
MEMORANDUM

Legislative Fiscal Office
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To: Natural Resources Subcommittee

From: Linda Gilbert, Legislative Fiscal Office
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Date: May 15, 2013

Subject: Department of State Lands
Work Session Recommendations

DSL – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	\$1,934,790	\$681,266	\$0	\$0
Lottery Funds	0	0	0	0
Other Funds	30,430,351	56,958,121	35,808,573	39,903,291
Federal Funds	3,497,375	6,099,914	2,777,493	1,696,671
Total Funds	\$35,862,516	\$63,739,301	\$38,586,066	\$41,599,962
Positions	110	108	105	107
FTE	107.46	106.42	104.00	106.00

Attached is the recommendation from the Legislative Fiscal Office for the Department of State Lands. It contains the following:

- Standard adjustments for inflation; State Government Service Charges; and reductions for statewide administrative savings and savings anticipated from PERS reforms.
- Expenditure limitation and a position to continue forensics work on the Portland Harbor Superfund site.
- Expenditure limitation to pay property tax and management expense on properties held as assets of the Common School Fund.
- A watershed stewardship position continued in the South Slough National Estuarine Research Reserve (SSNERR)
- A reclassification package for three positions working at the SSNERR.
- Technical adjustments to provide limitation for unspent grant fund carryovers for wetlands program development, Natural Heritage program, and SSNERR.
- A reduction in Federal Funds limitation at SSNERR to reflect declining federal operations support.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 4/30/2013.

Accept LFO Recommendation

Move the LFO recommendation to SB 5540.

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 \$39,903,291 Other Funds, \$1,696,671 Federal Funds, and 107 positions (105.88 FTE) and that Senate Bill 5540 be amended accordingly.

Section 1

Line 11 – Delete [\$22,611,588] and insert **\$24,944,541**.

Line 13 - Delete [\$1,848,532] and insert **\$1,845,481**.

Line 16 - Delete [\$1,910,805] and insert **\$2,284,603**.

Section 2

Line 18 – delete [amount of \$1,565,323 is] and insert **following amounts are**

Line 19 – delete [limit] and insert **limits**

Line 21 – delete [South Slough National Estuarine Research Reserve operations.] and insert **the following purposes:**

- | | |
|---|--------------------|
| (1) Common School Fund Programs | \$95,166 |
| (2) Natural Heritage Program | \$57,800 |
| (3) South Slough National Estuarine Research Reserve | \$1,543,705 |

Accept LFO Recommendation

Move the LFO recommendation to modify SB 5540

SB 5540 Final Subcommittee Action:

Final Motion:

Move SB 5540 to the full committee, as modified, with a "do pass" recommendation.

LFO102 - Work Session Presentation Report
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 14100-000-00-00-00000

Lands, Dept of State

	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	-	-	26,494,275	5,671,787	10,054,249	-	42,220,311	108	106.42
2011-13 Ebds, SS & Admin Act	681,266	-	1,409,597	428,127	19,000,000	-	21,518,990	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	681,266	-	27,903,872	6,099,914	29,054,249	-	63,739,301	108	106.42
2011-13 Leg Approved Budget (Base)	681,266	-	27,551,872	6,099,914	29,054,249	-	63,387,301	108	106.42
Summary of Base Adjustments	-	-	1,420,147	(200,887)	(19,000,000)	-	(17,780,740)	(3)	(2.42)
2013-15 Base Budget	681,266	-	28,972,019	5,899,027	10,054,249	-	45,606,561	105	104.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	34,443	(6,964)	-	-	27,479	-	-
020: Phase In / Out Pgm & One-time Cost	(681,266)	-	(4,020,529)	(3,152,196)	-	-	(7,853,991)	-	-
030: Inflation & Price List Adjustments	-	-	768,391	37,626	-	-	806,017	-	-
2013-15 Current Service Level	-	-	25,754,324	2,777,493	10,054,249	-	38,586,066	105	104.00
Adjusted 2013-15 Current Service Level	-	-	25,754,324	2,777,493	10,054,249	-	38,586,066	105	104.00
Total LFO Recommended Packages	-	-	3,914,718	(1,080,822)	180,000	-	3,013,896	2	2.00
2013-15 Legislative Actions	-	-	29,669,042	1,696,671	10,234,249	-	41,599,962	107	106.00
Net change from 2011-13 Leg Approved Budget	(681,266)	-	1,765,170	(4,403,243)	(18,820,000)	-	(22,139,339)	(1)	(0.42)
Percent change from 2011-13 Leg Approved Budget	(100.0%)	0.0%	6.3%	(72.2%)	(64.8%)	0.0%	(34.7%)	(0.9%)	(0.4%)
Net change from 2013-15 Current Service Level	-	-	3,914,718	(1,080,822)	180,000	-	3,013,896	2	2.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	15.2%	(38.9%)	1.8%	0.0%	7.8%	1.9%	1.9%

LFO102 - Work Session Presentation Report
2013-15 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 14100-010-00-00-00000
Common School Fund

	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	-	-	20,494,881	176,244	10,054,249	-	30,725,374	91	89.42
2011-13 Ebds, SS & Admin Act	681,266	-	1,057,597	178,000	19,000,000	-	20,916,863	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	681,266	-	21,552,478	354,244	29,054,249	-	51,642,237	91	89.42
2011-13 Leg Approved Budget (Base)	681,266	-	21,552,478	354,244	29,054,249	-	51,642,237	91	89.42
Summary of Base Adjustments	-	-	1,315,949	(180,855)	(19,000,000)	-	(17,864,906)	(2)	(1.42)
2013-15 Base Budget	681,266	-	22,868,427	173,389	10,054,249	-	33,777,331	89	88.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	24,406	-	-	-	24,406	-	-
020: Phase In / Out Pgm & One-time Cost	(681,266)	-	(1,757,597)	(173,389)	-	-	(2,612,252)	-	-
030: Inflation & Price List Adjustments	-	-	710,914	-	-	-	710,914	-	-
2013-15 Current Service Level	-	-	21,846,150	-	10,054,249	-	31,900,399	89	88.00
Adjusted 2013-15 Current Service Level	-	-	21,846,150	-	10,054,249	-	31,900,399	89	88.00
Total LFO Recommended Packages	-	-	3,098,391	95,166	180,000	-	3,373,557	1	1.00
2013-15 Legislative Actions	-	-	24,944,541	95,166	10,234,249	-	35,273,956	90	89.00
Net change from 2011-13 Leg Approved Budget	(681,266)	-	3,392,063	(259,078)	(18,820,000)	-	(16,368,281)	(1)	(0.42)
Percent change from 2011-13 Leg Approved Budget	(100.0%)	0.0%	15.7%	(73.1%)	(64.8%)	0.0%	(31.7%)	(1.1%)	(0.5%)
Net change from 2013-15 Current Service Level	-	-	3,098,391	95,166	180,000	-	3,373,557	1	1.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	14.2%	100.0%	1.8%	0.0%	10.6%	1.1%	1.1%

	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 Recommended	-	-	(194,312)	-	-	-	(194,312)	-	-
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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 Recommended	-	-	(37,937)	-	-	-	(37,937)	-	-
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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 Recommended	-	-	(303,130)	-	-	-	(303,130)	-	-
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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 101 Portland Harbor Clean Up

Package Description This package requests resources to continue contract work in case the state needs to defend itself in a Portland Harbor Superfund Site lawsuit. The Other Fund portion is the estimate for additional Attorney General costs and the General Fund is professional services for the forensic analysis (expert witness) contract work. The package is recommended without General Fund with the understanding the agency will seek any necessary General Fund from the interim Joint Committee on Ways and Means or the Emergency Board. Subsequent to the agency requested budget insurance proceeds became available to cover the contract work.

LFO Recommendation The LFO analyst added \$2.5 million OF expenditure limitation to reflect updated expense projections. In the updated plan, a limited duration NRS 4 is added (\$171,374 Personal Services) to take up some of the detail work otherwise performed by DOJ, bringing DOJ's Portland Harbor costs down to around \$60,000 per month. DOJ has also entered into a contract for continuing investigative services as well as begin to determine possible cleanup costs. Contract cost is just over \$3 million.

The Department anticipates additional insurance proceeds to cover the cost of Portland Harbor legal and contracted expenses. The total amount and timing of the receipts, however, are uncertain. Shortfall can be covered, if necessary, from the Common School Fund statutory ending balance. LFO recommends that the Department report on Portland Harbor defense progress at the February 2014 Legislative Session and discuss needed budget adjustments at that time.

LFO Analyst Notes Total resources including \$0.98 million carryforward plus this package = \$4.5 million.

LFO Recommended	-	-	3,514,770	-	-	-	3,514,770	1	1.00
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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 104 Property Tax Expense

Package Description This package provides expenditure limitation to pay property taxes on the former Eugene Motor Pool site acquired in the 2009-11 biennium; this property is now leased to a private party.

LFO Recommendation The LFO recommends a technical adjustment to add \$91,000 Other Funds expenditure limitation for two purposes:
 1. Payment of \$73,000 property taxes on a commercial building the Department acquired in the fall of 2012. Acquiring industrial, commercial, and residential properties is part of the 2012 Real Estate Management Plan that was developed to establish clear strategies and procedures to achieve sustainable increased returns on the CSF real estate portfolio.
 2. Payment of property management fees, \$18,000.

There are also tenant-incurred and paid costs that accounting rules require the Department to show, irrespective of the fact that the Department does not pay the actual costs. These costs are less predictable than property taxes and management fees. The LFO proposes using the CSF non-limited appropriation for these types of costs (utilities, insurance, maintenance, non-property taxes). The estimate for 2013-15 is 180,000.

LFO Analyst Notes The existing NL account is used for CSF investment portfolio management fees, treasury charges, and third-party audit contract fees.

LFO Recommended	-	-	119,000	-	180,000	-	299,000	-	-
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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 This package accommodates unused carryover Federal Funds from an EPA grant for wetland program development, specifically a project to streamline and upgrade Oregon's Rapid Wetland Assessment Protocol.

LFO Recommendation

LFO Recommended	-	-	-	95,166	-	-	95,166	-	-
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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	-	-	1,791,092	-	-	-	1,791,092	1	1.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	1,791,092	-	-	-	1,791,092	1	1.00
2011-13 Leg Approved Budget (Base)	-	-	1,791,092	-	-	-	1,791,092	1	1.00
Summary of Base Adjustments	-	-	18,002	-	-	-	18,002	-	-
2013-15 Base Budget	-	-	1,809,094	-	-	-	1,809,094	1	1.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	890	-	-	-	890	-	-
030: Inflation & Price List Adjustments	-	-	39,311	-	-	-	39,311	-	-
2013-15 Current Service Level	-	-	1,849,295	-	-	-	1,849,295	1	1.00
Adjusted 2013-15 Current Service Level	-	-	1,849,295	-	-	-	1,849,295	1	1.00
Total LFO Recommended Packages	-	-	(3,814)	-	-	-	(3,814)	-	-
2013-15 Legislative Actions	-	-	1,845,481	-	-	-	1,845,481	1	1.00
Net change from 2011-13 Leg Approved Budget	-	-	54,389	-	-	-	54,389	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	(3,814)	-	-	-	(3,814)	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(0.2%)	0.0%	0.0%	0.0%	(0.2%)	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

LFO Recommended	-	-	(424)	-	-	-	(424)	-	-
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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 Recommended	-	-	(3,390)	-	-	-	(3,390)	-	-
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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	-	-	6,932	445,680	-	-	452,612	-	-
2011-13 Ebds, SS & Admin Act	-	-	-	250,127	-	-	250,127	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	6,932	695,807	-	-	702,739	-	-
2011-13 Leg Approved Budget (Base)	-	-	6,932	695,807	-	-	702,739	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	6,932	695,807	-	-	702,739	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(6,932)	(695,807)	-	-	(702,739)	-	-
2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	-	57,800	-	-	57,800	-	-
2013-15 Legislative Actions	-	-	-	57,800	-	-	57,800	-	-
Net change from 2011-13 Leg Approved Budget	-	-	(6,932)	(638,007)	-	-	(644,939)	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(100.0%)	(91.7%)	0.0%	0.0%	(91.8%)	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	-	57,800	-	-	57,800	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	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 810 LFO Analyst Adjustments

Package Description This package accommodates carryover grant funding for the last NHAC grant DSL is managing. The Natural Heritage Advisory Council was abolished in 2011 and the responsibility for Oregon's Natural Areas Program was transferred to Parks and Recreation Department January 1, 2012.

The funds from this final grant are passed through to the Yamhill Soil and Water Conservation District. The expected completion date is December 2013.

LFO Recommendation

LFO Recommended	-	-	-	57,800	-	-	57,800	-	-
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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	-	-	3,913,853	5,049,863	-	-	8,963,716	16	16.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	3,913,853	5,049,863	-	-	8,963,716	16	16.00
2011-13 Leg Approved Budget (Base)	-	-	3,913,853	5,049,863	-	-	8,963,716	16	16.00
Summary of Base Adjustments	-	-	86,196	(20,032)	-	-	66,164	(1)	(1.00)
2013-15 Base Budget	-	-	4,000,049	5,029,831	-	-	9,029,880	15	15.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	9,147	(6,964)	-	-	2,183	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,256,000)	(2,283,000)	-	-	(4,539,000)	-	-
030: Inflation & Price List Adjustments	-	-	11,266	37,626	-	-	48,892	-	-
2013-15 Current Service Level	-	-	1,764,462	2,777,493	-	-	4,541,955	15	15.00
Adjusted 2013-15 Current Service Level	-	-	1,764,462	2,777,493	-	-	4,541,955	15	15.00
Total LFO Recommended Packages	-	-	520,141	(1,233,788)	-	-	(713,647)	1	1.00
2013-15 Legislative Actions	-	-	2,284,603	1,543,705	-	-	3,828,308	16	16.00
Net change from 2011-13 Leg Approved Budget	-	-	(1,629,250)	(3,506,158)	-	-	(5,135,408)	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(41.6%)	(69.4%)	0.0%	0.0%	(57.3%)	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	520,141	(1,233,788)	-	-	(713,647)	1	1.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	29.5%	(44.4%)	0.0%	0.0%	(15.7%)	6.7%	6.7%

	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 Recommended	-	-	(3,621)	(3,006)	-	-	(6,627)	-	-
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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 as modified to correct the Package 093 rate.

LFO Recommended	-	-	(28,920)	(24,020)	-	-	(52,940)	-	-
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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 105 SSNERR Program Efficiencies

Package Description This package reclassifies a PEM/A to a PEM/B, a Natural Resource Specialist 2 to a Natural Resource Specialist 3, and a Natural Resource Specialist 3 to a Natural Resource Specialist 4. This package is self-financed from Services and Supplies. It has been modified for PERS rate adjustments, including base and SB 822 (2013).

LFO Recommendation Recommended. The Professional Services S&S reduction is permanent.

LFO Analyst Notes The reclassifications have been reviewed and approved by the DAS Chief Human Resources Office. The reclassifications relieve work-out-of-class conditions.

LFO Recommended	-	-	-	-	-	-	-	-	-
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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 106 SSNERR Watershed Stewardship

Package Description This package adds a position to Implement the SSNERR forest management plan, climate change plan and watershed management plan. The Chief Human Resources Office agrees with the classification of the requested Natural Resource Specialist 3 position. The package reflects a reduction in the budgeted PERS base employer rate and in conformance with SB 822 (2013).

LFO Recommendation

LFO Recommended	-	-	152,856	-	-	-	152,856	1	1.00
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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 810 LFO Analyst Adjustments

Package Description This package addresses two issues:

1. Carryover of unspent Other Funds grant expenditure limitation for a Habitat Monitoring and Restoration Project. Shifts funds onto an existing position . Total \$399,826, of which \$233,390 is personal services. Original 2011-13 limitation in HB 5052 6(2).
2. Reduction in Federal Funds expenditure limitation reflecting diminishing federal funding available for South Slough operations. The total is \$1.2 million.

LFO Recommendation

LFO Recommended	-	-	399,826	(1,206,762)	-	-	(806,936)	-	-
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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	-	-	287,517	-	-	-	287,517	-	-
2011-13 Ebds, SS & Admin Act	-	-	352,000	-	-	-	352,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	639,517	-	-	-	639,517	-	-
2011-13 Leg Approved Budget (Base)	-	-	287,517	-	-	-	287,517	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2013-15 Base Budget	-	-	287,517	-	-	-	287,517	-	-
030: Inflation & Price List Adjustments	-	-	6,900	-	-	-	6,900	-	-
2013-15 Current Service Level	-	-	294,417	-	-	-	294,417	-	-
Adjusted 2013-15 Current Service Level	-	-	294,417	-	-	-	294,417	-	-
Total LFO Recommended Packages	-	-	300,000	-	-	-	300,000	-	-
2013-15 Legislative Actions	-	-	594,417	-	-	-	594,417	-	-
Net change from 2011-13 Leg Approved Budget	-	-	(45,100)	-	-	-	(45,100)	-	-
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(7.1%)	0.0%	0.0%	0.0%	(7.1%)	0.0%	0.0%
Net change from 2013-15 Current Service Level	-	-	300,000	-	-	-	300,000	-	-
Percent change from 2013-15 Current Service Level	0.0%	0.0%	101.9%	0.0%	0.0%	0.0%	101.9%	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 103 Headquarters HVAC Upgrade

Package Description This package adds expenditure limitation for digital HVAC controls at the Salem Headquarters building, which is an asset of the Common School Fund and its value must be maintained.

LFO Recommendation

LFO Recommended	-	-	300,000	-	-	-	300,000	-	-
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Capital Construction

	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	-	-	-	-	-	-	-	-	-
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%

Legislatively Proposed 2013-2015 Key Performance Measures

Agency: STATE LANDS, DEPARTMENT OF

Mission: The mission of the Department of State Lands is to ensure a legacy for Oregonians and their public schools through sound stewardship of lands, wetlands, waterways, unclaimed property, estates and the Common School Fund.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Increase in Deposits to the Common School Fund - Percent annual increase in amount of cash generated by agency activities deposited to the Common School Fund.		Approved KPM	-15.10	1.50	1.50
2 a - Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for forest lands.		Approved KPM	45.20	36.00	36.00
2 b - Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for all other activities of the agency.		Approved KPM	56.40	36.00	36.00
3 - Increase in Revenues from Land Management Activities - Percent increase in revenues generated by all Land Management activities, exclusive of timber harvest receipts.		Approved KPM	4.38	5.20	5.30
4 - Complete Management Plans or Policies – Percent of DSL lands and waterways with completed area management plans or policies.		Approved KPM	87.00	92.00	95.00
5 - No Net Loss of Wetlands - Change in wetland acreage due to permit actions.		Approved KPM	101.00	0.00	0.00
6 - Number of Days for a Permit Decision - Average number of days for an agency permit decision after receipt of a complete application.		Approved KPM	56.80	60.00	60.00
7 - Annual Resolution of Removal-Fill Permit Non-Compliance - Percent of removal-fill permit non-compliance conditions that have a final resolution in place within 12 months from date non-compliance is determined.		Approved KPM	56.00	50.00	50.00
8 - Annual Resolution of Removal-Fill Violations Related to Unauthorized Activities-Percent of removal-fill violations that have a final resolution in place within 12 months of receipt of a complaint generating determination of a violation.		Approved KPM	73.00	50.00	50.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
9 - Agency Response Time to Wetland Delineation Reports - Average number of days for the agency initial review and response to a complete wetland delineation report.		Approved KPM	67.00	60.00	60.00
10 - Agency Response Time for Wetland Land Use Notices - Average number of days for an agency response to wetland land use notices.		Approved KPM	17.60	22.00	22.00
11 - Use of Payment to Provide Moneys - Percent payment-to-provide money received in Mitigation Bank Fund obligated and committed within one year.		Approved KPM	100.00	100.00	100.00
12 - Increase Unclaimed Property Holder Reporting. - Percent annual increase in amount of unclaimed property reported and remitted annually.		Approved KPM	48.30	60.00	60.00
13 - 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	83.00	93.00	93.00
13 - 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	79.00	93.00	93.00
13 - 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	85.00	93.00	93.00
13 - 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	84.00	93.00	93.00
13 - 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	84.00	93.00	93.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
13 - 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	79.00	93.00	93.00
14 - Regional Solutions Customer Service - Percent of local participants who rank the Department's involvement in the Regional Solutions process as good to excellent.		Approved KPM	57.00	85.00	85.00
15 - South Slough National Estuarine Research Reserve Operation Costs Leveraged. - Percent of SSNERR operations funded from sources other than CSF, including leverage from grants, fees, program revenues and gifts.		Approved KPM	13.00	10.00	10.00
16 - South Slough National Estuarine Research Reserve Education Actions - Percentage of SSNERR education programs that use a structured assessment process surveys to provide information and decision support services responsive to audience needs.		Approved KPM	50.00	50.00	50.00
17 - Best Practices - Percent of total best practices met by the Land Board.		Approved KPM	93.00	100.00	100.00

LFO Recommendation:

Approve the KPM's and targets as submitted by the department with the following modifications:

KPM #2a&b – Administrative and Operational Costs - A lower target is desirable; DSL has only met the target once in seven years. Shares of these costs are fixed and a lower target is largely dependent on the amount of revenue generated. Recommend revisiting the methodology during the interim to establish more meaningful metrics.

KPM #4 – Complete Management Plans or Policies - Agency expects to achieve the 90% completion target in 2013 leaving 10% remaining be completed. Recommend increasing the target to 92% in 2014 and 95% in 2015 and once 100% of the plans have been completed then the KPM will need to be modified to reflect updating the plans on some continuum.

KPM #14 – Regional Solutions Customer Service – The governor removed the agency from the Regional Solutions Team several years ago . Currently the agency is used by RST on an ad hoc basis. Customers, surveyed by the Governor’s office, only randomly see the agency’s work. The LFO recommends eliminating this KPM.

KPM #16 – South Slough Reserve Education Plans - Target was initially 90% then lowered to 37.5%. Actual experience of one biennium was 50%; Target should be increased to the actual experience and then increased appropriately over time.

KPM #17 – Best Practices of the Land Board – Target should be established at 100%

Sub-Committee Action: