

SB 5534

Military Department

Senate Bill 5534 is the budget bill for the Oregon Military Department. The Military Department is responsible for the administration of the Oregon Army National Guard, the Oregon Air National Guard, the Office of Emergency Management, and the Oregon Youth Challenge program.

The Subcommittee approved a total budget of \$409.3 million, which includes a General Fund budget of \$24.1 million, an Other Funds budget of \$102.3 million, and a Federal Funds budget of \$282.9 million. The budget includes 523 positions (479.51 FTE). The total funds budget is a 6.3 percent decrease from the 2011-13 Legislatively Approved Budget. The reduction in the budget is primarily due to the phase-out of the Chemical Stockpile Emergency Preparedness Program and the elimination of one-time funding for the Oregon Local Disaster Assistance Account and one-time expenditure limitation for Seismic Rehabilitation Grant Program.

The Department's budget assumes \$81.9 million of 9-1-1 emergency communications tax revenue for the biennium. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will need to be adjusted during the Legislative Session in 2014.

The budget provides additional positions for facility maintenance, airbase firefighters, accounting, and Emergency Management. There is additional support for the Kingsley Field and Portland Airbases. Federal Funds and positions are added to continue the caretaker agreement at the former Umatilla Army Depot. Additional Other and Federal

Funds are provided for the Oregon Youth Challenge Program.

The budget includes standard reductions for administrative and PERS savings.

The budget report includes one budget note related to the development of foundational project management documents for the design, installation, and implementation of a statewide Next Generation 9-1-1 Network.

The Subcommittee approved the agency's key performance measures and targets with direction that the agency updates its KPMs and targets for the 2015-17 biennium based on the findings of a review conducted by the Legislative Fiscal Office and the Department of Administrative Services during the 2011 -13 biennium.

The Public Safety Subcommittee recommends SB 5534 be amended and reported out do pass, as amended.

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 5534-A

Carrier – House: Rep. Williamson

Carrier – Senate: Sen. Winters

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

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: June 19, 2013

Agency

Military Department

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 18,927,381	\$ 14,076,537	\$ 12,900,358	\$ (6,027,023)	(31.8%)
General Fund Debt Service	\$ 9,655,111	\$ 11,152,208	\$ 11,152,208	\$ 1,497,097	15.5%
Other Funds	\$ 125,345,505	\$ 29,753,707	\$ 102,167,355	\$ (23,178,150)	(18.5%)
Other Funds Debt Service	\$ 660,530	\$ 107,355	\$ 107,355	\$ (553,175)	(83.7%)
Other Funds Nonlimited	\$ 9,224	\$ 0	\$ 0	\$ (9,224)	(100.0%)
Other Funds Debt Service Nonlimited	\$ 1,063,146	\$ 0	\$ 0	\$ (1,063,146)	(100.0%)
Federal Funds	\$ 276,646,114	\$ 265,669,060	\$ 278,295,789	\$ 1,649,675	0.6%
Federal Funds Capital Improvements	\$ 4,521,824	\$ 4,631,304	\$ 4,631,304	\$ 109,480	2.4%
Total	\$ 436,828,835	\$ 325,390,171	\$ 409,254,369	\$ (27,574,466)	(6.3%)

Position Summary

Authorized Positions	518	452	523	5
Full-time Equivalent (FTE) positions	460.38	408.94	479.51	19.13

(1) Includes adjustments through December 2012.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

General Fund pays wages and salaries of state employees, funds the Reintegration Program, debt service, and provides matching funds for various facilities management activities, as well as matching funds for various Oregon National Guard activities.

Other Funds include revenues from 9-1-1 emergency communications tax and assumes substantive legislation will extend the sunset of the tax; facility rental fees; proceeds from real property sales; interest on funds in the Military Construction Account; the Average Daily Membership revenue received from Bend-LaPine School District for the Youth Challenge Program; miscellaneous funds from vending machines, pay telephones, and other miscellaneous sources; and an intra-agency transfer of federal revenues to support central administrative costs. Facility rental fees contribute to, but do not fully cover, armory maintenance and operations costs.

Federal Funds come from a variety of federal-state cooperative agreements with the National Guard Bureau and grants from Federal Emergency Management Agency (FEMA). They fund the majority of facilities' operating costs, pay wages and salaries of state employees assigned to Oregon National Guard duties; provide construction funds for a variety of maintenance, armory, training and reserve center facilities; fund

several programs for at-risk youth; and contribute to central administrative costs through an interagency transfer. The Office of Emergency Management receives federal dollars from the Department of Homeland Security, Department of Defense, and the FEMA.

The Department has a federal budget that is administered separately from its state budget and is not subject to State Federal Funds expenditure limitation.

Summary of Public Safety Subcommittee Action

The Oregon Military Department is responsible for administration of the Oregon Army National Guard, the Oregon Air National Guard, the Oregon State Defense Force, the Office of Emergency Management, the Oregon Youth Challenge Program, and the Seismic Rehabilitation Grant Program. The Department provides combat-ready units and equipment to be deployed in support of national defense under the direction of the President, and trained personnel and equipment to protect life and property in Oregon during natural disasters or civil unrest under the direction of the Governor.

The Subcommittee approved a budget of \$409,254,369 total funds consisting of \$24,052,566 General Fund, \$102,274,710 Other Funds, and \$282,927,093 Federal Funds, including 523 positions (479.51 FTE). The total funds budget is a 6.3 percent decrease from the 2011-13 Legislatively Approved Budget. The reduction from the 2011-13 LAB is due primarily to the phase-out of the Chemical Stockpile Emergency Preparedness Program and the elimination of one-time funding for the Oregon Local Disaster Assistance Loan and Grant Account and the Seismic Rehabilitation Grant Program.

The Subcommittee recommended to the Joint Committee on Ways and Means – Capital Construction Subcommittee that the Department’s Capital Construction, Article XI-Q bonding, and associated Debt Services requests be approved.

Administration

The Administration program consists of the Command Group, the Financial Administration Division, the State Personnel Office, Public Affairs, and the Reintegration/Emergency Financial Assistance Programs. The Subcommittee approved a budget of \$6,623,734 total funds consisting of \$4,436,451 General Fund and \$2,187,283 Other Funds, including 24 positions (23.00 FTE).

The Subcommittee recommended Package 081: May 2012 Emergency Board. This package makes changes resulting from reclassifying three positions from management to represented status to carry out the direction of the 2012 Legislature in House Bill 4131 to reduce the ratio of supervisory to non-supervisory employees. The package reduces total funds by \$2,627.

The recommended budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package reduces total funds by \$133,622.

The recommended budget includes Package 092: PERS Tax Policy. 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%. The package reduces total funds by \$11,987.

The recommended budget includes Package 093: Other PERS Adjustments. 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 percent. 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 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces total funds by \$95,776.

The Subcommittee recommended Package 812: Support Positions. This package provides for one permanent full-time Accountant 3 position. This position is needed to continue accounting support for capital projects and debt service for the agency. An existing Accountant 3 position is slated to be eliminated as part of Senate Bill 813 and the anticipated transfer of the Seismic Rehabilitation Grant Program to Business Oregon. The Department of Administrative Services is directed to unschedule the General Fund appropriation and Other Funds expenditure limitation until the passage of SB 813. The package increases total funds by \$179,010 and establishes one permanent position (1.00 FTE).

The Subcommittee approved Package 813: Fund Shifts. This package temporarily fund shifts 50% of the Deputy Director position from General Fund to Other Funds for the 2013-15 biennium only. This fund shift was taken as part of the agency's proposed General Fund reduction options. The source of the Other Funds is the Emergency Communications Tax. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package shifts \$180,965 from General Fund to Other Funds expenditure limitation.

Operations

The Operations Program Unit includes operation and maintenance of Army National Guard facilities and operation of the Portland Air Base at the Portland International Airport, Kingsley Field in Klamath Falls, and the Camp Rilea Air Station in Warrenton. The Program also includes Capital Construction staff to oversee the Department's Capital Construction projects. Other federally funded programs include drug interdiction and education; repair of unserviceable U.S. Army equipment; installation of intrusion detection systems at armories and other facilities; and video conferencing, computer-based training, interactive audio and video services, e-mail, and electronic network systems. The Subcommittee approved a budget of \$124,817,262 total funds consisting of \$6,369,813 General Fund, \$5,430,904 Other Funds, and \$113,016,545 Federal Funds, including 408 positions (365.51 FTE).

The Subcommittee recommended Package 081: May 2012 Emergency Board. This package makes changes resulting from abolishing two management positions and reclassifying a third position from management to represented status to carry out the direction of the 2012 Legislature in House Bill 4131 to reduce the ratio of supervisory to non-supervisory employees and the direction of the 2011 Legislature in House Bill 2020 to reduce the ratio of management employees to public employees. The package reduces total funds by \$332,748 and eliminates two positions (2.00 FTE).

The recommended budget includes Package 091: Statewide Administrative Savings. 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. The package reduces total funds by \$304,947.

The recommended budget includes Package 092: PERS Tax Policy. 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%. The package reduces total funds by \$142,163.

The recommended budget includes Package 093: Other PERS Adjustments. 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 percent. 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 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces total funds by \$1,135,948.

The Subcommittee recommended Package 201: Operations Program New Positions. This package establishes 12 new positions. It establishes one custodian, five facility maintenance specialists, one facility operations specialist, one program analyst, one construction manager, one natural resource specialist, one administrative specialist, and one deputy fire chief. The positions are funded with a combination of Other Funds (armory rental revenue) and Federal Funds. The package increases total funds by \$1,565,808 and establishes 12 permanent positions (11.63 FTE).

The Subcommittee recommended Package 203: Umatilla Caretaker Contract. This package provides Federal Funds expenditure limitation and limited duration position authority to perform the duties under a Caretaker Intergovernmental Agreement with the U.S. Army to support functional activities at the Umatilla Chemical Depot over a period of three to five years. The package continues 23 limited duration positions established by the May 2012 Emergency Board for this purpose. The package increases total funds by \$8,995,890 and establishes 23 limited duration positions (23.00 FTE).

The Subcommittee recommended Package 204: Kingsley Field Firefighters. This package establishes six permanent Federal Funds firefighter positions at the Klamath Falls Air National Guard Base to replace limited duration positions approved in the 2011-13 biennium. This package also establishes one lieutenant position at the same location to serve as a team leader in a fire suppression unit and to provide additional services to the base. In sum, the package establishes seven permanent positions (7.00 FTE) and increases total funds by \$1,297,174.

The Subcommittee approved Package 811: Additional Support for Airbases. This package establishes eight positions (8.00 FTE) approved as Limited Duration (one Electrician 2 position, two Facility Energy Technician 3 positions, two Facility Maintenance Specialist positions, two Transportation Maintenance Specialist 2 positions, and one Facility Engineer position). This package also provides for \$673,230 in Services and

Supplies. This package is approved as a one-time General Fund and Federal Funds expenditure increase. The package increases total funds by \$1.7 million.

The Subcommittee recommended Package 812: Support Positions. This package provides for three permanent full-time Facility Maintenance Specialist positions (3.00 FTE). The revenue source to fund this package is armory rental revenue. The package increases total funds by \$406,226.

The Subcommittee approved Package 813: Fund Shifts. This package fund shifts \$655,700 of General Fund to Energy Trust of Oregon incentive payments that the agency is expected to receive during the biennium. The General Fund savings from this package remains within the agency and is used to fund critical priorities. This package is approved as a one-time fund shift.

Oregon Emergency Management

Oregon Emergency Management manages and maintains an emergency services system that coordinates local and state resources to prepare for, respond to, and recover from disaster conditions and manages the Seismic Rehabilitation Grant Program (SRGP). It distributes 9-1-1, FEMA, and SRGP revenues to local governments. The Subcommittee approved a budget of \$251,708,905 total funds consisting of \$1,888,413 General Fund, \$92,480,445 Other Funds, and \$157,340,047 Federal Funds, including 45 positions (45.00 FTE).

The Subcommittee recommended Package 081: May 2012 Emergency Board. This package abolishes one administrative specialist position in the Seismic Rehabilitation Grant Program and associated General Fund appropriation as the result of the February 2012 Legislative Session's actions to achieve a \$28 million General Fund / Lottery Funds reduction in the 2011-13 biennium. The package reduces total funds by \$115,453 and eliminates one position (1.00 FTE).

The recommended budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package reduces total funds by \$51,577.

The recommended budget includes Package 092: PERS Tax Policy. 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 percent. The package reduces total funds by \$19,030.

The recommended budget includes Package 093: Other PERS Adjustments. 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 percent. 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 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces total funds by \$152,062.

The Subcommittee recommended Package 302: 9-1-1 Sunset Extension. This package provides 18 months of Other Funds expenditure limitation and position authority to accommodate the continuation of the state 9-1-1 emergency reporting system past its sunset date of January 1, 2014. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package increases total funds by \$62,528,008 and establishes nine permanent positions (8.79 FTE), and adds 0.65 FTE to two existing positions.

The Subcommittee recommended Package 303: 9-1-1 Next Generation Coordinator. This package provides position authority and Other Funds expenditure limitation to establish an Information Systems Specialist 7 position to act as the 9-1-1 Next Generation project manager for the agency's proposed transition to Next Generation 9-1-1 Internet Protocol Network or Emergency Services IP Network across Oregon. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package increases total funds by \$277,868 and establishes one permanent position (1.00 FTE).

There is no specific policy package requesting Other Funds expenditure limitation for the agency's proposed transition to Next Generation 9-1-1 Internet Protocol Network or Emergency Services IP Network across Oregon. The agency has assumed that this transition can be funded within its Legislatively adopted Other Funds expenditure limitation (base budget) and financed using only Emergency Communications tax revenue deposited into the 35% Enhanced Subaccount.

The Subcommittee adopted the following budget note:

Budget Note:

The agency's proposed transition to Next Generation 9-1-1 Internet Protocol Network or Emergency Services IP Network across Oregon is approved conditionally. The agency is directed to work with the Department of Administrative Services to develop a comprehensive set of foundational project management documents for the design, installation, and implementation of a statewide Next Generation 9-1-1 Internet Protocol Network. The foundational project management documents, accompanied by independent quality control reviews, are to be provided to the Legislative Fiscal Office by no later than December 1, 2013 in order for LFO to conduct a readiness assessment of the project. The Department is to report to the Legislature in 2014 on the status of the project and final authority to proceed with the project.

The Subcommittee recommended Package 304: 9-1-1 Fund Shift. This package establishes six positions phased out in Package 022 due to the current-law sunset of the 9-1-1 emergency reporting system on January 1, 2014. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package increases total funds by \$1,053,855 and establishes six permanent positions (5.50 FTE).

The Subcommittee recommended Package 308: OEM Seismic Rehabilitation. This package provides Other Funds expenditure limitation to allow disbursement of grant awards associated with previously issued 2012 sale of Article XI-M General Obligation bonds to be used for seismic rehabilitation of schools throughout Oregon. The package increases total funds by \$7,293,839.

The Subcommittee recommended Package 812: Support Positions. This package provides for four permanent full-time positions (4.00 FTE), including two Information System Specialist 7 positions funded with Other Funds and one Information System Specialist 5 position and one Program Analyst position to be funded with Federal Funds. The source of the Other Funds is the Emergency Communications Tax. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package increases total funds by \$793,160.

The Subcommittee recommended Package 813: Fund Shifts. This package temporarily funds shifts three positions and \$130,856 of Services and Supplies from General Fund to Other Funds for the 2013-15 biennium only. This fund shift was taken as part of the agency's proposed General Fund reduction options. If substantive legislation to extend the sunset of the emergency communications tax fails to become law, then the agency's budget will be adjusted for this policy package during the Legislative session in 2014. The package shifts \$428,289 from General Fund to Other Funds expenditure limitation.

Community Support Programs

The Community Support program unit includes the Youth Challenge Program that provides educational and other services to 16-18 year old youth who have dropped out of high school, the Science and Technology Academy Reinforcing Basic Aviation and Space Exploration (STARBASE) program that demonstrates real-world applications of math and science to students in third to eighth grades in Portland and Klamath Falls through tours of the Portland Air Base and Kingsley Field, and the Emergency Operations program that coordinates the use of National Guard resources in response to state emergencies as directed by the Governor. The Subcommittee approved a budget of \$10,213,601 total funds consisting of \$205,681 General Fund, \$2,068,723 Other Funds, and \$7,939,197 Federal Funds, including 46 positions (46.00 FTE).

The recommended budget includes Package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session. The package reduces total funds by \$117,285.

The recommended budget includes Package 092: PERS Tax Policy. 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 percent. The package reduces total funds by \$15,507.

The recommended budget includes Package 093: Other PERS Adjustments. 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 percent. 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 percent. However, no employer rate is reduced below its 2011-13 biennium rate. The package reduces total funds by \$123,908.

The Subcommittee recommended Package 401: YCP Limitation Increases. This package provides Other Funds and Federal Funds expenditure limitations to increase the non-General Fund portions of the Oregon Youth Challenge Program due to an increase in the level of federal funding support for the program and a loosening of the restrictions on which state funds can be used to match federal funds. The package increases total funds by \$310,000.

Package 815: OYCP Federal Sequestration. This package provides for Other Funds expenditure limitation for the Oregon Youth Challenge Program. In late May of 2013 the Department was notified that federal sequester will temporarily reduce the federal share of our Youth Challenge Program from 75 percent to 70 percent, requiring a larger state match. The additional state match will come from Average Daily Membership revenue from the Bend-LaPine School District. This package is approved as a one-time Other Funds expenditure increase. The package increases total funds by \$218,000.

Capital Debt Service and Related Costs

Capital Debt Service and Related Costs provides the funding to make payments on the principal, interest, and financing costs associated with the issuance of Article XI-Q bonds, Certificates of Participation (COPs) and General Obligation (G.O.) bonds for the Seismic Rehabilitation Program. COPs and G.O. bonds are tax exempt government securities. The Subcommittee approved a budget of \$11,259,563 total funds, consisting of \$11,152,208 General Fund and \$107,355 Other Funds.

The Subcommittee recommended to the Joint Committee on Ways and Means – Capital Construction Subcommittee that the Department’s new Capital Construction, Article XI-Q bonding, and associated Debt Services requests be approved. This includes Package 496: New Debt Service. Package 496 provides General Fund appropriation (\$393,363) to pay debt service on bonds issued for Service Life Extension construction projects at the Roseburg Armory, the Medford Armory, and Sharff Hall in Portland. The Sharff Hall project includes a purchase component in addition to the Service Life Extension. The bond issuance costs for these projects are in Package 206 in the Operations Division (\$191,924). The capital construction costs for these projects are in Package 499 in Capital Construction.

Capital Improvement

The program provides for capital projects less than \$1,000,000, which includes deferred maintenance. The Subcommittee approved a budget of \$4,631,304 Federal Funds.

Capital Construction

The Subcommittee recommended to the Joint Committee on Ways and Means – Capital Construction Subcommittee that the Department’s Capital Construction, Article XI-Q bonding, and associated Debt Services requests be approved. This includes Package 499: Major Construction. Package 499 provides for Other Funds capital construction expenditure limitation for Service Life Extension projects at the Roseburg Armory (\$2.2 million), the Medford Armory (\$2.4 million), and Sharff Hall in Portland (\$2.8 million). The three projects are funded by Article XI-Q General Obligation bond proceeds. The debt service payments on these bonds are in Package 496 in Capital Debt Service and Related Costs. The

package also includes planning and design funding for seven projects totaling \$282,445 Other Funds (Capital Construction Account) and \$262,205 Federal Funds. Finally, this package includes \$220,000 of Other Funds expenditure limitation for the final installment for the Christmas Valley land acquisition from the U.S. General Services Administration.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5534

**Oregon Military Department
Art Ayre - 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 28,582,492	\$ 0	\$ 126,006,035	\$ 1,072,370	\$ 281,167,938	\$ 0	\$ 436,828,835	518	460.38	
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 25,228,745	\$ 0	\$ 29,861,062	\$ 0	\$ 270,300,364	\$ 0	\$ 325,390,171	452	408.94	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 001 - Administration										
Package 081: May 2012 Emergency Board										
Personal Services	\$ 1,245	\$ 0	\$ (3,872)	\$ 0	\$ 0	\$ 0	\$ (2,627)	0	0.00	
Package 091: Statewide Administrative Savings										
Personal Services	\$ (14,157)	\$ 0	\$ (103,715)	\$ 0	\$ 0	\$ 0	\$ (117,872)	0	0.00	
Services and Supplies	\$ (6,068)	\$ 0	\$ (9,682)	\$ 0	\$ 0	\$ 0	\$ (15,750)			
Package 092: PERS Taxation Policy										
Personal Services	\$ (8,012)	\$ 0	\$ (3,975)	\$ 0	\$ 0	\$ 0	\$ (11,987)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (64,017)	\$ 0	\$ (31,759)	\$ 0	\$ 0	\$ 0	\$ (95,776)	0	0.00	
Package 812: Support Positions										
Personal Services	\$ 89,505	\$ 0	\$ 89,505	\$ 0	\$ 0	\$ 0	\$ 179,010	1	1.00	
Package 813: Fund Shifts										
Personal Services	\$ (180,965)	\$ 0	\$ 180,965	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00	
SCR 002 - Operations										
Package 081: May 2012 Emergency Board										
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (332,748)	\$ 0	\$ (332,748)	-2	-2.00	
Package 091: Statewide Administrative Savings										
Personal Services	\$ (13,143)	\$ 0	\$ (178,102)	\$ 0	\$ 0	\$ 0	\$ (191,245)	0	0.00	
Services and Supplies	\$ (15,741)	\$ 0	\$ (90,844)	\$ 0	\$ 0	\$ 0	\$ (106,585)			
Capital Outlay	\$ 0	\$ 0	\$ (7,117)	\$ 0	\$ 0	\$ 0	\$ (7,117)			
Package 092: PERS Taxation Policy										
Personal Services	\$ (7,140)	\$ 0	\$ (7,898)	\$ 0	\$ (127,125)	\$ 0	\$ (142,163)	0	0.00	

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SB 5534

**Oregon Military Department
Art Ayre - 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments									
Personal Services	\$ (57,049)	\$ 0	\$ (63,112)	\$ 0	\$ (1,015,787)	\$ 0	\$ (1,135,948)	0	0.00
Package 201: Operations Program New Positions									
Personal Services	\$ 0	\$ 0	\$ 238,924	\$ 0	\$ 1,326,884	\$ 0	\$ 1,565,808	12	11.63
Package 203: Umatilla Caretaker Contract									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,024,194	\$ 0	\$ 3,024,194	23	23.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,971,696	\$ 0	\$ 5,971,696		
Package 204: Kingsley Field Firefighters									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,297,174	\$ 0	\$ 1,297,174	7	7.00
Package 811: Additional Support for Airbases									
Personal Services	\$ 205,355	\$ 0	\$ 0	\$ 0	\$ 821,415	\$ 0	\$ 1,026,770	8	8.00
Services and Supplies	\$ 134,645	\$ 0	\$ 0	\$ 0	\$ 538,585	\$ 0	\$ 673,230		
Package 812: Support Positions									
Personal Services	\$ 0	\$ 0	\$ 203,113	\$ 0	\$ 203,113	\$ 0	\$ 406,226	3	3.00
Package 813: Fund Shifts									
Services and Supplies	\$ (655,700)	\$ 0	\$ 655,700	\$ 0	\$ 0	\$ 0	\$ 0		
SCR 003 - Oregon Emergency Management									
Package 081: May 2012 Emergency Board									
Personal Services	\$ (115,453)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (115,453)	-1	-1.00
Package 091: Statewide Administrative Savings									
Personal Services	\$ (6,863)	\$ 0	\$ (10,597)	\$ 0	\$ 0	\$ 0	\$ (17,460)	0	0.00
Services and Supplies	\$ (3,878)	\$ 0	\$ (30,083)	\$ 0	\$ 0	\$ 0	\$ (33,961)		
Capital Outlay	\$ 0	\$ 0	\$ (156)	\$ 0	\$ 0	\$ 0	\$ (156)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (3,288)	\$ 0	\$ (7,049)	\$ 0	\$ (8,693)	\$ 0	\$ (19,030)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (26,272)	\$ 0	\$ (56,327)	\$ 0	\$ (69,463)	\$ 0	\$ (152,062)	0	0.00

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5534

**Oregon Military Department
Art Ayre - 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 302: 9-1-1 Sunset Extension									
Personal Services	\$ 0	\$ 0	\$ 1,686,292	\$ 0	\$ 0	\$ 0	\$ 1,686,292	9	9.44
Services and Supplies	\$ 0	\$ 0	\$ 3,160,311	\$ 0	\$ 0	\$ 0	\$ 3,160,311		
Special Payments - Dist to Cities	\$ 0	\$ 0	\$ 25,687,634	\$ 0	\$ 0	\$ 0	\$ 25,687,634		
Special Payments - Dist to Counties	\$ 0	\$ 0	\$ 16,713,760	\$ 0	\$ 0	\$ 0	\$ 16,713,760		
Special Payments - Dist to Other Gov Unit	\$ 0	\$ 0	\$ 14,897,031	\$ 0	\$ 0	\$ 0	\$ 14,897,031		
Special Payments to Pub Safety Stds/Trng	\$ 0	\$ 0	\$ 375,300	\$ 0	\$ 0	\$ 0	\$ 375,300		
Capital Outlay	\$ 0	\$ 0	\$ 7,680	\$ 0	\$ 0	\$ 0	\$ 7,680		
Package 303: 9-1-1 Next Generation Coordinator									
Personal Services	\$ 0	\$ 0	\$ 184,604	\$ 0	\$ 0	\$ 0	\$ 184,604	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ 68,264	\$ 0	\$ 0	\$ 0	\$ 68,264		
Capital Outlay	\$ 0	\$ 0	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 25,000		
Package 304: 9-1-1 Fund Shift									
Personal Services	\$ 0	\$ 0	\$ 577,398	\$ 0	\$ 476,457	\$ 0	\$ 1,053,855	6	5.50
Package 308: OEM Seismic Rehabilitation									
Special Payments - Dist to Local School Districts	\$ 0	\$ 0	\$ 7,293,839	\$ 0	\$ 0	\$ 0	\$ 7,293,839		
Package 812: Support Positions									
Personal Services	\$ 0	\$ 0	\$ 427,567	\$ 0	\$ 365,593	\$ 0	\$ 793,160	4	4.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Package 813: Fund Shifts									
Personal Services	\$ (297,433)	\$ 0	\$ 297,433	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
Services and Supplies	\$ (130,856)	\$ 0	\$ 130,856	\$ 0	\$ 0	\$ 0	\$ 0		
SCR 004 - Community Support									
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (97,220)	\$ 0	\$ 0	\$ 0	\$ (97,220)	0	0.00
Services and Supplies	\$ (894)	\$ 0	\$ (19,171)	\$ 0	\$ 0	\$ 0	\$ (20,065)		
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (3,876)	\$ 0	\$ (11,631)	\$ 0	\$ (15,507)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (30,973)	\$ 0	\$ (92,935)	\$ 0	\$ (123,908)	0	0.00

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5534

**Oregon Military Department
Art Ayre - 503-378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 401: YCP Limitation Increases Services and Supplies	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 260,000	\$ 0	\$ 310,000		
Package 815: OYCP Federal Sequestration Services and Supplies	\$ 0	\$ 0	\$ 218,000	\$ 0	\$ 0	\$ 0	\$ 218,000		
TOTAL ADJUSTMENTS	\$ (1,176,179)	\$ 0	\$ 72,413,648	\$ 0	\$ 12,626,729	\$ 0	\$ 83,864,198	71	70.57
SUBCOMMITTEE RECOMMENDATION *	\$ 24,052,566	\$ 0	\$ 102,274,710	\$ 0	\$ 282,927,093	\$ 0	\$ 409,254,369	523	479.51
% Change from 2011-13 Leg Approved Budget	-15.8%	0.0%	-18.8%	-100.0%	0.6%	0.0%	-6.3%	1.0%	4.2%
% Change from 2013-15 Current Service Level	-4.7%	0.0%	242.5%	0.0%	4.7%	0.0%	25.8%	15.7%	17.3%

Legislatively Approved 2013-2015 Key Performance Measures

Agency: MILITARY DEPARTMENT, STATE of OREGON

Mission: The Oregon National Guard will provide the citizens of the State of Oregon and the United States with a ready force of citizens soldiers and airmen, equipped and trained to respond to any contingency, natural or manmade.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - RECRUITING - Percent of soldiers and airmen recruited vs. recruiting goal.		Approved KPM	93.00	100.00	100.00
2 - ARMORY CONDITION - Percent of statewide armories in adequate or better condition.		Approved KPM	81.00	50.00	50.00
3 - REVENUE GENERATION - Percent of available armory time rented.		Approved KPM	26.00	60.00	60.00
4 - EQUIPMENT AVAILABILITY - Percent of equipment on hand in Oregon vs. equipment authorized.		Approved KPM	115.00	90.00	90.00
5 - YOUTH CHALLENGE - Percent of 17-18 year olds completing GED or HS diploma at graduation.		Approved KPM	28.00	75.00	75.00
6 - REINTEGRATION - Percent of members successfully referred for reintegration services.		Approved KPM	100.00	98.00	98.00
7 - DOMESTIC PREPAREDNESS PLANS - Percentage of counties with National Incident Management System (NIMS) compliant Emergency Operations Plans (EOPS).		Approved KPM	100.00	100.00	100.00
8 - HAZARD MITIGATION PLANS - Percentage of state population covered by a FEMA approved local hazard mitigation plan.		Approved KPM	82.00	90.00	90.00
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	77.00	55.00	55.00
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	68.00	55.00	55.00

Agency: MILITARY DEPARTMENT, STATE of OREGON

Mission: The Oregon National Guard will provide the citizens of the State of Oregon and the United States with a ready force of citizens soldiers and airmen, equipped and trained to respond to any contingency, natural or manmade.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	73.00	55.00	55.00
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	72.00	55.00	55.00
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	71.00	55.00	55.00
9 - CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	71.00	55.00	55.00
7 - EVACUATION PLANS - Percent of Oregon coastal counties with complete evacuation plans.		Legislative Delete	100.00		
8 - DOMESTIC PREPAREDNESS PLANS - Percent of counties with domestic preparedness plans.		Legislative Delete	100.00		
9 - HAZARDOUS MITIGATION PLANS - Percentage of jurisdictions with approved hazard mitigation plans.		Legislative Delete	93.00		

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the Department's Key Performance Measures and targets, with direction that the agency update its KPMs and targets for the 2015-17 biennium based on the findings of a review conducted by the Legislative Fiscal Office and the Department of Administrative Services during the 2011-13 biennium.

Sub-Committee Action:

The Subcommittee adopted the Legislative Fiscal Office recommendation.

**PROPOSED AMENDMENTS TO
SENATE BILL 5534**

1 On page 1 of the printed bill, delete lines 5 through 27 and delete page
2 2 and insert:

3 **“SECTION 1. There are appropriated to the Oregon Military De-**
4 **partment, for the biennium beginning July 1, 2013, out of the General**
5 **Fund, the following amounts, for the following purposes:**

- 6 (1) Administration..... \$ 4,436,451
- 7 (2) Operations..... \$ 6,369,813
- 8 (3) Emergency management..... \$ 1,888,413
- 9 (4) Community support \$ 205,681
- 10 (5) Capital debt service and
- 11 related costs \$ 11,152,208

12 **“SECTION 2. Notwithstanding any other law limiting expenditures,**
13 **the following amounts are established for the biennium beginning July**
14 **1, 2013, as the maximum limits for payment of expenses from fees,**
15 **moneys or other revenues, including Miscellaneous Receipts and re-**
16 **imbursements from federal service agreements, but excluding lottery**
17 **funds and federal funds not described in this section, collected or re-**
18 **ceived by the Oregon Military Department, for the following purposes:**

- 19 (1) Administration..... \$ 2,187,283
- 20 (2) Operations..... \$ 5,430,904
- 21 (3) Emergency management..... \$ 92,480,445
- 22 (4) Community support \$ 2,068,723

1 (5) Capital debt service and
2 related costs \$ 107,355

3 **“SECTION 3. Notwithstanding any other law limiting expenditures,**
4 **the following amounts are established for the biennium beginning July**
5 **1, 2013, as the maximum limits for payment of expenses from federal**
6 **funds, other than those described in section 2 of this 2013 Act, col-**
7 **lected or received by the Oregon Military Department, for the follow-**
8 **ing purposes:**

9 (1) Operations..... \$113,016,545
10 (2) Emergency management..... \$157,340,047
11 (3) Community support \$ 7,939,197
12 (4) Capital improvement..... \$ 4,631,304

13 **“SECTION 4. This 2013 Act being necessary for the immediate**
14 **preservation of the public peace, health and safety, an emergency is**
15 **declared to exist, and this 2013 Act takes effect July 1, 2013.”.**

16 _____