1.6 million of grant funds, in its 2013-15 biennium budget request.

Oregon Health Licensing Agency

The Committee approved a decrease of \$20,751 in Other Funds expenditure limitation reflecting the net effect of the fee changes approved in Senate Bill 1579 (2012). The boards affected by these changes include those related to Body Art Practitioners, Respiratory Therapists and Polysomnographic Technologists, Nursing Home Administrators, and Licensed Dietitians. The original license and renewal fees for the Board of Direct Entry Midwifery were approved at \$1,200 per year, with the understanding that the fee increase is necessary by unique circumstances and is not intended to be permanent.

BUDGET NOTE

There was concern with the fee changes for the Board of Direct Entry Midwifery. The agency is directed to report during the 2013 Legislative Assembly on the status of the revenues, expenditures, and current ending balance forecast for the board, including proposals for fee decreases or other regulatory options for the board.

Bureau of Labor and Industries

The Bureau's General Fund personal services expenditures were reduced by a total of \$210,205, for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services. The budget was also reduced by \$3,610 General Fund for the e-government funding model change.

Administration Program Area

Department of Administrative Services

The 2009-11 budget for the Department of Administrative Services (DAS) contained \$11,271,656 Other Funds expenditure limitation to spend lottery bond proceeds on county court facilities infrastructure projects. Not all of the projects were completed in that biennium, so the agency requested an adjustment to its 2011-13 budget to finish the projects. Accordingly, the Committee approved the establishment of a new Other Funds expenditure limitation of \$3,932,550 specifically for Court Facilities projects. The Committee also decreased the agency's operations Other Funds expenditure limitation by \$1,930,400 to remove spending authority that was initially expected to be used to cover the project costs.

The Committee approved a reduction of \$2,232,000 Other Funds expenditure limitation associated with a change in the state's e-government funding model. Also approved was a technical adjustment to eliminate a position and \$145,000 Other Funds expenditure limitation from the State Controller's Division. The position was added to the budget in the 2011-13 biennium due to a federal requirement that on January 1, 2012, state governments begin to withhold 3% on vendor payments; however, that federal law was repealed in November 2011.

The Committee restored debt service of \$238,488 General Fund and \$332,732 Lottery Funds to cover obligations that were reduced as part of the supplemental ending balance in the 2011 legislative session. To capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs, personal services were reduced by \$2 million Other Funds.

Employment Relations Board

Senate Bill 5701 appropriates \$1 million General Fund to support local government services in the second year of the biennium. The following budget note was adopted:

BUDGET NOTE

The Employment Relations Board is directed to undertake the following items and then report to the appropriate policy committee and the Joint Committee on Ways and Means during the 2013 legislative session:

- Review its administrative processes and procedures and make any necessary changes to improve the timely disposition of hearing and mediation cases;
- Propose to the 2013 Legislature an expedited hearings process as well as any statutory changes that will improve the timely disposition of its hearing and mediation cases;
- Conduct a review of recent opinions issued by the Board and its administrative law judges to evaluate the quality of opinions issued and how they can be improved upon; and
- Report on the number of frivolous claims received and recommendations for reducing the number of any such claims.

Office of the Governor

The Governor's Office budget was increased by a net \$267,362 General Fund, which includes \$375,334 added to restore the 3.5% supplemental ending balance reduction from the 2011 legislative session, and reductions of \$105,000 to the Oregon Education Investment Board and \$2,972 in State Government Service Charges to reflect a change in the state's e-government funding model.

A \$1 Other Funds expenditure limitation was established as a placeholder for future increases to support spending any donations that the Office may receive.

Oregon State Library

As part of the statewide effort to restructure state government business operations and management of agency programs and services, the General Fund personal services budget for the agency was reduced by \$19,886. The following budget note was adopted:

BUDGET NOTE

The State Library is to report to the May 2012 Joint Interim Committee on Joint Ways and Means or the Emergency Board with an analysis of the requests and response received by the Government Research and Electronic Services program. The report shall include the total number of requests received, the nature of requests, and from what entity the request was made, the number of requests that were responded to, and the cost associated with providing responses.

Oregon Liquor Control Commission

The Commission's budget was increased by a net \$507,973 Other Funds, for the following:

- The legislatively adopted budget mistakenly applied a services and supplies reduction to personal services in the Administration and Support Services program of the Oregon Liquor Control Commission, so the technical correction adds \$707,973 Other Funds expenditure limitation.
- A reduction of \$200,000 Other Funds is the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services.

Public Employees Retirement System

The agency's personal services budget was reduced by \$750,000 Other Funds to capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs.

Department of Revenue

The Committee approved a decrease of \$48,504 General Fund to reflect savings in State Government Service Charges from a change in the state's e-government funding model. To capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs, personal services were reduced by \$1,126,687 General Fund.

Secretary of State

Senate Bill 5701 reflects two adjustments to the Secretary of State's budget. The first reduced General Fund appropriations for personal services expenditures by a total of \$128,650, for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services. The second made a \$4,670 General Fund reduction for the e-government funding model change.

State Treasurer

Other Funds expenditure limitation was increased by \$250,000, for expenditures of grant funds received from the Rockefeller Foundation for the purpose of designing and launching a West Coast Infrastructure Exchange. This increase is approved on a one-time basis and the increase will be

phased-out in the development of the 2013-15 biennium budget. The Treasurer will request grant expenditure authority in his 2013-15 biennium budget request, if additional funding for this initiative is obtained from the Rockefeller Foundation or from other private sources.

Judicial Branch

Judicial Department

Senate Bill 5701 appropriates an additional \$7.4 million General Fund to the Oregon Judicial Department (OJD), partially offsetting the reduction made in the 2011-13 legislatively adopted budget for the supplemental ending balance. The bill also adds \$30.9 million in Other Funds expenditure limitation.

Funding was restored for constitutionally and legally mandated programs, including \$1.9 million for judicial compensation, \$472,922 for jury services, and \$345,207 for Oregon eCourt Program Debt Service. Court Operations, which includes the circuit and appellate courts and administration, are being held to their 2011-13 legislatively adopted budget, which includes \$2 million for Trial and Appellate Courts that was added at the end of the 2011 session. The Chief Justice has total flexibility to move funds and positions within the Operating Programs budget in order to keep the state's unified court system operating. A \$1.1 million General Fund special purpose appropriation to the Emergency Board is included in the bill in the event that the Department requires additional funding for court operations.

The bill includes \$2.4 million General Fund to fund revenue collection activities through the Department of Revenue and the private collection agencies.

BUDGET NOTE

The Oregon Judicial Department is requested to report to the Legislative Fiscal Office on a quarterly basis on the Department's overall revenue activities, including the cost of collection, amounts collected, and collection rates.

The Department's Special Payments were reduced as these payments were not previously subject to the reduction for the supplemental ending balance. County Law Libraries were reduced by \$259,000 General Fund and Conciliation and Mediation Services were reduced by \$259,000 General Fund.

An additional \$2.9 million in General Fund Debt Service was approved for the Oregon eCourt Program to support \$13.7 million in new bonding authority provided for in House Bill 5201. The operations and maintenance appropriation for the Oregon eCourt Program was reduced by \$93,643 General Fund. This action was submitted as part of the Department's reduction plan and is not expected to impact the current roll-out of the program.

The Other Funds expenditure limitation for the Oregon eCourt Program was increased by a total of \$23.4 million, for the following items:

- \$13.7 million in new bonding authority in House Bill 5201;
- \$6 million for previously authorized bonding authority (Senate Bill 5505, 2011);

- \$3.5 million for an available cash balance from previously issued debt; and
- \$134,116 for a fingerprint grant from the Oregon State Police.

The following budget notes were adopted relating to the Oregon eCourt Program.

BUDGET NOTE

The Judicial Department is requested to work with the Legislative Fiscal Office to prepare a revised schedule for completing the deliverables that were defined in the Agreement between the Chief Justice and the Co-Chairs of the Joint Committee on Ways and Means in the SB 5516 (2011) budget report. The Judicial Department and the Legislative Fiscal Office are also requested to establish a regular meeting schedule to review the deliverables and the status of Oregon eCourt. The parties will report to the Chief Justice and the Co-Chairs of the Joint Committee on Ways and Means periodically on the status of the deliverables and the Oregon eCourt program. The Judicial Department will also report as requested to the Joint Committee on Legislative Audits and Technology on the deliverables and the status of the Oregon eCourt program.

BUDGET NOTE

The Oregon Judicial Department (OJD) is requested to develop, by no later than April 1, 2012, a detailed implementation and evaluation plan to manage the pilot court and early adopter court Oregon eCourt implementations. For each trial court, the plan must include a clear definition of the implementation goals & objectives, processes, timelines, and costs; success evaluation criteria and measures for proving successful execution of each plan; and a plan to incorporate the lessons learned after each trial court implementation into subsequent implementations. If OJD determines that the implementation goals & objectives, schedule, or costs should be revised or rebaselined, OJD must immediately provide documentation of any adjustment to the Legislative Fiscal Office (LFO) so that the impact can be calibrated to the affected trial court implementation plan.

LFO will work with OJD to evaluate the success of each pilot and early adopter implementation against the plan. Factors that will be considered will be agreed upon by LFO and OJD and will be documented in each trial court implementation plan. The plan for the initial trial court will specifically include an initial evaluation of the usability of the Odyssey product. Each of the subsequent four early adopter implementations will further test the scalability of the product, and additional components of Oregon eCourt that may have been added; the configurations that have been established; the business functions that have been integrated with the Odyssey product; the system interfaces; and the data conversion plan and implementation.

LFO will request that OJD report after the pilot court and each early adopter implementation on its implementation including a post implementation review of outcomes, success measures and costs, and the lessons learned analysis. OJD should provide recommendations based on these reviews for the next early adopter court. Once all four of the first early

adopters are completed, OJD should conduct a major review to verify that the product(s) and all the methods involved in the implementation for the first five pilot and early adopter courts are sufficient for a successful implementation in Multnomah County. Because Multnomah County is being implemented via a 'by case-type' methodology, rather than all case types at once, like the first five trial courts, OJD should provide a Multnomah County-specific implementation and evaluation plan to guide the Oregon eCourt product(s) implementation. Upon completion of this implementation, LFO and OJD will review the Multnomah County implementation against the detailed implementation plan and the OJD assessment to evaluate the success of this implementation. This review will provide the basis for determining readiness of OJD and the contractor for implementing Oregon eCourt in the remaining trial courts.

Other Funds expenditure limitation of \$1.7 million was established for the new and existing Specialty Court grants, which the Department reports will offset the impact of recent General Fund reductions. The Committee also approved a one-time 13.46 FTE increase for the Specialty Courts. The \$1.7 million Other Funds expenditure limitation and 13.46 FTE increase are one-time only, and do not carry forward for the 2013-15 budget.

The Department's Other Funds expenditure limitation was increased by a total of \$5.5 million for the following purposes:

- \$4.7 million for the State Court Facilities and Security Account for Special Payment transfers to local court security accounts.
- \$670,203 in for new and existing grants for pre-trial release programs and the Citizen Review Board.
- \$226,592 for Debt Service Other Funds expenditure limitation to support the issuance costs of an additional \$13.7 million in bonding.
- \$97,460 Other Funds Capital Improvement for emergency repairs to the Supreme Court Building.
- \$77,860 for a Special Payment to Tri-County Metropolitan Transportation District of Oregon (TRIMET).

This \$5.5 million increase in Other Funds expenditure limitation is a one-time increase and does not carry forward for the 2013-15 budget.

Commission on Judicial Fitness and Disability

The Commission's Administration program budget was increased by \$6,228 General Fund. The Extraordinary program's budget was reduced by \$12,647 General Fund, leaving a balance of \$6,200 for any potential prosecutions. The Commission has not prosecuted a case of judicial misconduct in the last two biennia and its total extraordinary budget has been disappropriated each of the last two biennia.

Public Defense Services Commission

Senate Bill 5701 reduces the Commission's Appellate Division budget by \$112,000 General Fund and increases the Contract and Business Services budget by \$112,000 General Fund. This rebalance action utilizes vacancy savings in the Appellate Division to fund a portion of the Contract and Business Services 3.5% supplemental ending balance holdback which was taken as part of the 2011-13 legislatively adopted budget. A \$3.5 million General Fund special purpose appropriation is included in the bill in the event that the Commission requires additional funding for the trial-level public defense services.

The Public Defense Services Account's Other Funds expenditure limitation is increased by \$1.4 million for trial-level public defense and by \$1.3 million for the Application and Contribution Program to establish a special payment to the Oregon Judicial Department. In future, the Application and Contribution program is to be budgeted as a special payment rather than as a revenue transfer. The legislative expectation is that the Application and Contribution Program will be funded by the Commission at a level not to exceed \$2.5 million.

Legislative Branch

Budgets for the legislative branch agencies were adjusted for a number of issues, including a change in the way that General Fund reversions are handled for the Legislative and Judicial Branch (see Senate Bill 1579), a reduction in legislative members' budgets, restoration of some supplemental ending balance budget reductions including debt service, and changes in the state's e-government funding model. The net adjustments in Senate Bill 5701 are as follows:

- Legislative Assembly reduced by \$128,160 General Fund.
- Legislative Administration reduced by \$134,851 General Fund.
- Legislative Counsel increased by \$400,043 General Fund.
- Legislative Fiscal increased by \$29,973 General Fund.
- Legislative Revenue reduced by \$14,531 General Fund.
- Commission on Indian Services reduced by \$26,451 General Fund.

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Summary of Emergency Board Action

May 2012

The Legislative Emergency Board met on May 21 – 23, 2012 and considered an agenda of 48 items. The agenda included six agency requests for allocations from the general purpose appropriation made to the Emergency Board; the Board approved five of the agency requests, one of which was approved at an amount less than the request. These allocations included \$593,497 for the Secretary of State, \$550,000 for the Department of Administrative Services for the City of Eugene, \$300,000 for the Department of Justice, and a total of \$170,000 for two requests from the Military Department. There were also two agency requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$10.2 million, of which \$8.7 million was allocated. Additional details on these allocations are described below. After the Emergency Board actions, the unallocated balance of the general purpose Emergency Fund is \$25.6 million and the remaining balance of all special purpose appropriations is \$73.4 million.

The agenda included 18 items that requested additional 2011-13 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$19.7 million Other Funds (including \$13.5 million for the Department of Transportation's rail program) and \$24.1 million Federal Funds (including \$5.5 million for Emergency Unemployment Compensation). Also included was a small increase in Lottery Funds expenditure limitation (\$74,250) for the Parks and Recreation Department. The Emergency Board also authorized the establishment of 42 limited duration positions, with an overall increase of 19.25 FTE; most of these positions resulted from additional federal funding to help unemployment insurance claimants get back to work more quickly (32 positions/15.50 FTE). Also approved was the extension of months to existing positions at the Employment Department for the Emergency Unemployment Compensation program (0 positions/14.50 FTE).

The agenda also included 10 agency reports, which the Emergency Board acknowledged receiving, three of which were in a consent agenda item. The most significant of these was a report from the Legislative Fiscal Office regarding agency plans to accommodate \$28 million in reductions included in the 2011-13 legislatively approved budget. The Emergency Board also heard 20 requests for the submission of federal grant applications, 13 of which were in a consent agenda item (Departments of Education, Community Colleges and Workforce Development, Human Services, Agriculture, Land Conservation and Development, Energy, and Transportation and the Oregon Health Authority). Two of the grant application requests included approvals of associated expenditure limitation increases.

The following is a summary of significant Emergency Board actions taken at the May 2012 meeting:

Education

- Acknowledged receipt of a report on shifting Article XI-F bond proceeds between capital projects at Oregon State University.
- Increased the Federal Funds expenditure limitation of the Department of Community Colleges and Workforce Development by \$851,813 for grants received by the Oregon Youth Conservation Corps, with the understanding that \$500,000 of the amount will be uncheduled until the funds are received.
- Acknowledged receipt of a report by the Legislative Fiscal Office on preliminary findings concerning the 2011-12 School Year Subaccount of

the State School Fund. The Emergency Board provided notice of non-compliance to the Governor for 11 school districts that did not report as required on the use of the funding from the Subaccount.

Human Services

- Increased the Other Funds expenditure limitation of the Long Term Care Ombudsman by \$120,000 and authorized the establishment of one limited duration position (0.50 FTE) for the Senior Medicare Patrol program.
- Acknowledged receipt of reports from the Oregon Health Authority on the Health Insurance

Exchange (HIX) project and on the Health Care System Transformation.

- Approved a request by the Department of Human Services to apply for a federal grant for Education System Collaboration to Increase Educational Stability for Child Welfare.

Public Safety and Judicial Branch

- Allocated \$300,000 from the Emergency Fund to the Department of Justice for costs associated with replacement of the primary information management system for Oregon's Child Support program.
- Allocated \$3,781,798 to the Department of Justice from a special purpose appropriation made to the Emergency Board, increased the Other Funds expenditure limitation by \$2,369,535, and authorized the establishment of five limited duration positions (1.13 FTE) for the Department of Justice for home foreclosure related activities and mediation services associated with the multi-state mortgage foreclosure settlement and SB 1552 (2012) through June 30, 2013; this action also included an allocation to the Housing and Community Services Department (for details, see Economic and Community Development below).
- Allocated \$170,000 from the Emergency Fund to the Military Department for facility and mission requirements at the Portland Air National Guard Base (\$90,000) and the Kingsley Field Air National Guard Base (\$80,000).
- Increased the Federal Funds expenditure limitation of the Military Department by \$5,000,000 and authorized the establishment of 23 limited duration positions (11.50 FTE) for an intergovernmental agreement with the federal government for the Umatilla Chemical Depot, to be uncheduled until a copy of the signed caretaker intergovernmental agreement is provided to the Department of Administrative Services and the Legislative Fiscal Office.
- Established a \$1,804,000 Capital Construction Federal Funds expenditure limitation for the Military Department for the 2011-13 biennium related to a service life extension project at the Milton-Freewater Armory, to be uncheduled until the agency submits more details on the planned project to the Department of Administrative Services and the Legislative Fiscal Office.
- Allocated \$1,084,432 to the Oregon Judicial Department from a special purpose appropriation made to the Emergency Board for court operations, but denied a request for an additional \$4.7 million from the Emergency Fund until more is known about the state's fiscal situation and actual court needs.

- Approved requests to apply for federal grants by the Department of State Police for a Port Security Grant to purchase patrol vessels for the Columbia River and by the Criminal Justice Commission for a re-entry grant through the U.S. Bureau of Justice Assistance.

Natural Resources

- Increased the Other Funds expenditure limitation of the Department of Energy by \$713,675 and authorized the establishment of two limited duration positions (1.08 FTE) to address immediate workload needs in the Energy Facility Siting Division.
- Increased the Federal Funds expenditure limitation of the Department of Land Conservation and Development by \$160,000 for a coastal zone project of special merit grant award.
- Increased the Other Funds expenditure limitation by \$220,175 and the Lottery Funds expenditure limitation by \$73,392 for the Parks and Recreation Department for costs related to the January 2012 floods and damages to state park property.
- Approved a request by the Parks and Recreation Department to apply for a grant from the U.S. Fish and Wildlife Service, National Coastal Wetlands Conservation program.
- Increased the Other Funds expenditure limitation of the Department of State Lands by \$352,000 for a rangeland improvement project in Harney County.

Economic and Community Development

- Allocated \$3,850,000 to the Housing and Community Services Department from a special purpose appropriation made to the Emergency Board and authorized the establishment of one limited duration position (0.50 FTE) for counseling services, legal assistance, and outreach to homeowners for home foreclosure related activities associated with the multi-state mortgage foreclosure settlement and SB 1552 (2012) through June 30, 2013; this action was a joint request with the Department of Justice (see Public Safety and Judicial Branch above for additional details).
- Increased the Federal Funds expenditure limitation of the Employment Department by \$5,500,000 and authorized the extension of existing limited duration positions (14.50 FTE) for the federal Emergency Unemployment Compensation program, and increased the Federal Funds expenditure limitation by \$1,527,235 for Child Care and Development Fund expenditures.
- Increased the Federal Funds expenditure limitation of the Employment Department by \$2,991,915 and authorized the establishment of 32 limited duration positions (15.50 FTE) related to a federal grant to expand programs designed to get

unemployment insurance claimants back to work more quickly and to reduce errors and fraud in claims processing.

- Increased the Federal Funds expenditure limitation of the Oregon Business Development Department by \$480,000 related to a federal grant from the Small Business Administration for State Trade and Export Promotion.
- Increased the Other Funds expenditure limitation of the Department of Veterans' Affairs by \$125,000, established a Federal Funds Capital Construction expenditure limitation for the 2011-13 biennium in the amount of \$499,163, and established an Other Funds Capital Construction expenditure limitation for the 2011-13 biennium in the amount of \$268,780 to build and operate an electronic medical records system and install a secure access system for staff and patients at the Veterans' Home in The Dalles.

Transportation

- Increased the Other Funds expenditure limitation by \$13,500,808 and the Federal Funds expenditure limitation by \$5,141,157 for the Department of Transportation for costs in the agency's rail program.
- Approved requests by the Department of Transportation to apply for federal grants from the Federal Transit Authority related to Bus Livability and the Bus and Bus Facilities grant programs.

Consumer and Business Services

- Acknowledged receipt of a report from the Health Licensing Agency on the status of fee changes.

Administration

- Allocated \$550,000 from the Emergency Fund to the Department of Administrative Services for a grant to the City of Eugene for public safety costs associated with the 2012 U.S. Olympic Team Trials to be held at Hayward Field in June.

- Allocated \$593,497 from the Emergency Fund to the Secretary of State for reimbursement of state and county costs associated with the special elections necessary to fill a vacancy in the 1st Congressional District.
- Established a new Other Funds expenditure limitation for the Public Employees Retirement System of \$2,071,410 and authorized the establishment of three limited duration positions (1.62 FTE) to recover overpayments to certain retirement system benefit recipients.
- Acknowledged receipt of reports by the Department of Administrative Services on bond refinancing, compensation plan changes, and 2013-15 uniform rent rates.
- Acknowledged receipt of a report by the Oregon Liquor Control Commission on revenues and expenditures compared to projections.
- Acknowledged receipt of a report by the Legislative Fiscal Office on agency plans for accommodating reductions of \$28 million General Fund and \$3.8 million Other Funds included in the 2012 session rebalance of the 2011-13 biennium legislatively approved budget; and approved various appropriation transfers and Other Funds expenditure limitation increases within selected state agencies to clarify organizational changes resulting from the reduction. Direction was also provided to the Department of Administrative Services to ensure that the permanent changes recommended in the report would be reflected in the 2013-15 budget and to affected state agencies to implement the recommended changes to the 2011-13 budget. Modifications were made to the Legislative Fiscal Office recommendations for the Department of Corrections and the Department of Forestry.

Emergency Fund Balance Summary		
	Agency Request	Full Board Action
General Purpose Emergency Fund		
Appropriation (after 2012 Session adjustments)	27,218,734	27,218,734
Allocations to date		
Reservations		
Unallocated/Unreserved Balance	27,218,734	27,218,734
# May 2012 Requests - General Purpose		
1 Secretary of State - Special Elections Costs	(685,000)	(593,497)
2 Oregon Judicial Department - Court Operations	(4,709,600)	
17 Oregon Military Department - Portland Air National Guard Base	(90,000)	(90,000)
18 Oregon Military Department - Kingsley Field Air National Guard Base	(80,000)	(80,000)
50 Legislative Fiscal Office - Child Support System Funding for Department of Justice	(300,000)	(300,000)
53 Legislative Fiscal Office - Olympic Trials Public Safety for Department of Administrative Services	(550,000)	(550,000)
Total Requests - General Purpose	(6,414,600)	(1,613,497)
General Purpose Unallocated/Unreserved Balance after 5/12 (if requests approved)	20,804,134	25,605,237
Special Purpose Appropriations - Agency Specific (includes 2012 Session actions)		
Allocations/Transfers to Date	82,145,415	82,145,415
Unallocated Balance	82,145,415	82,145,415
# May 2012 Requests - Special Purpose Appropriations - Agency Specific		
2 Oregon Judicial Department - Court Operations	(1,084,832)	(1,084,432)
21 Department of Justice - Home Foreclosure	(4,796,632)	(3,781,798)
21 Housing and Community Services Department - Home Foreclosure	(4,300,000)	(3,850,000)
Total Requests - Special Purpose - Agency Specific	(10,181,464)	(8,716,230)
Special Purpose - Agency Specific - Unallocated Balance after 5/12 (if requests approved)	71,963,951	73,429,185

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Summary of Emergency Board Action

December 2012

The Legislative Emergency Board met on December 12, 2012 and considered an agenda of 33 items. The agenda included two requests for allocations from the general purpose appropriation made to the Emergency Board; neither of which were approved, although the Emergency Board did allocate Emergency Fund dollars to the Bureau of Labor and Industries for the rehiring of two Wage and Hour Division positions. There were also three agency requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$43.9 million, all of which was allocated. Additional details on these allocations are described below. In addition, the Emergency Board transferred the remaining balances from special purpose appropriations to the general purpose legal citation. After the Emergency Board actions, the unallocated balance of the general purpose Emergency Fund is \$50.4 million with a zero balance in special purpose appropriations.

The agenda included 18 items that requested additional 2011-13 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$413.5 million Other Funds (including \$330.8 million for the Oregon Health Authority's rebalance) and \$234.2 million Federal Funds (including \$129 million for the Oregon Health Authority rebalance and \$86.7 million for the Department of Human Services rebalance). The Emergency Board also authorized the establishment of 80 limited duration positions, with an overall increase of 20.17 FTE.

The agenda included 8 agency reports, which the Emergency Board acknowledged receiving. The most significant of these was a report from the Department of Administrative Services on the redirection of \$6.8 million of assessment revenues. The Emergency Board also heard eight requests for the submission of federal grant applications, four of which were in a consent agenda item (Departments of Housing and Community Services, Parks and Recreation, and Transportation). Two of the grant application requests included approvals of associated expenditure limitation increases.

The following is a summary of significant Emergency Board actions taken at the December 2012 meeting:

Education

- Approved, retroactively, a request by the Governor's Office to apply for a federal Race-to-the-Top grant in the amount of \$20.5 million; increased the Federal Funds expenditure limitation for the Early Learning Council by \$1,223,658; increased the Other Funds expenditure limitation for the Employment Department by \$1,658,526; and authorized the establishment of five limited duration positions (0.65 FTE) for early learning activities, with the understanding that the expenditure limitation increases will be uncheduled until the grant funds are received.
- Increased the Other Funds expenditure limitation of the Governor's Office by \$825,616 for Early Learning Council expenditures.

Human Services

- Approved a rebalance of the Oregon Health Authority's current biennium budget by

approving the transfer of General Fund appropriations, increasing the Other Funds expenditure limitation by \$330,849,514, increasing the Federal Funds expenditure limitation by \$128,951,616, authorizing the establishment of 72 limited duration positions (18.77 FTE), and increasing the Other Funds nonlimited expenditure authority by \$21,320,100, with the understanding that the Department of Administrative Services will unchedule a total of \$5,237,309 General Fund, \$1,444,016 Other Funds, and \$10,000,000 Federal Funds expenditure limitation.

- Approved a rebalance of the Department of Human Services' current biennium budget by allocating \$40,097,207 General Fund from the special purpose appropriation made to the Emergency Board for human services caseloads and other specified costs, approving the transfers of General Fund appropriations, increasing the

Other Funds expenditure limitation by \$61,532,972, and increasing the Federal Funds expenditure limitation by \$86,709,356, with the understanding that the Department of Administrative Services will un-schedule \$60 million Other Funds expenditure limitation and \$101,918 General Fund.

- Acknowledged receipt of a report by the Oregon Health Authority on the agency's efforts to pursue a competitive bidding process for generic drugs within the Medicaid program.

Public Safety and Judicial Branch

- Allocated \$1,102,857 to the Department of Justice from a special purpose appropriation made to the Emergency Board for the on-going costs of the defense of the revenue stream from the Master Settlement Agreement with tobacco companies.
- Approved, retroactively, requests by the Department of Corrections to apply for a federal grant in the amount of \$191,768 from the U.S. Department of Justice for the Circles of Support and Accountability Training and Technical Assistance Project and in the amount of \$291,797 from the U.S. Department of Justice to provide advanced-level skills training for probation officers.
- Acknowledged receipt of a report by the Department of Corrections and the Oregon Health Authority on the purchase of pharmaceutical drugs for the inmate health services program, with instructions to the agencies to report again to the Joint Committee on Ways and Means during the 2013 session.
- Increased the Other Funds expenditure limitation of the Military Department, Community Support program, by \$133,355 for 2012 fire season activities.
- Increased the Other Funds expenditure limitation of the Military Department's Community Support program by \$300,000 and the Federal Funds expenditure limitation for the Oregon Youth Challenge program by \$650,000.
- Approved a request by the Department of Public Safety Standards and Training to apply for a federal grant from the White House Office of National Drug Control Policy in the amount of \$100,000 for training to support Oregon's drug enforcement and investigators and professionals, and increased the Federal Funds expenditure of the agency by \$50,000.
- Increased the Other Funds expenditure limitation of the Judicial Department by \$580,000 for specialty court operations, by \$380,000 for general operations, and by \$110,000 to address deferred maintenance issues with the Supreme Court Building.

Natural Resources

- Acknowledged receipt of a report by the Department of Forestry on the 2012 fire season, allocated \$2,660,983 from a special purpose appropriation made to the Emergency Board for fire protection expenses, and deferred a request for an allocation of \$22,093 General Fund from the Emergency Fund to the 2013 session when an agency rebalance can occur.
- Increased the Federal Funds expenditure limitation for the Department of Fish and Wildlife's Wildlife Division by \$1,219,834, increased the Federal Funds expenditure limitation for the Fish Division by \$1,555,846, and authorized the establishment of three limited duration positions (0.75 FTE) and the reclassification of two positions in the Fish Division.
- Deferred a request by the Department of Agriculture for an allocation of \$446,040 from the Emergency Fund to pay for research on the co-existence between canola, other brassicas crops, and Willamette Valley specialty seed crops to the 2013 session.
- Increased the Federal Funds expenditure limitation of the Department of Agriculture by \$101,200 to perform work on a federal grant related to increasing exports of blueberries to South Korea.
- Acknowledged receipt of a report by the Department of Agriculture on the use of \$50,000 of emergency funds approved at the September meeting of the Emergency Board to help those affected by rangeland fires in SE Oregon, with direction to the agency to report to the Joint Committee on Ways and Means during the 2013 session.
- Increased the Federal Funds expenditure limitation of the Department of Environmental Quality for the Air Quality program area by \$900,000 and transferred \$300,000 of Federal Funds expenditure limitation from the Cross Program area to the Air Quality program area.
- Approved, retroactively, the submission of a federal grant application by the Parks and Recreation Department to the North American Wetlands Conservation Act in the amount of \$60,000 to enhance the Sullivan Gulch Channel.

Economic and Community Development

- Approved a request by the Department of Housing and Community Services to apply for a federal grant to the U.S. Department of Housing and Urban Development for a National Foreclosure Mitigation Counseling grant of up to \$807,804 to provide foreclosure intervention counseling to owner-occupants of single-family

properties who are delinquent on their mortgages and/or at risk of default or foreclosure.

Transportation

- Increased the Other Funds Capital Construction expenditure limitation for the Department of Transportation by \$4,187,246 for the Portland Drive Testing Center remodeling and upgrade project.
- Increased the Federal Funds expenditure limitation for the Department of Transportation's Public Transit Division by \$12,800,000 for federal transit grant reimbursement and the Other Funds expenditure limitation by \$900,000 for federal cost allocation.
- Approved, retroactively, requests by the Department of Transportation to apply for a federal grant from the Federal Motor Carrier Safety Administration in the amount of \$154,824 to support agency efforts to comply with revised federal regulations from Commercial Driver Licenses and Commercial Learner Permits and to the Federal Transportation Administration in the amount of \$2,400,000 to construct a trail between Warren Creek and Lindsey Creek State Park.
- Increased the Other Funds Capital Construction expenditure limitation for the Department of Aviation by \$48,000 for the Chiloquin State Airport apron rehabilitation, obstruction removal, and lighting project.

Consumer and Business Services

- Allocated \$76,069 General Fund from the Emergency Fund for the Bureau of Labor and Industries to fund the restoration of two positions in the Wage and Hour Division temporarily suspended due to General Fund reductions made in the current biennium budget. The agency had requested restoring 12 positions using Other Funds from the Wage Security Fund and Prevailing Wage Rate Fund. The Board action was taken with the understanding that an equivalent amount of Other Funds will be reappropriated from the Wage Security Fund and Prevailing Wage Rate Fund to the General Fund during the 2013 session.
- Increased the Federal Funds expenditure limitation of the Bureau of Labor and Industries by \$41,123 for increased caseload and program costs in federal contracts with the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Administration

- Established an Other Funds expenditure limitation for the Department of Administrative Services of \$11,965,254 for distributions to taxing districts of funds from the Shared Services Fund related to the Strategic Investment Program.
- Acknowledged receipt of a report by the Department of Administrative Services on expenditures not anticipated in the agency's current biennium budget by using \$6.8 million of resources from savings and the over-collection of assessment dollars from state agencies for Department services. The agency was instructed to unschedule \$2 million Other Funds expenditure limitation planned to be used for a review of the replacement of the state's Human Resource system and to report to the Joint Committee on Ways and Means during the 2013 session on possible inclusion of a capital construction project for the steam tunnel repair project to the list of 2011-13 capital construction projects.
- Acknowledged receipt of a report from the Department of Administrative Services on the coordination of funding requests related to removal of tsunami debris from Oregon's coastline.
- Acknowledged receipt of a report from the Citizens' Initiative Review Commission on the 2012 initiative review process.
- Acknowledged receipt of a report from the Oregon Liquor Control Commission on quarterly sales, revenue, and available expenditure limitation related to bank card fees and agent compensation.
- Deferred a request by the Treasurer of State to the 2013 session for the establishment of three permanent positions to plan for and initiate replacement of the agency's Local Government Investment Pool Voice Response System, with the understanding that the agency would continue to use existing staff and administratively established positions, where necessary, to both maintain the functionality of the Voice Response System and to develop a business case for the modernization of the Voice Response System. Any approval of the actual replacement of the system or other components of the agency's cash management system was deferred until the 2013 session.
- Transferred \$24,968,138 from unallocated balances in special purpose appropriations made to the Emergency Board for specified uses to the general purpose appropriation legal citation. The result of this action establishes a balance of \$50,447,306 in the general purpose Emergency Fund.

Emergency Fund Balance Summary

	Agency Requests	Full Board Action
General Purpose Emergency Fund		
Appropriation (after 2012 Session adjustments)	27,218,734	27,218,734
Allocations to date	(1,663,497)	(1,663,497)
Unallocated/Unreserved Balance	25,555,237	25,555,237
# December 2012 Requests - General Purpose		
16 Department of Forestry - Fire severity costs in addition to special purpose appropriation request	(22,093)	
18 Department of Agriculture - Canola research	(446,040)	
33 Bureau of Labor and Industries - Position restoration	-	(76,069)
39 Legislative Fiscal Office - Transfer of unused special purpose appropriation amounts to Emergency Fund	24,968,138	24,968,138
Total Requests - General Purpose	24,500,005	24,892,069
General Purpose Unallocated/Unreserved Balance after 12/2012	50,055,242	50,447,306
Special Purpose Appropriations - Agency Specific (includes 2012 Session actions)		
Special Purpose Appropriations - Agency Specific (includes 2012 Session actions)	82,145,415	82,145,415
Allocations/Transfers to Date	(13,316,230)	(13,316,230)
Unallocated Balance	68,829,185	68,829,185
# December 2012 Requests - Special Purpose Appropriations - Agency Specific		
6 Department of Human Services - 2012 budget rebalance	(40,097,207)	(40,097,207)
10 Department of Justice - Defense of the Tobacco Master Settlement Agreement	(1,102,857)	(1,102,857)
16 Department of Forestry - Fire severity costs for the 2012 fire season and 2013 insurance premium	(2,660,983)	(2,660,983)
39 Legislative Fiscal Office - Transfer of unused special purpose appropriation amounts to Emergency Fund	(24,968,138)	(24,968,138)
Total Requests - Special Purpose - Agency Specific	(68,829,185)	(68,829,185)
Special Purpose - Agency Specific - Unallocated Balance after 12/2012	0	0

Additional detail of Emergency Board meetings are available on the
Legislative Fiscal Office website: www.leg.state.or.us/comm/lfo/home.htm

Oregon Legislative Emergency Board
Certificate

December 12, 2012

Pursuant to the provisions of ORS 291.328, and acting under the authority of 291.326(1)(a), (b), (c), and (d); 291.371; and 291.375; this hereby certifies that the Emergency Board, meeting on December 12, 2012, took the following actions:

1. Treasurer of State

Deferred to the 2013 legislative session consideration of a request from the Treasurer of State to establish three permanent full-time positions to plan for and initiate replacement of the agency's Local Government Investment Pool Voice Response System, with the understanding that the Treasurer may continue to use existing staff and administratively established positions where necessary to both maintain the functionality of the Voice Response System and to develop a business case for the modernization of the Voice Response System.

2. Judicial Department

Increased the Other Funds expenditure limitation established for the Judicial Department by section 1, chapter 110, Oregon Laws 2012, specialty courts, by \$580,000, and increased the Other Funds expenditure limitation established for the Judicial Department by section 2(1), chapter 634, Oregon Laws 2011, Operations, by \$380,000 for expenditures of grant renewals.

3. Judicial Department

Increased the Other Funds expenditure limitation established for the Judicial Department by section 13, chapter 110, Oregon Laws 2012, capital improvement, by \$110,000 to address deferred maintenance issues with the Supreme Court Building.

4. Oregon Health Authority

Approved the transfer of General Fund appropriations, increased Other Funds expenditure limitations, increased Federal Funds expenditure limitations, and authorized the establishment of 72 positions (18.77 FTE) for the Oregon Health Authority; with the understanding that the Department of Administrative Services will unschedule General Fund, and Other Funds and Federal Funds expenditure limitation; per the attached table.

5. Oregon Health Authority

Acknowledged receipt of a report from the Oregon Health Authority on the agency's efforts to pursue a competitive bidding process for generic drugs within the Medicaid program.

6. Department of Human Services

Allocated \$40,097,207 from the special purpose appropriation made to the Emergency Board by section 15(1), chapter 110, Oregon Laws 2012, to supplement appropriations made to the Department of Human Services, approved the transfer of General Fund appropriations, increased and transferred Other Funds expenditure limitations, and increased Federal Funds expenditure limitations; with the understanding that the Department of Administrative Services will unschedule General Fund and Other Funds expenditure limitation; per the attached table.

- 7. Department of Corrections**
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$191,768 for the Circles of Support and Accountability (COSA) Training and Technical Assistance Project.
- 8. Department of Corrections**
Approved, retroactively, the submission of a federal grant application by the Department of Corrections to the U.S. Department of Justice in the amount of \$291,797 to provide advanced-level skills training for probation officers.
- 9. Department of Corrections**
Oregon Health Authority
Acknowledged receipt of a report from the Department of Corrections and Oregon Health Authority on the purchase of pharmaceutical drugs for the inmate health services program, with the understanding that the agencies will report by April 2013 on steps taken to reduce the cost of pharmaceuticals, which could include, but is not limited to: a) utilizing the Oregon Prescription Drug Program (OPDP), b) working with the Oregon Health Authority to explore 340-B eligibility, and c) resolving whether non-drug supplies can be purchased through OPDP or multiple group purchasing organizations.
- 10. Department of Justice**
Allocated \$1,102,857 from the special purpose appropriation made to the Emergency Board by section 57(1), chapter 600, Oregon Laws 2011, to supplement the appropriation made to the Department of Justice by section 1, chapter 575, Oregon Laws 2011 for ongoing legal costs associated with the defense of the revenue stream from the Master Settlement Agreement.
- 11. Military Department**
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$133,355 for 2012 fire season expenses.
- 12. Military Department**
Increased the Other Funds expenditure limitation established for the Military Department by section 2(4), chapter 623, Oregon Laws 2011, Community support, by \$300,000, and increased the Federal Funds expenditure limitation established for the Military Department by section 3(3), chapter 623, Oregon Laws 2011, Community support, by \$650,000 for the Oregon Youth Challenge Program.
- 13. Department of Public Safety Standards and Training**
Approved the submission of a federal grant application by the Department of Public Safety Standards and Training to the White House Office of National Drug Control Policy in the amount of \$100,000 for the Oregon High Intensity Drug Trafficking Area Training Initiative; and increased the Federal Funds expenditure limitation established for the Department of Public Safety Standards and Training by section 3, chapter 586, Oregon Laws 2011, by \$50,000.

15. Housing and Community Services Department

Approved the submission of a federal grant application by the Housing and Community Services Department to the U.S. Department of Housing and Urban Development for a National Foreclosure Mitigation Counseling grant of up to \$807,804 to provide foreclosure intervention counseling to owner-occupants of single-family properties who are delinquent on their mortgages and/or at risk of default or foreclosure.

16. Department of Forestry

Acknowledged receipt of a report from the Department of Forestry on the 2012 fire season; allocated \$2,660,983 from the special purpose appropriation made to the Emergency Board by section 6(1), chapter 537, Oregon Laws 2011, for fire protection expenses, to supplement the appropriation made to the Department of Forestry by section 1(1), chapter 537, Oregon Laws 2011, Fire protection; and deferred to the 2013 legislative session consideration of the request for an allocation of \$22,093 from the general purpose Emergency Fund.

17. Department of Fish and Wildlife

Increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(2), chapter 573, Oregon Laws 2011, Wildlife Division, by \$1,219,834; increased the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(1), chapter 573, Oregon Laws 2011, Fish Division, by \$1,555,846; and authorized the establishment of three limited duration positions (0.75 FTE) and the reclassification of two positions; to accommodate unanticipated federal revenues and to complete federal contracts.

18. Department of Agriculture

Deferred to the 2013 legislative session consideration of the request by the Department of Agriculture for an allocation of \$446,040 from the general purpose Emergency Fund to fund research on issues surrounding growing of canola.

19. Department of Agriculture

Increased the Federal Funds expenditure limitation established for the Department of Agriculture by section 4(2), chapter 409, Oregon Laws 2011, Natural resources, by \$101,200 for a grant to help meet Korea's phytosanitary requirements for importation of blueberries.

20. Department of Agriculture

Acknowledged receipt of a report from the Department of Agriculture on use of emergency funds approved at the September 2012 meeting of the Emergency Board to help those affected by rangeland fires in Southeast Oregon.

22. Department of Environmental Quality

Increased the Federal Funds expenditure limitation established for the Department of Environmental Quality by section 5(1), chapter 536, Oregon Laws 2011, Air quality, by \$900,000, and authorized within the Federal Funds expenditure limitations established for the Department of Environmental Quality by section 5, chapter 536, Oregon Laws 2011, the transfer \$300,000 from subsection (4), Cross program, to subsection (1), Air quality, for final payments of diesel engine and exhaust improvement grants and purchase of air quality monitoring equipment.