
MEMORANDUM

Legislative Fiscal Office
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To: *Transportation and Economic Development Subcommittee Members*
From: *Susie Jordan, Legislative Fiscal Office*
(503) 986-1835
Date: April 26, 2013
Subject: *Senate Bill 5514- Department of Consumer and Business Services -
Work Session Recommendations*

Department of Consumer and Business Services (DCBS) - Agency Totals

	2009-11 Actual	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 LFO Rec.
Other Funds	185,767,184	200,876,115	216,560,780	211,247,105
Federal Funds	610,545	3,639,056	996,061	984,618
Nonlimited Other	198,397,456	197,419,009	199,611,276	199,574,121
TOTAL FUNDS	384,775,185	401,934,180	417,168,117	411,805,844
Positions	1,063	935	927	927
FTE	1,051.06	922.40	919.47	919.97

Attached are the recommendations from the Legislative Fiscal Office for the ***Department of Consumer and Business Services***. It contains the following:

- Standard adjustments for inflation; State Government Service Charges; and reductions for statewide administrative savings and savings anticipated from PERS reforms.
- A technical adjustment to correct position roll-up costs for the 2013-15 biennium as approved during the 2012 Legislative Session relating to implementation of Senate Bill 1547 (2012) relating to regulation of captive insurers.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 04/26/13.

Accept LFO Recommendation

Move the LFO recommendation to SB 5514.

Budget Notes:

"The Department of Consumer and Business Services is directed to report to the Joint Committee on Ways and Means not later than December 1, 2014 on transparency in reate review and the operation of the state reinsurance program established pursuant to Houbse Bill 3458."

Move approval of the budget note.

Performance Measures

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$211,247,105 *Other Funds*, \$199,574,121 *Other Funds NonLimited*, \$984,618 *Federal Funds*, and 927 positions (919.97 FTE) and that *Senate Bill 5514* be approved accordingly.

→ **Approve a motion to amend Senate Bill 5547 by the following:**

In line 6, **delete** \$211,197,242 and **insert** \$211,247,105.

Senate Bill 5514 Final Subcommittee Action:

Final Motion:

Move SB 5514 to the full committee with a “do pass” recommendation, as amended.

LFO102 - Work Session Presentation Report
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 44000-000-00-00-00000
Consumer and Business Svcs, Dept of

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	200,775,789	753,662	197,419,009	-	398,948,460	930	919.68
2011-13 Ebds, SS & Admin Act	-	-	100,326	2,885,394	400,000	-	3,385,720	5	2.72
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	200,876,115	3,639,056	197,819,009	-	402,334,180	935	922.40
2011-13 Leg Approved Budget (Base)	-	-	200,876,115	3,187,699	197,419,009	-	401,482,823	935	922.40
Summary of Base Adjustments	-	-	13,263,854	(1,661,505)	1,852,080	-	13,454,429	(8)	(2.93)
2013-15 Base Budget	-	-	214,139,969	1,526,197	199,271,089	-	414,937,255	927	919.47
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,241,246	-	63,745	-	1,304,991	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(530,136)	-	-	(530,136)	-	-
030: Inflation & Price List Adjustments	-	-	1,509,307	-	(53,300)	-	1,456,007	-	-
060: Technical Adjustments	-	-	(329,742)	-	329,742	-	-	-	-
2013-15 Current Service Level	-	-	216,560,780	996,061	199,611,276	-	417,168,117	927	919.47
Adjusted 2013-15 Current Service Level	-	-	216,560,780	996,061	199,611,276	-	417,168,117	927	919.47
Total LFO Recommended Packages	-	-	(5,313,675)	(11,443)	(37,155)	-	(5,362,273)	-	0.50
2013-15 Legislative Actions	-	-	211,247,105	984,618	199,574,121	-	411,805,844	927	919.97
Net change from 2011-13 Leg Approved Budget	-	-	10,370,990	(2,654,438)	1,755,112	-	9,471,664	(8)	(2.43)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	5.2%	(72.9%)	0.9%	0.0%	2.4%	(0.9%)	(0.3%)
Net change from 2013-15 Current Service Level	-	-	(5,313,675)	(11,443)	(37,155)	-	(5,362,273)	-	0.50
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(2.5%)	(1.1%)	0.0%	0.0%	(1.3%)	0.0%	0.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	-	-	10,342,048	-	10,342,048	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	-	-	10,342,048	-	10,342,048	-	-
2011-13 Leg Approved Budget (Base)	-	-	-	-	10,342,048	-	10,342,048	-	-
Summary of Base Adjustments	-	-	-	-	(8,864,000)	-	(8,864,000)	-	-
2013-15 Base Budget	-	-	-	-	1,478,048	-	1,478,048	-	-
2013-15 Current Service Level	-	-	-	-	1,478,048	-	1,478,048	-	-
Adjusted 2013-15 Current Service Level	-	-	-	-	1,478,048	-	1,478,048	-	-
2013-15 Legislative Actions	-	-	-	-	1,478,048	-	1,478,048	-	-
Net change from 2011-13 Leg Approved Budget	-	-	-	-	(8,864,000)	-	(8,864,000)	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(85.7%)	0.0%	(85.7%)	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	-	-	182,807,807	-	182,807,807	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	-	-	182,807,807	-	182,807,807	-	-
2011-13 Leg Approved Budget (Base)	-	-	-	-	182,807,807	-	182,807,807	-	-
Summary of Base Adjustments	-	-	-	-	10,123,636	-	10,123,636	11	10.04
2013-15 Base Budget	-	-	-	-	192,931,443	-	192,931,443	11	10.04
010: Non-PICS Pers Svc/Vacancy Factor	-	-	-	-	63,745	-	63,745	-	-
030: Inflation & Price List Adjustments	-	-	-	-	(53,300)	-	(53,300)	-	-
060: Technical Adjustments	-	-	-	-	329,742	-	329,742	-	-
2013-15 Current Service Level	-	-	-	-	193,271,630	-	193,271,630	11	10.04
Adjusted 2013-15 Current Service Level	-	-	-	-	193,271,630	-	193,271,630	11	10.04
Total LFO Recommended Packages	-	-	-	-	(37,155)	-	(37,155)	-	-
2013-15 Legislative Actions	-	-	-	-	193,234,475	-	193,234,475	11	10.04
Net change from 2011-13 Leg Approved Budget	-	-	-	-	10,426,668	-	10,426,668	11	10.04
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	5.7%	0.0%	5.7%	100.0%	100.0%
Net change from 2013-15 Current Service Level	-	-	-	-	(37,155)	-	(37,155)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package supports a policy change to limit tax relief calculations to PERS retirees that are Oregon residents. Non-resident retirees will no longer receive the tax relief benefit. The policy change saves approximately 40 basis points on the PERS employer rate.

LFO Recommendation Approve the Package

LFO Recommended	-	-	-	-	(4,133)	-	(4,133)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package supports policy changes that reduce the PERS employer rate by approximately 320 basis points. The package limits annual cost-of-living benefits for retirees.

LFO Recommendation Approve

LFO Recommended	-	-	-	-	(33,022)	-	(33,022)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	-	-	-	-	-	-	-
2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
2013-15 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	20,446,397	-	-	-	20,446,397	84	84.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	20,446,397	-	-	-	20,446,397	84	84.00
2011-13 Leg Approved Budget (Base)	-	-	20,446,397	-	-	-	20,446,397	84	84.00
Summary of Base Adjustments	-	-	1,467,989	-	-	-	1,467,989	-	-
2013-15 Base Budget	-	-	21,914,386	-	-	-	21,914,386	84	84.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	87,076	-	-	-	87,076	-	-
030: Inflation & Price List Adjustments	-	-	208,087	-	-	-	208,087	-	-
2013-15 Current Service Level	-	-	22,209,549	-	-	-	22,209,549	84	84.00
Adjusted 2013-15 Current Service Level	-	-	22,209,549	-	-	-	22,209,549	84	84.00
Total LFO Recommended Packages	-	-	(412,529)	-	-	-	(412,529)	-	-
2013-15 Legislative Actions	-	-	21,797,020	-	-	-	21,797,020	84	84.00
Net change from 2011-13 Leg Approved Budget	-	-	1,350,623	-	-	-	1,350,623	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	6.6%	0.0%	0.0%	0.0%	6.6%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(412,529)	-	-	-	(412,529)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.9%)	0.0%	0.0%	0.0%	(1.9%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package

LFO Recommended	-	-	(45,885)	-	-	-	(45,885)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the Package.

LFO Recommended	-	-	(366,644)	-	-	-	(366,644)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	37,271,530	-	3,361,198	-	40,632,728	202	195.54
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	37,271,530	-	3,361,198	-	40,632,728	202	195.54
2011-13 Leg Approved Budget (Base)	-	-	37,271,530	-	3,361,198	-	40,632,728	202	195.54
Summary of Base Adjustments	-	-	799,550	-	-	-	799,550	(17)	(12.62)
2013-15 Base Budget	-	-	38,071,080	-	3,361,198	-	41,432,278	185	182.92
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(114,465)	-	-	-	(114,465)	-	-
030: Inflation & Price List Adjustments	-	-	433,210	-	-	-	433,210	-	-
060: Technical Adjustments	-	-	(329,742)	-	-	-	(329,742)	-	-
2013-15 Current Service Level	-	-	38,060,083	-	3,361,198	-	41,421,281	185	182.92
Adjusted 2013-15 Current Service Level	-	-	38,060,083	-	3,361,198	-	41,421,281	185	182.92
Total LFO Recommended Packages	-	-	(705,450)	-	-	-	(705,450)	-	-
2013-15 Legislative Actions	-	-	37,354,633	-	3,361,198	-	40,715,831	185	182.92
Net change from 2011-13 Leg Approved Budget	-	-	83,103	-	-	-	83,103	(17)	(12.62)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.2%	(8.4%)	(6.5%)
Net change from 2013-15 Current Service Level	-	-	(705,450)	-	-	-	(705,450)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.9%)	0.0%	0.0%	0.0%	(1.7%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(78,466)	-	-	-	(78,466)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(626,984)	-	-	-	(626,984)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	43,333,029	-	-	-	43,333,029	194	192.50
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	43,333,029	-	-	-	43,333,029	194	192.50
2011-13 Leg Approved Budget (Base)	-	-	43,333,029	-	-	-	43,333,029	194	192.50
Summary of Base Adjustments	-	-	3,641,095	-	-	-	3,641,095	-	-
2013-15 Base Budget	-	-	46,974,124	-	-	-	46,974,124	194	192.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	137,562	-	-	-	137,562	-	-
030: Inflation & Price List Adjustments	-	-	425,819	-	-	-	425,819	-	-
2013-15 Current Service Level	-	-	47,537,505	-	-	-	47,537,505	194	192.50
Adjusted 2013-15 Current Service Level	-	-	47,537,505	-	-	-	47,537,505	194	192.50
Total LFO Recommended Packages	-	-	(869,216)	-	-	-	(869,216)	-	-
2013-15 Legislative Actions	-	-	46,668,289	-	-	-	46,668,289	194	192.50
Net change from 2011-13 Leg Approved Budget	-	-	3,335,260	-	-	-	3,335,260	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	7.7%	0.0%	0.0%	0.0%	7.7%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(869,216)	-	-	-	(869,216)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.8%)	0.0%	0.0%	0.0%	(1.8%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the Package.

LFO Recommended	-	-	(96,682)	-	-	-	(96,682)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(772,534)	-	-	-	(772,534)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	20,750,663	753,662	-	-	21,504,325	100	99.50
2011-13 Ebds, SS & Admin Act	-	-	100,326	2,885,394	-	-	2,985,720	5	2.72
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	20,850,989	3,639,056	-	-	24,490,045	105	102.22
2011-13 Leg Approved Budget (Base)	-	-	20,850,989	3,187,699	-	-	24,038,688	105	102.22
Summary of Base Adjustments	-	-	1,388,749	(1,661,505)	-	-	(272,756)	(5)	(3.22)
2013-15 Base Budget	-	-	22,239,738	1,526,197	-	-	23,765,935	100	99.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	585,169	-	-	-	585,169	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(530,136)	-	-	(530,136)	-	-
030: Inflation & Price List Adjustments	-	-	338,476	-	-	-	338,476	-	-
2013-15 Current Service Level	-	-	23,163,383	996,061	-	-	24,159,444	100	99.00
Adjusted 2013-15 Current Service Level	-	-	23,163,383	996,061	-	-	24,159,444	100	99.00
Total LFO Recommended Packages	-	-	(369,704)	(11,443)	-	-	(381,147)	-	0.50
2013-15 Legislative Actions	-	-	22,793,679	984,618	-	-	23,778,297	100	99.50
Net change from 2011-13 Leg Approved Budget	-	-	1,942,690	(2,654,438)	-	-	(711,748)	(5)	(2.72)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	9.3%	(72.9%)	0.0%	0.0%	(2.9%)	(4.8%)	(2.7%)
Net change from 2013-15 Current Service Level	-	-	(369,704)	(11,443)	-	-	(381,147)	-	0.50
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.6%)	(1.1%)	0.0%	0.0%	(1.6%)	0.0%	0.5%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(47,742)	(1,273)	-	-	(49,015)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(381,484)	(10,170)	-	-	(391,654)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 810 LFO Analyst Adjustments

Package Description Technical adjustments corrects allocation of FTE for an Insurance Investigator position approved by the 2012 Legislature for implementation of SB 1547 (2012) relating to regulation of captive insurers. The position was rolled into the 2013-15 budget at .50 FTE and should have been converted to 1.0 FTE for a full biennium. The position is funded from licensing fees paid by the captive insurance companies.

LFO Recommendation Approve

LFO Recommended	-	-	59,522	-	-	-	59,522	-	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	16,558,006	-	650,000	-	17,208,006	79	79.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	16,558,006	-	650,000	-	17,208,006	79	79.00
2011-13 Leg Approved Budget (Base)	-	-	16,558,006	-	650,000	-	17,208,006	79	79.00
Summary of Base Adjustments	-	-	1,060,124	-	-	-	1,060,124	-	(0.37)
2013-15 Base Budget	-	-	17,618,130	-	650,000	-	18,268,130	79	78.63
010: Non-PICS Pers Svc/Vacancy Factor	-	-	252,667	-	-	-	252,667	-	-
030: Inflation & Price List Adjustments	-	-	173,805	-	-	-	173,805	-	-
2013-15 Current Service Level	-	-	18,044,602	-	650,000	-	18,694,602	79	78.63
Adjusted 2013-15 Current Service Level	-	-	18,044,602	-	650,000	-	18,694,602	79	78.63
Total LFO Recommended Packages	-	-	(352,418)	-	-	-	(352,418)	-	-
2013-15 Legislative Actions	-	-	17,692,184	-	650,000	-	18,342,184	79	78.63
Net change from 2011-13 Leg Approved Budget	-	-	1,134,178	-	-	-	1,134,178	-	(0.37)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	6.8%	0.0%	0.0%	0.0%	6.6%	0.0%	(0.5%)
Net change from 2013-15 Current Service Level	-	-	(352,418)	-	-	-	(352,418)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(2.0%)	0.0%	0.0%	0.0%	(1.9%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(39,199)	-	-	-	(39,199)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(313,219)	-	-	-	(313,219)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	34,234,215	-	257,956	-	34,492,171	154	153.04
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	34,234,215	-	257,956	-	34,492,171	154	153.04
2011-13 Leg Approved Budget (Base)	-	-	34,234,215	-	257,956	-	34,492,171	154	153.04
Summary of Base Adjustments	-	-	2,205,186	-	-	-	2,205,186	3	2.46
2013-15 Base Budget	-	-	36,439,401	-	257,956	-	36,697,357	157	155.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	108,559	-	-	-	108,559	-	-
030: Inflation & Price List Adjustments	-	-	(268,624)	-	-	-	(268,624)	-	-
2013-15 Current Service Level	-	-	36,279,336	-	257,956	-	36,537,292	157	155.50
Adjusted 2013-15 Current Service Level	-	-	36,279,336	-	257,956	-	36,537,292	157	155.50
Total LFO Recommended Packages	-	-	(2,103,298)	-	-	-	(2,103,298)	-	-
2013-15 Legislative Actions	-	-	34,176,038	-	257,956	-	34,433,994	157	155.50
Net change from 2011-13 Leg Approved Budget	-	-	(58,177)	-	-	-	(58,177)	3	2.46
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(0.2%)	0.0%	0.0%	0.0%	(0.2%)	1.9%	1.6%
Net change from 2013-15 Current Service Level	-	-	(2,103,298)	-	-	-	(2,103,298)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(5.8%)	0.0%	0.0%	0.0%	(5.8%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor’s 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(1,388,562)	-	-	-	(1,388,562)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package

LFO Recommended	-	-	(79,499)	-	-	-	(79,499)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(635,237)	-	-	-	(635,237)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	28,181,949	-	-	-	28,181,949	117	116.10
2011-13 Ebds, SS & Admin Act	-	-	-	-	400,000	-	400,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	28,181,949	-	400,000	-	28,581,949	117	116.10
2011-13 Leg Approved Budget (Base)	-	-	28,181,949	-	-	-	28,181,949	117	116.10
Summary of Base Adjustments	-	-	2,701,161	-	592,444	-	3,293,605	-	0.78
2013-15 Base Budget	-	-	30,883,110	-	592,444	-	31,475,554	117	116.88
010: Non-PICS Pers Svc/Vacancy Factor	-	-	184,678	-	-	-	184,678	-	-
030: Inflation & Price List Adjustments	-	-	198,534	-	-	-	198,534	-	-
2013-15 Current Service Level	-	-	31,266,322	-	592,444	-	31,858,766	117	116.88
Adjusted 2013-15 Current Service Level	-	-	31,266,322	-	592,444	-	31,858,766	117	116.88
Total LFO Recommended Packages	-	-	(501,060)	-	-	-	(501,060)	-	-
2013-15 Legislative Actions	-	-	30,765,262	-	592,444	-	31,357,706	117	116.88
Net change from 2011-13 Leg Approved Budget	-	-	2,583,313	-	192,444	-	2,775,757	-	0.78
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	9.2%	0.0%	48.1%	0.0%	9.7%	0.0%	0.7%
Net change from 2013-15 Current Service Level	-	-	(501,060)	-	-	-	(501,060)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(1.6%)	0.0%	0.0%	0.0%	(1.6%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(55,732)	-	-	-	(55,732)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(445,328)	-	-	-	(445,328)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	-	-	-	-	-	-	-
2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
2013-15 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	-	-	-	-	-	-	-
2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
2013-15 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2011-13 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2013-2015 Key Performance Measures

Agency: CONSUMER & BUSINESS SERVICES, DEPARTMENT of

Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - PERFORMANCE OF FINANCIAL SERVICE ENTITIES - Percentage of financial services entities rated satisfactory or higher.		Approved KPM	67.20	77.00	77.00
2 - INSURANCE CONSUMER RELIEF – Percent of confirmed complaints resolved with relief for the consumer.		Approved KPM	76.00	75.00	75.00
3 - OCCUPATIONAL INJURY AND ILLNESS INCIDENCE RATES – Number of occupational injury and illness cases per 100 full-time workers.		Approved KPM	3.80	4.60	4.60
4 - TIMELY WORKER BENEFITS – Percent of injured workers who receive timely benefits from insurers.		Approved KPM	92.60	93.00	93.00
5 - ACCURATE WORKER BENEFITS – Percent of injured workers who receive accurate benefits from insurers.		Approved KPM	90.80	95.00	95.00
6 - REEMPLOYMENT FOR INJURED WORKERS – Difference in percentage of eligible workers who return to work using return-to-work programs from those who do not use return-to-work programs.		Approved KPM	12.00	11.00	11.00
7 - WAGE RECOVERY FOR INJURED WORKERS – Difference in percentage wage recovery for workers who use return-to-work programs versus workers who do not.		Approved KPM	14.00	13.00	14.00
8 - WORKERS' COMPENSATION COVERAGE – Number of claims against employers without workers' compensation coverage per 1,000 accepted disabling claims.		Approved KPM	3.30	3.00	3.00
9 - WORKERS' COMPENSATION INSURER PERFORMANCE - Percentage of workers' compensation insurers meeting standards for benefit delivery and reporting.		Approved KPM	88.80	85.00	88.00
10 - UPHELD WORKERS' COMPENSATION DECISIONS – Percent of Workers' Compensation Board decisions affirmed on appeal to the Judiciary.		Approved KPM	89.20	96.00	95.00

Agency: CONSUMER & BUSINESS SERVICES, DEPARTMENT of

Mission: To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
11 - PERMITS FOR MINOR CONSTRUCTION WORK – Number of building permits that can be used by contractors in multiple jurisdictions for minor construction work.		Approved KPM	54,290.00	67,547.00	67,547.00
12 - ON-TIME WORK – Percent of timelines for key department activities that are met.		Approved KPM	88.50	95.00	95.00
13 - E-TRANSACTIONS FOR CUSTOMERS – Percent of customer transactions completed electronically.		Approved KPM	54.60	57.50	57.50
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.	Accuracy	Approved KPM	90.00	90.00	90.00
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.	Availability of Information	Approved KPM	90.00	90.00	90.00
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.	Expertise	Approved KPM	93.20	90.00	90.00
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.	Helpfulness	Approved KPM	93.10	90.00	90.00
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.	Overall	Approved KPM	90.00	90.00	90.00
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.	Timeliness	Approved KPM	89.50	90.00	90.00

LFO Recommendation:

Approve the Department's request to continue existing KPMs and related targets into the 2013-15 biennium.

Sub-Committee Action: