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# MEMORANDUM

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**To:** Members of the Education Subcommittee

**From:** Doug Wilson, Legislative Fiscal Office  
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**Date:** May 13, 2013

**Subject:** Teacher Standards and Practices Commission – HB 5046  
Reconsideration Recommendations

## ***Teacher Standards and Practices – Agency Totals***

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 New LFO Recommended
General Fund	0	0	0	0
Lottery Funds	0	0	0	0
Other Funds	5,311,522	5,444,612	5,442,725	4,951,441
Federal Funds	0	85,455	35,000	35,000
<b>Total Funds</b>	<b>\$5,311,522</b>	<b>\$5,530,067</b>	<b>\$5,477,725</b>	<b>\$4,986,441</b>
Positions	25	24	22	20
FTE	25.00	24.00	22.00	20.00

After the work session on this bill it became apparent that the combination of the budget development and a reclass of positions by the agency had created some confusion of the actual position authority need. As a result, this budget bill (HB 5046) is back in front of the Subcommittee for correction.

The position and FTE recommendations for package 070 – Revenue Shortfalls must be changed. The original position change recommendation by LFO was a decrease of three positions while it should be only two positions. Similarly, LFO's FTE reduction recommendation was originally 2.75 FTE when it should have been 2.00 FTE. Overall, there is still a recommended decrease of four positions (4.00 FTE) from the agency's 2011-13 Legislatively Approved budget.

The changes are shown on the attached LFO work papers.

	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	100,000	-	5,444,612	-	-	-	5,544,612	24	24.00
2011-13 Ebds, SS & Admin Act	(100,000)	-	-	85,455	-	-	(14,545)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	-	-	<b>5,444,612</b>	<b>85,455</b>	-	-	<b>5,530,067</b>	<b>24</b>	<b>24.00</b>
<b>2011-13 Leg Approved Budget (Base)</b>	-	-	<b>5,444,612</b>	<b>85,455</b>	-	-	<b>5,530,067</b>	<b>24</b>	<b>24.00</b>
Summary of Base Adjustments	-	-	(148,557)	-	-	-	(148,557)	(2)	(2.00)
<b>2013-15 Base Budget</b>	-	-	<b>5,296,055</b>	<b>85,455</b>	-	-	<b>5,381,510</b>	<b>22</b>	<b>22.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(4,022)	-	-	-	(4,022)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(50,455)	-	-	(50,455)	-	-
030: Inflation & Price List Adjustments	-	-	150,692	-	-	-	150,692	-	-
<b>2013-15 Current Service Level</b>	-	-	<b>5,442,725</b>	<b>35,000</b>	-	-	<b>5,477,725</b>	<b>22</b>	<b>22.00</b>
070: Revenue Reductions/Shortfall	-	-	(411,336)	-	-	-	(411,336)	(2)	(2.00)
<b>Adjusted 2013-15 Current Service Level</b>	-	-	<b>5,031,389</b>	<b>35,000</b>	-	-	<b>5,066,389</b>	<b>20</b>	<b>20.00</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>(79,948)</b>	-	-	-	<b>(79,948)</b>	-	-
<b>2013-15 Legislative Actions</b>	-	-	<b>4,951,441</b>	<b>35,000</b>	-	-	<b>4,986,441</b>	<b>20</b>	<b>20.00</b>
Net change from 2011-13 Leg Approved Budget	-	-	(493,171)	(50,455)	-	-	(543,626)	(4)	(4.00)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(9.1%)	(59.0%)	0.0%	0.0%	(9.8%)	(16.7%)	(16.7%)
Net change from 2013-15 Current Service Level	-	-	(79,948)	-	-	-	(79,948)	-	-
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 070 Revenue Shortfalls**

Package Description Due to a significant shortfall in revenues over the past two years, this package reduces expenditures by \$411,336 Other Funds and by two positons (2.75 FTE). The two positions are an Intake Clerk (Office Specialist 1) and the director of Licensure (PEM D). In addition, the FTE on another Office Specialist position is reduced by 0.75 FTE. All positions are vacant -- The Licensure Director and Intake Clerk were laid off last July. The package has been adjusted to reflect the assumed PERS changes.

LFO Recommendation LFO recommends the approval of the package with a change to correct the actual position and FTE numbers reflecting the combination of the elimination of positions for the revenue shortfall and position reclasses that took place last year. Since both the development of the budget and the reclasses took place roughly at the same time there was confusion in coming to the final numbers.

LFO Recommended	-	-	(411,336)	-	-	-	(411,336)	(2)	(2.00)
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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 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 LFO recommends approval of the package.

LFO Recommended	-	-	(13,537)	-	-	-	(13,537)	-	-
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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 LFO recommends approval of the package.

LFO Recommended	-	-	(7,387)	-	-	-	(7,387)	-	-
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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 LFO recommends approval of the package.

LFO Recommended	-	-	(59,024)	-	-	-	(59,024)	-	-
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