
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee

From: John Borden, Legislative Fiscal Office
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Date: May 22nd, 2013

Subject: State Library – HB 5022
Work Session Recommendations

State Library – Agency Totals

Fund-type Positions/FTE	2009-11 Actuals	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
General Fund	3,128,064	2,868,303	3,195,561	1,647,536
Other Funds	5,904,640	6,325,531	6,781,007	2,807,642
Federal Funds	4,475,725	4,747,696	4,917,005	2,463,398
Total Funds	\$13,508,429	\$13,941,530	\$14,893,573	\$6,918,576
Positions	44	43	43	41
FTE	42.26	41.26	41.26	19.63

Attached are the recommendations from the Legislative Fiscal Office for the *State Library*. It contains the following:

- Package 070 – Revenue shortfall (<\$448,137>)
- Package 081 – May 2012 Emergency Board (<\$330,811>(<2.00> FTE)
- Package 091 – Statewide Administrative Savings (<\$35,032>)
- Package 092 – PERS Tax Policy (<\$7,897>)
- Package 093 – Other PERS Adjustments (<\$63,132>)
- Package 102 – Ready to Read (+\$196,979)
- Package 090 – Analyst Adjustment (<\$7,286,967>(<19.63> FTE)

The recommended budget provides only one year of budget authority for the agency with the second year contingent upon the Legislature's approval of a reorganization plan and budget during the Legislative Session in February 2014.

The State Agency Assessment authorized under ORS 357.203. Two-thirds of the assessment is allocated based on full-time equivalent (FTE) positions (General Fund and Other Funded positions only) and one-third on agency use of Library services in the 2009-11 biennium. This assessment is estimated to generate \$5,349,662 for the 2013-

15 biennium. The Legislative Fiscal Office will review this assessment during the Legislative session in February of 2014 and in the context of the proposed reorganization plan.

The agency reports that it will be able to meet its federal maintenance of effort and matching funds requirements under the federal Library Services and Technology Act, if the second year of funding for the agency is restored.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 05/20/2013.

Move the LFO recommendations to HB 5022.

Performance Measures

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

Move the LFO recommendation on Key Performance Measures.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$1,647,536 *General Fund*, \$2,807,642 *Other Funds*, \$2,463,398 *Federal Funds*, and 41 positions (19.63 FTE).

In line 6, delete "\$1,679,265" and insert "1,647,536"

In line 13, delete "2,827,433" and insert "\$2,541,111"

HB 5022 Final Subcommittee Action:

Move HB 5022 to the full committee with a "do pass" recommendation, as amended.

Chair to assign carriers:

Full: _____

2nd Chamber: _____

	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	2,888,189	-	6,325,531	4,747,696	-	-	13,961,416	43	41.26
2011-13 Ebds, SS & Admin Act	(19,886)	-	-	-	-	-	(19,886)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	2,868,303	-	6,325,531	4,747,696	-	-	13,941,530	43	41.26
2011-13 Leg Approved Budget (Base)	2,868,303	-	6,325,531	4,747,696	-	-	13,941,530	43	41.26
Summary of Base Adjustments	237,964	-	288,793	73,039	-	-	599,796	-	-
2013-15 Base Budget	3,106,267	-	6,614,324	4,820,735	-	-	14,541,326	43	41.26
010: Non-PICS Pers Svc/Vacancy Factor	(11,308)	-	(5,890)	(338)	-	-	(17,536)	-	-
030: Inflation & Price List Adjustments	100,602	-	172,573	96,608	-	-	369,783	-	-
2013-15 Current Service Level	3,195,561	-	6,781,007	4,917,005	-	-	14,893,573	43	41.26
070: Revenue Reductions/Shortfall	-	-	(448,137)	-	-	-	(448,137)	-	-
080: E-Boards	(19,611)	-	(284,942)	(26,258)	-	-	(330,811)	(2)	(2.00)
Adjusted 2013-15 Current Service Level	3,175,950	-	6,047,928	4,890,747	-	-	14,114,625	41	39.26
Total LFO Recommended Packages	(1,528,414)	-	(3,240,286)	(2,427,349)	-	-	(7,196,049)	-	(19.63)
2013-15 Legislative Actions	1,647,536	-	2,807,642	2,463,398	-	-	6,918,576	41	19.63
Net change from 2011-13 Leg Approved Budget	(1,220,767)	-	(3,517,889)	(2,284,298)	-	-	(7,022,954)	(2)	(21.63)
Percent change from 2011-13 Leg Approved Budget	(42.6%)	0.0%	(55.6%)	(48.1%)	0.0%	0.0%	(50.4%)	(4.7%)	(52.4%)
Net change from 2013-15 Current Service Level	(1,528,414)	-	(3,240,286)	(2,427,349)	-	-	(7,196,049)	-	(19.63)
Percent change from 2013-15 Current Service Level	(48.1%)	0.0%	(53.6%)	(49.6%)	0.0%	0.0%	(51.0%)	0.0%	(50.0%)

	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	113,425	-	1,072,095	121,254	-	-	1,306,774	6	5.68
2011-13 Ebds, SS & Admin Act	(12,881)	-	-	-	-	-	(12,881)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	100,544	-	1,072,095	121,254	-	-	1,293,893	6	5.68
2011-13 Leg Approved Budget (Base)	100,544	-	1,072,095	121,254	-	-	1,293,893	6	5.68
Summary of Base Adjustments	47,403	-	6,439	2,483	-	-	56,325	-	-
2013-15 Base Budget	147,947	-	1,078,534	123,737	-	-	1,350,218	6	5.68
010: Non-PICS Pers Svc/Vacancy Factor	(4,338)	-	4,729	31	-	-	422	-	-
030: Inflation & Price List Adjustments	-	-	(4,148)	-	-	-	(4,148)	-	-
2013-15 Current Service Level	143,609	-	1,079,115	123,768	-	-	1,346,492	6	5.68
070: Revenue Reductions/Shortfall	-	-	(40,332)	-	-	-	(40,332)	-	-
080: E-Boards	(24,858)	-	(131,507)	(26,258)	-	-	(182,623)	(1)	(1.00)
Adjusted 2013-15 Current Service Level	118,751	-	907,276	97,510	-	-	1,123,537	5	4.68
Total LFO Recommended Packages	(66,542)	-	(510,899)	(49,840)	-	-	(627,281)	-	(2.34)
2013-15 Legislative Actions	52,209	-	396,377	47,670	-	-	496,256	5	2.34
Net change from 2011-13 Leg Approved Budget	(48,335)	-	(675,718)	(73,584)	-	-	(797,637)	(1)	(3.34)
Percent change from 2011-13 Leg Approved Budget	(48.1%)	0.0%	(63.0%)	(60.7%)	0.0%	0.0%	(61.6%)	(16.7%)	(58.8%)
Net change from 2013-15 Current Service Level	(66,542)	-	(510,899)	(49,840)	-	-	(627,281)	-	(2.34)
Percent change from 2013-15 Current Service Level	(56.0%)	0.0%	(56.3%)	(51.1%)	0.0%	0.0%	(55.8%)	0.0%	(50.0%)

	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 This package is a housekeeping measure that reduces Other Funds expenditure limitation to reflect estimated miscellaneous revenue receipts received by the agency.

This policy package reduces the agency's budget by \$40,332 Other Funds.

LFO Recommendation Approve the policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(40,332)	-	-	-	(40,332)	-	-
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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 081 May 2012 E-Board

Package Description This package reflects directed by the Emergency Board in May of 2012, which was part of the legislative plan from the 2012 session to restructure state government business operations. It was the intent of this budget reduction to make permanent changes to the management of agency programs and services.

The agency's single management service Human Resource Analyst 3 position would be abolished. The agency will begin contracting with the Department of Administrative Services for human resource management services. A Library Development Program manager position was also abolished and that an existing Government Research and Electronic Services Program Librarian position was transferred to the Library Development Program as a non-management/supervisory replacement.

In order to maintain the agency's federal maintenance of effort and matching funds requirements under the federal Library Services and Technology Act, a remainder of the General Fund savings was retained by the agency. This includes moving the transferred Librarian position's funding from Other Funds to General Fund. This action is needed because the Library Development Program is primarily General Fund. Any remaining General Fund should be used to augment the agency's limited services and supplies budget.

Other organizational changes and fund shifts proposed by the agency are not recommended at this time.

LFO Recommendation Approve the policy package as modified. LFO has reduced the Other Funds expenditure limitation for actions not approved by the Emergency Board (\$40,332). The source of Other Funds is the state agency assessment.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(24,858)	-	(131,507)	(26,258)	-	-	(182,623)	(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 090 Analyst Adjustments

Package Description This package makes the following changes in the Governor's budget proposal and provides only one year of budget authority for the entire agency with the second year contingent upon the following reorganization: (a) eliminate Government Research Services; (b) consolidate the Library's document repository and reference services with the Secretary of State's Archives Division; and (c) reduce the costs for the Talking Books and Braille Services and other Library services by implementing the recommendations of the 2011 Workgroup. The Governor's budget included no specific plans for the agency's reorganization plan or any statutory changes.

A \$1.7 General Fund special purpose appropriation to the Emergency Board for the second year of funding for the agency has been established, but whose release is contingent on a successful reorganization plan being submitted and approved by the Legislature in 2014.

This policy package reduces the agency's budget by \$59,320 General Fund, \$473,433 Other Funds, and \$48,697 Federal Fund and 2.34 FTE.

LFO Recommendation Approve the policy package.

Budget Instructions The State Library and the Department of Administrative Services are directed to submit to the Legislature in February of 2014 a detailed strategic business plan for the reorganization of the State Library. The two agencies are directed to report to the Joint Committee on Ways and Means throughout the interim on the reorganization planning efforts.

Additionally, the State Library is directed to hold vacant any current or future vacated or unfilled positions until the Legislature in 2014 approves a reorganization plan for the agency.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(59,320)	-	(473,433)	(48,697)	-	-	(581,450)	-	(2.34)
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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 Approve the policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(5,956)	-	(29,076)	-	-	-	(35,032)	-	-
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(141)	-	(933)	(127)	-	-	(1,201)	-	-
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(1,125)	-	(7,457)	(1,016)	-	-	(9,598)	-	-
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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	1,669,445	-	141,517	4,578,414	-	-	6,389,376	6	6.00
2011-13 Ebds, SS & Admin Act	(14,278)	-	-	-	-	-	(14,278)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	1,655,167	-	141,517	4,578,414	-	-	6,375,098	6	6.00
2011-13 Leg Approved Budget (Base)	1,655,167	-	141,517	4,578,414	-	-	6,375,098	6	6.00
Summary of Base Adjustments	57,332	-	-	64,871	-	-	122,203	-	-
2013-15 Base Budget	1,712,499	-	141,517	4,643,285	-	-	6,497,301	6	6.00
010: Non-PICS Pers Svc/Vacancy Factor	(1,939)	-	-	(611)	-	-	(2,550)	-	-
030: Inflation & Price List Adjustments	56,325	-	3,405	96,608	-	-	156,338	-	-
2013-15 Current Service Level	1,766,885	-	144,922	4,739,282	-	-	6,651,089	6	6.00
080: E-Boards	(31,565)	-	-	-	-	-	(31,565)	-	-
Adjusted 2013-15 Current Service Level	1,735,320	-	144,922	4,739,282	-	-	6,619,524	6	6.00
Total LFO Recommended Packages	(789,299)	-	(72,461)	(2,376,881)	-	-	(3,238,641)	-	(3.00)
2013-15 Legislative Actions	946,021	-	72,461	2,362,401	-	-	3,380,883	6	3.00
Net change from 2011-13 Leg Approved Budget	(709,146)	-	(69,056)	(2,216,013)	-	-	(2,994,215)	-	(3.00)
Percent change from 2011-13 Leg Approved Budget	(42.8%)	0.0%	(48.8%)	(48.4%)	0.0%	0.0%	(47.0%)	0.0%	(50.0%)
Net change from 2013-15 Current Service Level	(789,299)	-	(72,461)	(2,376,881)	-	-	(3,238,641)	-	(3.00)
Percent change from 2013-15 Current Service Level	(45.5%)	0.0%	(50.0%)	(50.2%)	0.0%	0.0%	(48.9%)	0.0%	(50.0%)

	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 081 May 2012 E-Board

Package Description This package reflects directed by the Emergency Board in May of 2012, which was part of the legislative plan from the 2012 session to restructure state government business operations. It was the intent of this budget reduction to make permanent changes to the management of agency programs and services.

The agency's single management service Human Resource Analyst 3 position would be abolished. The agency will begin contracting with the Department of Administrative Services for human resource management services. A Library Development Program manager position was also abolished and that an existing Government Research and Electronic Services Program Librarian position was transferred to the Library Development Program as a non-management/supervisory replacement.

In order to maintain the agency's federal maintenance of effort and matching funds requirements under the federal Library Services and Technology Act, a remainder of the General Fund savings was retained by the agency. This includes moving the transferred Librarian position's funding from Other Funds to General Fund. This action is needed because the Library Development Program is primarily General Fund. Any remaining General Fund should be used to augment the agency's limited services and supplies budget.

Other organizational changes and fund shifts proposed by the agency are not recommended at this time.

LFO Recommendation Approve the policy package as modified.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(31,565)	-	-	-	-	-	(31,565)	-	-
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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 090 Analyst Adjustments

Package Description This package makes the following changes in the Governor's budget proposal and provides only one year of budget authority for the entire agency with the second year contingent upon the following reorganization: (a) eliminate Government Research Services; (b) consolidate the Library's document repository and reference services with the Secretary of State's Archives Division; and (c) reduce the costs for the Talking Books and Braille Services and other Library services by implementing the recommendations of the 2011 Workgroup. The Governor's budget included no specific plans for the agency's reorganization plan or any statutory changes.

A \$1.7 General Fund special purpose appropriation to the Emergency Board for the second year of funding for the agency has been established, but whose release is contingent on a successful reorganization plan being submitted and approved by the Legislature in 2014.

This policy package reduces the agency's budget by \$981,932 General Fund, \$72,461 Other Funds, and \$2,369,642 Federal Fund and 3.00 FTE.

LFO Recommendation Approve the policy package.

Budget Instructions The State Library and the Department of Administrative Services are directed to submit to the Legislature in February of 2014 a detailed strategic business plan for the reorganization of the State Library. The two agencies are directed to report to the Joint Committee on Ways and Means throughout the interim on the reorganization planning efforts.

Additionally, the State Library is directed to hold vacant any current or future vacated or unfilled positions until the Legislature in 2014 approves a reorganization plan for the agency.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(981,932)	-	(72,461)	(2,369,642)	-	-	(3,424,035)	-	(3.00)
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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 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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(483)	-	-	(802)	-	-	(1,285)	-	-
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(3,863)	-	-	(6,437)	-	-	(10,300)	-	-
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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 102 Ready to Read

Package Description This package expands the Ready to Read program to include Oregon's 15-17 year old population at the current rate of \$0.80 per child. This policy package increases the agency's budget by \$228,708 General Fund. The Ready to Read program has historically only funded summer reading programs for ages up to 14 years old. The program's current service level budget totals \$1,230,232. This package would increase that total to \$1,458,940, or by +19%.

Please note, one-half of the General Fund appropriation for this program is included in an Emergency Board special purpose appropriation due to the pending reorganization of the agency (\$729,470).

LFO Recommendation Approve the policy package, as modified. The Legislative Fiscal Office recommends denial of the program's expansion to Oregon's 15-17 year old population. LFO also has reduced this package by \$31,729 General Fund to reconcile with the amount assumed for Ready to Read in the Governor's Oregon Early Reading Program initiative.

Budget Instructions The Ready to Read Program funding is only to be used to fund the existing summer reading programs for ages up to 14 years old.

This direction may be reconsidered during the Legislative session in 2014 and for the second fiscal year of the biennium, if the State Library is able to provide a specific plan for how it can serve effectively the 15-17 year old population. The agency is to coordinate the development of such a plan with the Oregon Education Investment Board and other related administrative programs charged with implementing the Governor's Oregon Early Reading Program Initiative (HB 3232). The Early Reading Education Initiative's budget totals \$196,979 for the State Library's Ready to Read program expansion.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	196,979	-	-	-	-	-	196,979	-	-
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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	1,105,319	-	363,760	-	-	-	1,469,079	9	8.74
2011-13 Ebds, SS & Admin Act	7,273	-	-	-	-	-	7,273	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	1,112,592	-	363,760	-	-	-	1,476,352	9	8.74
2011-13 Leg Approved Budget (Base)	1,112,592	-	363,760	-	-	-	1,476,352	9	8.74
Summary of Base Adjustments	133,229	-	21,571	-	-	-	154,800	-	-
2013-15 Base Budget	1,245,821	-	385,331	-	-	-	1,631,152	9	8.74
010: Non-PICS Pers Svc/Vacancy Factor	(5,031)	-	907	-	-	-	(4,124)	-	-
030: Inflation & Price List Adjustments	44,277	-	4,382	-	-	-	48,659	-	-
2013-15 Current Service Level	1,285,067	-	390,620	-	-	-	1,675,687	9	8.74
080: E-Boards	36,812	-	-	-	-	-	36,812	-	-
Adjusted 2013-15 Current Service Level	1,321,879	-	390,620	-	-	-	1,712,499	9	8.74
Total LFO Recommended Packages	(672,573)	-	(196,550)	-	-	-	(869,123)	-	(4.37)
2013-15 Legislative Actions	649,306	-	194,070	-	-	-	843,376	9	4.37
Net change from 2011-13 Leg Approved Budget	(463,286)	-	(169,690)	-	-	-	(632,976)	-	(4.37)
Percent change from 2011-13 Leg Approved Budget	(41.6%)	0.0%	(46.6%)	0.0%	0.0%	0.0%	(42.9%)	0.0%	(50.0%)
Net change from 2013-15 Current Service Level	(672,573)	-	(196,550)	-	-	-	(869,123)	-	(4.37)
Percent change from 2013-15 Current Service Level	(50.9%)	0.0%	(50.3%)	0.0%	0.0%	0.0%	(50.8%)	0.0%	(50.0%)

	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 081 May 2012 E-Board

Package Description This package reflects directed by the Emergency Board in May of 2012, which was part of the legislative plan from the 2012 session to restructure state government business operations. It was the intent of this budget reduction to make permanent changes to the management of agency programs and services.

The agency's single management service Human Resource Analyst 3 position would be abolished. The agency will begin contracting with the Department of Administrative Services for human resource management services. A Library Development Program manager position was also abolished and that an existing Government Research and Electronic Services Program Librarian position was transferred to the Library Development Program as a non-management/supervisory replacement.

In order to maintain the agency's federal maintenance of effort and matching funds requirements under the federal Library Services and Technology Act, a remainder of the General Fund savings was retained by the agency. This includes moving the transferred Librarian position's funding from Other Funds to General Fund. This action is needed because the Library Development Program is primarily General Fund. Any remaining General Fund should be used to augment the agency's limited services and supplies budget.

Other organizational changes and fund shifts proposed by the agency are not recommended at this time.

LFO Recommendation Approve the policy package as modified.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	36,812	-	-	-	-	-	36,812	-	-
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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 090 Analyst Adjustments

Package Description Only one year of budget authority is included in this budget. General Fund for the second year of operations is This package makes the following changes in the Governor's budget proposal and provides only one year of budget authority for the entire agency with the second year contingent upon the following reorganization: (a) eliminate Government Research Services; (b) consolidate the Library's document repository and reference services with the Secretary of State's Archives Division; and (c) reduce the costs for the Talking Books and Braille Services and other Library services by implementing the recommendations of the 2011 Workgroup. The Governor's budget included no specific plans for the agency's reorganization plan or any statutory changes.

A \$1.7 General Fund special purpose appropriation to the Emergency Board for the second year of funding for the agency has been established, but whose release is contingent on a successful reorganization plan being submitted and approved by the Legislature in 2014.

This policy package reduces the agency's budget by \$660,940 General Fund and \$195,310 Other Funds and 4.37 FTE.

LFO Recommendation Approve the policy package.

Budget Instructions The State Library and the Department of Administrative Services are directed to submit to the Legislature in February of 2014 a detailed strategic business plan for the reorganization of the State Library. The two agencies are directed to report to the Joint Committee on Ways and Means throughout the interim on the reorganization planning efforts.

Additionally, the State Library is directed to hold vacant any current or future vacated or unfilled positions until the Legislature in 2014 approves a reorganization plan for the agency.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(660,940)	-	(195,310)	-	-	-	(856,250)	-	(4.37)
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(1,294)	-	(138)	-	-	-	(1,432)	-	-
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	(10,339)	-	(1,102)	-	-	-	(11,441)	-	-
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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	-	-	4,748,159	48,028	-	-	4,796,187	22	20.84
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	4,748,159	48,028	-	-	4,796,187	22	20.84
2011-13 Leg Approved Budget (Base)	-	-	4,748,159	48,028	-	-	4,796,187	22	20.84
Summary of Base Adjustments	-	-	260,783	5,685	-	-	266,468	-	-
2013-15 Base Budget	-	-	5,008,942	53,713	-	-	5,062,655	22	20.84
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(11,526)	242	-	-	(11,284)	-	-
030: Inflation & Price List Adjustments	-	-	168,934	-	-	-	168,934	-	-
2013-15 Current Service Level	-	-	5,166,350	53,955	-	-	5,220,305	22	20.84
070: Revenue Reductions/Shortfall	-	-	(407,805)	-	-	-	(407,805)	-	-
080: E-Boards	-	-	(153,435)	-	-	-	(153,435)	(1)	(1.00)
Adjusted 2013-15 Current Service Level	-	-	4,605,110	53,955	-	-	4,659,065	21	19.84
Total LFO Recommended Packages	-	-	(2,460,376)	(628)	-	-	(2,461,004)	-	(9.92)
2013-15 Legislative Actions	-	-	2,144,734	53,327	-	-	2,198,061	21	9.92
Net change from 2011-13 Leg Approved Budget	-	-	(2,603,425)	5,299	-	-	(2,598,126)	(1)	(10.92)
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	(54.8%)	11.0%	0.0%	0.0%	(54.2%)	(4.5%)	(52.4%)
Net change from 2013-15 Current Service Level	-	-	(2,460,376)	(628)	-	-	(2,461,004)	-	(9.92)
Percent change from 2013-15 Current Service Level	0.0%	0.0%	(53.4%)	(1.2%)	0.0%	0.0%	(52.8%)	0.0%	(50.0%)

	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 This package is a housekeeping measure that reduces Other Funds expenditure limitation to reflect actual miscellaneous revenue receipts received by the agency.

This policy package reduces the agency's budget by \$407,805 Other Funds.

LFO Recommendation Approve the policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(407,805)	-	-	-	(407,805)	-	-
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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 081 May 2012 E-Board

Package Description This package reflects directed by the Emergency Board in May of 2012, which was part of the legislative plan from the 2012 session to restructure state government business operations. It was the intent of this budget reduction to make permanent changes to the management of agency programs and services.

The agency's single management service Human Resource Analyst 3 position would be abolished. The agency will begin contracting with the Department of Administrative Services for human resource management services. A Library Development Program manager position was also abolished and that an existing Government Research and Electronic Services Program Librarian position was transferred to the Library Development Program as a non-management/supervisory replacement.

In order to maintain the agency's federal maintenance of effort and matching funds requirements under the federal Library Services and Technology Act, a remainder of the General Fund savings was retained by the agency. This includes moving the transferred Librarian position's funding from Other Funds to General Fund. This action is needed because the Library Development Program is primarily General Fund. Any remaining General Fund should be used to augment the agency's limited services and supplies budget.

Other organizational changes and fund shifts proposed by the agency are not recommended at this time.

LFO Recommendation Approve the policy package as modified. LFO has reduced the Other Funds expenditure limitation for actions not approved by the Emergency Board (\$245,990). The source of Other Funds is a state agency assessment.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(153,435)	-	-	-	(153,435)	(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 090 Analyst Adjustments

Package Description This package makes the following changes in the Governor’s budget proposal and provides only one year of budget authority for the entire agency with the second year contingent upon the following reorganization: (a) eliminate Government Research Services; (b) consolidate the Library’s document repository and reference services with the Secretary of State’s Archives Division; and (c) reduce the costs for the Talking Books and Braille Services and other Library services by implementing the recommendations of the 2011 Workgroup. The Governor’s budget included no specific plans for the agency’s reorganization plan or any statutory changes.

A \$1.7 General Fund special purpose appropriation to the Emergency Board for the second year of funding for the agency has been established, but whose release is contingent on a successful reorganization plan being submitted and approved by the Legislature in 2014.

This policy package reduces the agency’s budget by \$2,425,232 Other Funds and 9.92 FTE.

LFO Recommendation Approve the policy package.

Budget Instructions The State Library and the Department of Administrative Services are directed to submit to the Legislature in February of 2014 a detailed strategic business plan for the reorganization of the State Library. The two agencies are directed to report to the Joint Committee on Ways and Means throughout the interim on the reorganization planning efforts.

Additionally, the State Library is directed to hold vacant any current or future vacated or unfilled positions until the Legislature in 2014 approves a reorganization plan for the agency.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(2,425,232)	-	-	-	(2,425,232)	-	(9.92)
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(3,909)	(70)	-	-	(3,979)	-	-
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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 policy package.

LFO Analyst Notes HB 5022 (2013)

LFO Recommended	-	-	(31,235)	(558)	-	-	(31,793)	-	-
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Agency: LIBRARY, OREGON STATE

Mission: The mission of the Oregon State Library is to provide quality information services to Oregon state government, provide reading materials to blind and print-disabled Oregonians, and provide leadership, grants, and other assistance to improve local library services for all Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
12 - USE OF L-NET – Average daily visits to the Library-funded L-net e-reference website.		Approved KPM	98.00	100.00	100.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	92.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	98.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	95.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	96.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	96.00	98.00	98.00
13 - CUSTOMER SATISFACTION – Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	96.00	98.00	98.00
14 - BEST PRACTICES: Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends that the State Library’s current key performance measures and targets be approved with the direction that the agency will work with the Department of Administrative Services and the Legislative Fiscal Office to develop new or revised KPMs and targets based on the final reorganization plan approved by the Legislature in 2014.

Sub-Committee Action:

Print Date: 5/14/2013

Page 3 of 3