



Oregon

Oregon's Other Funds House Revenue Committee

March 1, 2013

Josh Lehner
Office of Economic Analysis



Outline

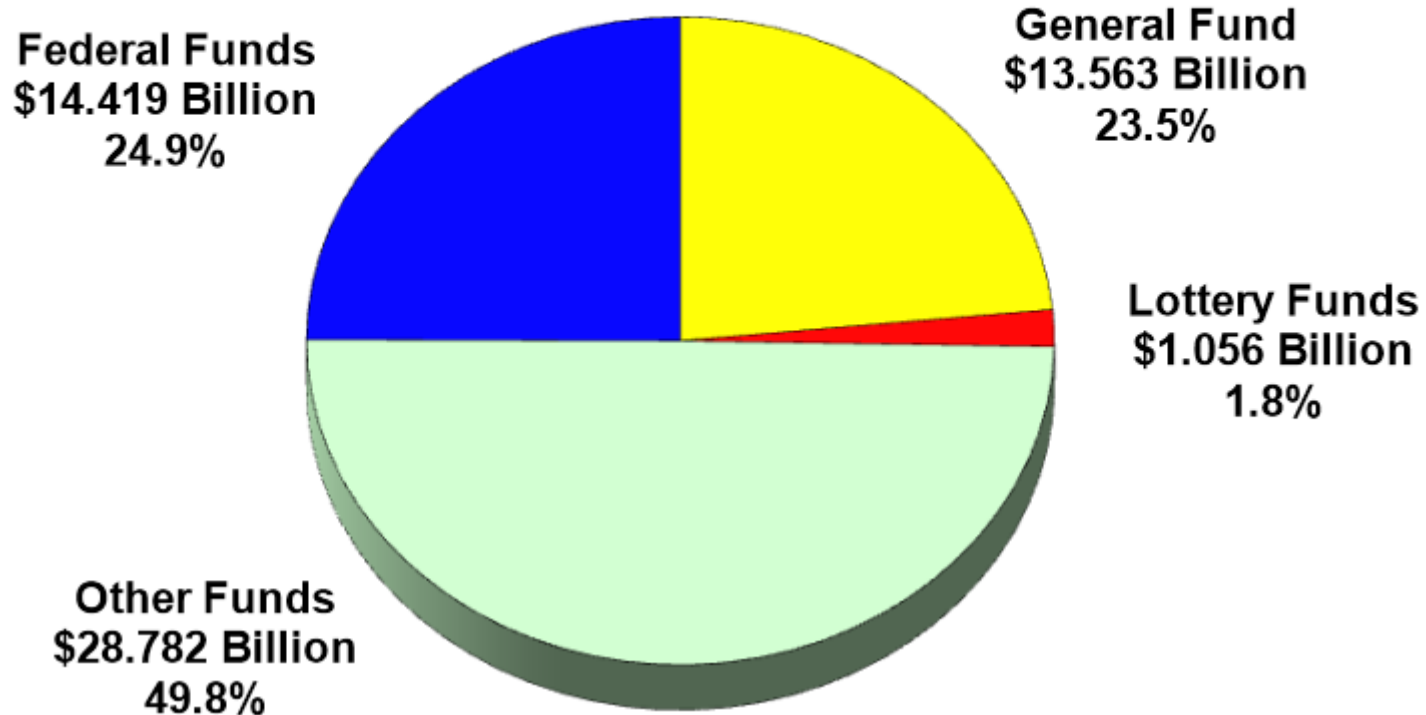
- Overview of Revenues
- Other Funds Report
 - Revenue Sources
 - Report Coverage
- Agency Presentations
- Q & A





Big Picture Revenue Overview

2011-13 Legislatively Adopted Budget Totals \$57.820 Billion
7.1% Decrease from 2009-11 Legislatively Approved





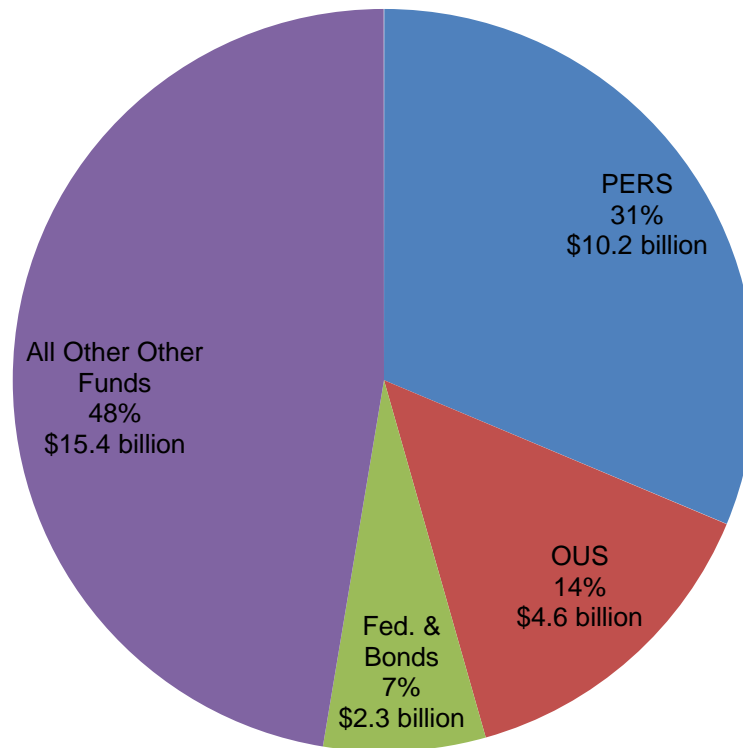
Other Funds Report

- Other funds are large revenue sources for agencies
 - Can impact the General Fund
- Biannual report DAS sends to Legislature
 - June and December
- OEA provides quarterly updates to General and Lottery Fund outlooks
 - Other Funds update relies upon agencies to report their revenues
- In cooperation with BAM, LRO and individual agencies, OEA is working to increase coverage



Other Funds Overview

2011-13 Other Funds LAB \$32.58 billion



Report Coverage

| | 2011-13 LAB | Reported Amount |
|--|------------------|-----------------|
| Public Employees Retirement System, Oregon | \$10,206,737,628 | |
| Oregon Health Authority | \$4,719,852,641 | \$1,393,462,756 |
| Higher Education, Dept. of | \$4,649,131,170 | |
| Transportation, Oregon Dept of | \$4,082,096,548 | \$2,296,234,299 |
| Employment Dept | \$2,228,292,520 | \$2,068,278,646 |
| Revenue, Dept of | \$1,138,009,516 | |
| Administrative Svcs, Dept of | \$1,101,384,343 | |
| Housing & Community Svcs Dept | \$704,407,741 | |
| Consumer and Business Svcs, Dept of | \$494,088,807 | \$446,181,753 |
| Human Services, Dept. of | \$337,907,044 | \$103,361,063 |
| Oregon Liquor Control Comm | \$301,854,901 | |
| Forestry, Dept of | \$294,369,059 | |
| Energy, Dept of | \$272,306,691 | |
| Veterans' Affairs, Oregon Dept of | \$264,855,842 | |
| Environmental Quality, Dept of | \$251,938,092 | |
| Justice, Dept of | \$204,265,141 | |
| Judicial Dept | \$183,940,966 | |
| Lands, Dept of State | \$155,264,978 | |
| Business Development Department | \$152,649,529 | |
| Fish & Wildlife, Oregon Dept of | \$149,007,065 | \$99,357,164 |
| Public Utility Commission | \$105,452,998 | |
| Oregon Health and Science University | \$69,307,022 | |
| Parks & Recreation Dept | \$67,277,182 | \$39,417,448 |
| Education, Dept of | \$48,750,765 | |
| Agriculture, Oregon Dept of | \$44,581,711 | |
| All Other Agencies Total | \$356,387,961 | |

- \$6.45 billion in 2011-13 is covered in the report
- 20% of All Other Funds
- 42% coverage when excluding major, non-reporting entities





Individual Other Funds Reported

Dept of Fish and Wildlife

Hunter and Angler Licenses

Oregon Health Authority

Provider Taxes

WIC Rebate

Fees and Charges for Services

Recoveries/Reimbursements

Drug Rebates

OMIP Assessment

Member Paid Insurance Premiums

Pharmacy Revenue

Parks and Recreation Department

Park User Fees

Employment Department

Employment Taxes

Dept of Consumer & Business Services

Workers' Comp. Insurance Taxes

Other Employer-Employee Taxes

Health Insurance Taxes

Business Licenses and Fees

Fire Marshal Fees

Department of Transportation

Motor Fuel Taxes

Weight-Mile Taxes

Vehicle License Fees

Driver's License Fees

Other Transp. License & Fees

Department of Human Services

Provider Taxes

Recoveries/Reimbursements

Marriage License Tax





Agency Presentations

- Oregon Health Authority
- Employment Dept.
 - Josh Lehner presenting on behalf of Agencies
- DCBS
 - Patrick Allen
 - Director
- DHS
 - Eric Moore
 - CFO
- Parks & Recreation
 - Lisa VanLaanen
 - Asst Director
- Fish & Wildlife
 - Debbie Colbert
 - Deputy Director
- ODOT
 - Dave Kavanaugh
 - State Transportation Economist





Oregon Health Authority

(Dec '12 Other Funds Report)

| | 2011-13 Estimate | Note |
|----------------------|-----------------------------|--|
| Provider Taxes | \$813.6 m | hospital, managed cared (Sunset FY15) |
| WIC Rebate | \$34.7 m | infant formula |
| Fees for Services | \$59.5 m | public health sum including medicinal marijuana |
| Recoveries/Reimb | \$5.1 m | vaccines, client costs, indigent funeral for PH and Seniors and People with Disabilities |
| Drug Rebates | \$79.2 m | state Medicaid program purchases |
| OMIP Assessment | \$171.4 m | Oregon medical insurance pool – high risk health insurance pool for those unable to obtain it because of health conditions (Sunset January 2014) |
| Member Paid Ins Prem | \$176.7 m | sunset January 2014 |
| Pharmacy Revenue | \$52.3 m | |
| PEBB/OEBB | \$3.4 billion | |
| DSHP | \$230 m | Health Care Transformation |





Employment Department

State Unemployment Tax Act Revenues

– Source:

- Employers pay payroll tax on covered employees
- Rates modified each year on law based on UI Trust fund reserves and employer experience rating

– Use:

- UI benefits paid out of UI Trust fund

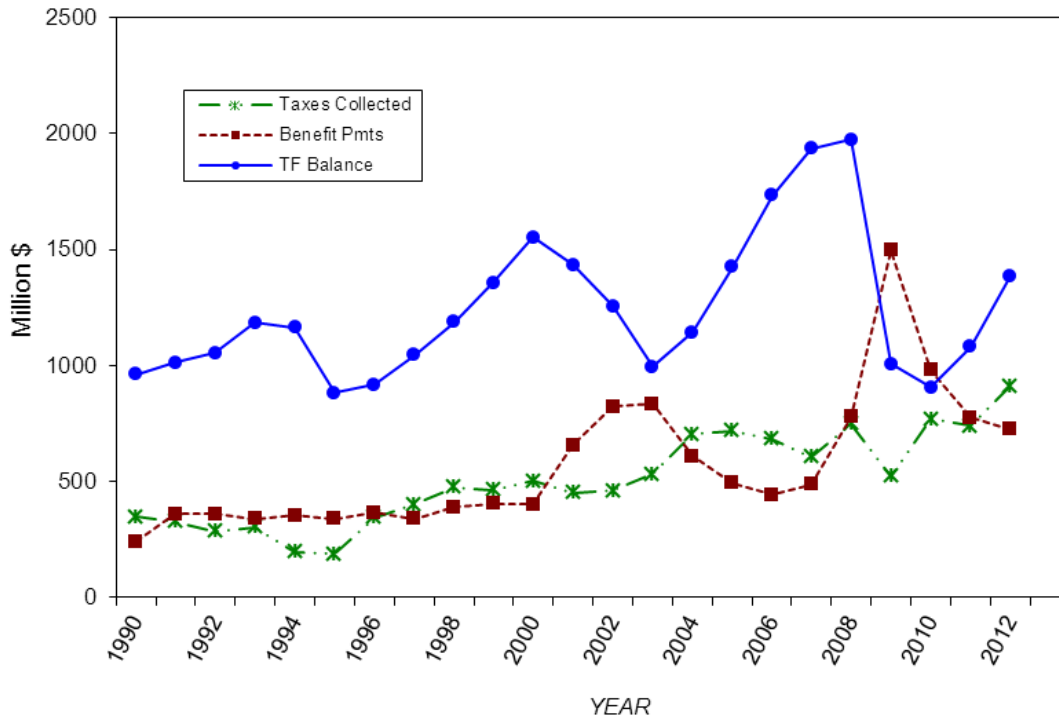
– Great Recession depleted the fund

- Increased claims, reduced wages and lower employment
- Rates increased to rebuild the fund, will automatically adjust lower as the fund is replenished
- Oregon's fund remained solvent, unlike many states (36)



Employment Taxes

UI Trust Fund Balance, Taxes Collected and Benefits Paid



| | Dec '12 Forecast |
|----------|------------------|
| 11-13 BN | \$2.068 billion |
| 13-15 BN | \$2.176 billion |
| 15-17 BN | \$2.180 billion |



Department of Consumer and Business Services

Other Funds Revenue Presentation

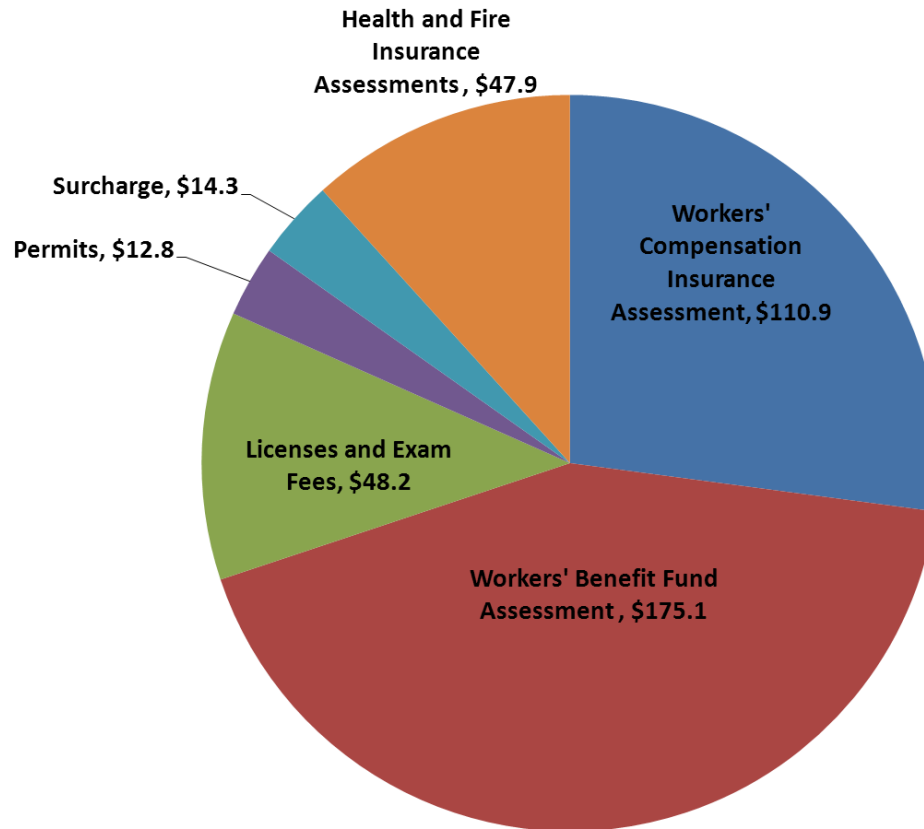
House Committee on Revenue

Presented by: Patrick M. Allen, DCBS Director

March 1, 2013

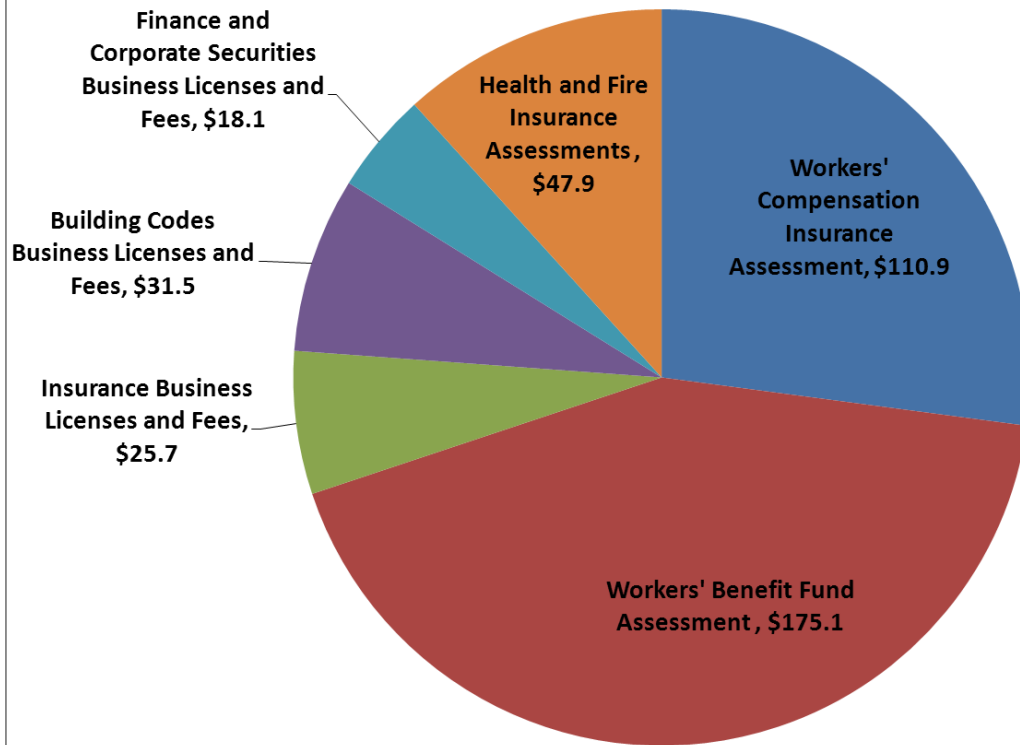
DCBS Other Funds Revenue

2013-15 Biennium Major DCBS Revenue Categories (\$ Millions)



DCBS Other Funds Revenue

2013-15 Biennium DCBS Industry Revenue Types (\$ Millions)



DCBS Other Funds Revenue

DCBS Revenue

One-year ahead forecast performance

Workers' Comp. Insurance Assessment (Workers' Comp. Insurance Taxes) (\$ millions)

| | Actual | Forecast | Pct. Difference |
|------------|---------|----------|--------------------|
| FY 2000 | \$42.29 | \$44.04 | -4.0% |
| FY 2001 | \$42.86 | \$42.40 | 1.1% |
| FY 2002 | \$48.74 | \$43.25 | 12.7% |
| FY 2003 | \$58.24 | \$51.67 | 12.7% |
| FY 2004 | \$58.51 | \$57.44 | 1.9% |
| FY 2005 | \$55.24 | \$55.72 | -0.9% |
| FY 2006 | \$59.12 | \$58.82 | 0.5% |
| FY 2007 | \$54.84 | \$48.76 | 12.5% |
| FY 2008 | \$47.54 | \$45.77 | 3.9% |
| FY 2009 | \$41.94 | \$48.56 | -13.6% |
| FY 2010 | \$34.71 | \$41.16 | -15.7% |
| FY 2011 | \$36.97 | \$39.73 | -6.9% |
| FY 2012 | \$51.77 | \$48.09 | 7.6% |
| Cumulative | | | 1.2% |

Workers' Benefit Fund Assessment (Other Employer-Employee Taxes) (\$ millions)

| | Actual | Forecast | Pct. Difference |
|------------|----------|----------|--------------------|
| FY 2000 | \$104.21 | \$104.71 | -0.5% |
| FY 2001 | \$98.13 | \$98.86 | -0.7% |
| FY 2002 | \$90.23 | \$91.62 | -1.5% |
| FY 2003 | \$88.82 | \$89.96 | -1.3% |
| FY 2004 | \$87.60 | \$88.14 | -0.6% |
| FY 2005 | \$86.40 | \$86.11 | 0.3% |
| FY 2006 | \$87.07 | \$85.02 | 2.4% |
| FY 2007 | \$79.76 | \$78.87 | 1.1% |
| FY 2008 | \$75.59 | \$75.45 | 0.2% |
| FY 2009 | \$72.67 | \$75.57 | -3.8% |
| FY 2010 | \$68.44 | \$70.47 | -2.9% |
| FY 2011 | \$69.29 | \$69.36 | -0.1% |
| FY 2012 | \$71.36 | \$71.17 | 0.3% |
| Cumulative | | | -0.5% |

Business Licenses and Fees (\$ millions)

| | Actual | Forecast | Pct. Difference |
|------------|---------|----------|--------------------|
| FY 2010 | \$33.31 | \$34.25 | -2.7% |
| FY 2011 | \$38.33 | \$35.23 | 8.8% |
| FY 2012 | \$35.30 | \$34.93 | 1.1% |
| Cumulative | | | 2.4% |

Health Insurance Taxes (\$ millions)

| | Actual | Forecast | Pct. Difference |
|------------|---------|----------|--------------------|
| FY 2010 | \$25.75 | \$29.35 | -12.3% |
| FY 2011 | \$50.31 | \$54.51 | -7.7% |
| FY 2012 | \$56.64 | \$57.04 | -0.7% |
| Cumulative | | | -5.8% |

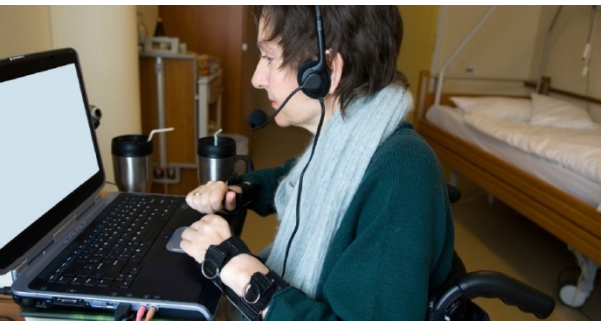
Fire Marshal Fees (\$ millions)

| | Actual | Forecast | Pct. Difference |
|------------|--------|----------|--------------------|
| FY 2010 | \$8.31 | \$7.56 | 9.9% |
| FY 2011 | \$8.50 | \$8.66 | -1.8% |
| FY 2012 | \$9.36 | \$8.80 | 6.4% |
| Cumulative | | | 4.6% |

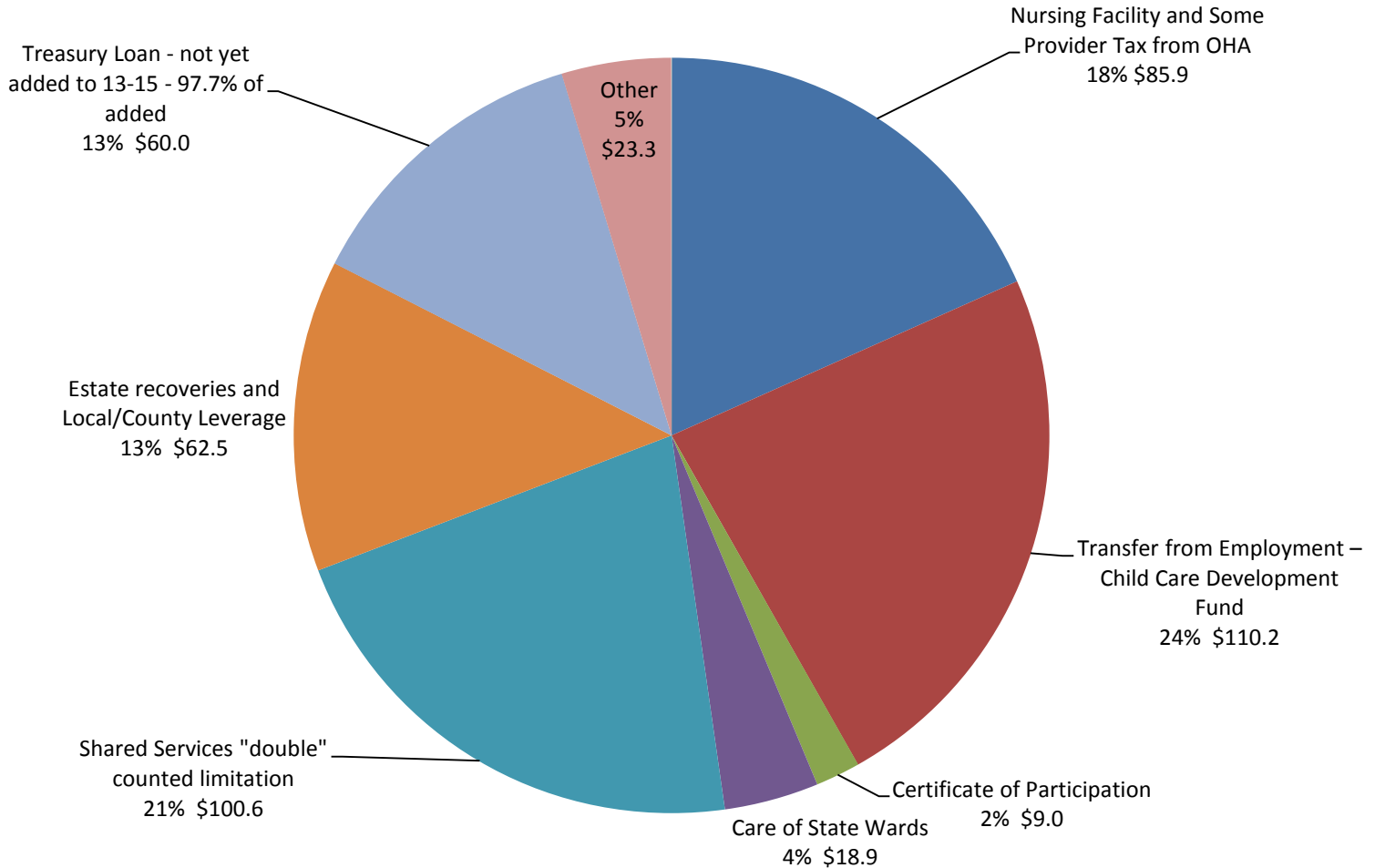
Department of Human Services

2013 House Committee on Revenue DHS Other Funds Overview

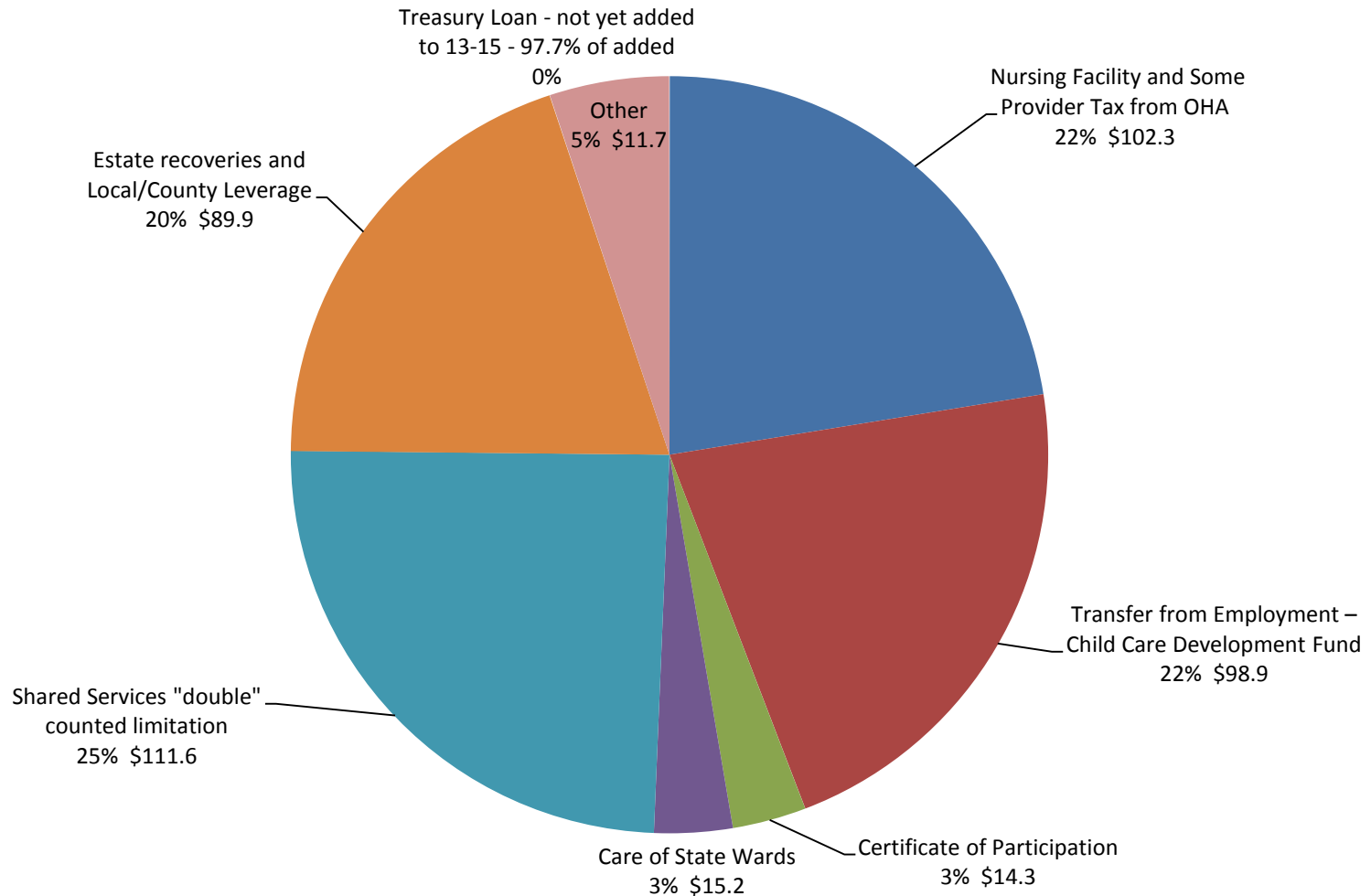
Eric Luther Moore, CFO
March 1, 2013



BI 11-13 Total Other Funds \$469.1 (\$368.5 without Shared Services) all dollars in millions.



BI 13-15 Total Other Funds \$443.9 (\$332.4 without shared services) all dollars in millions





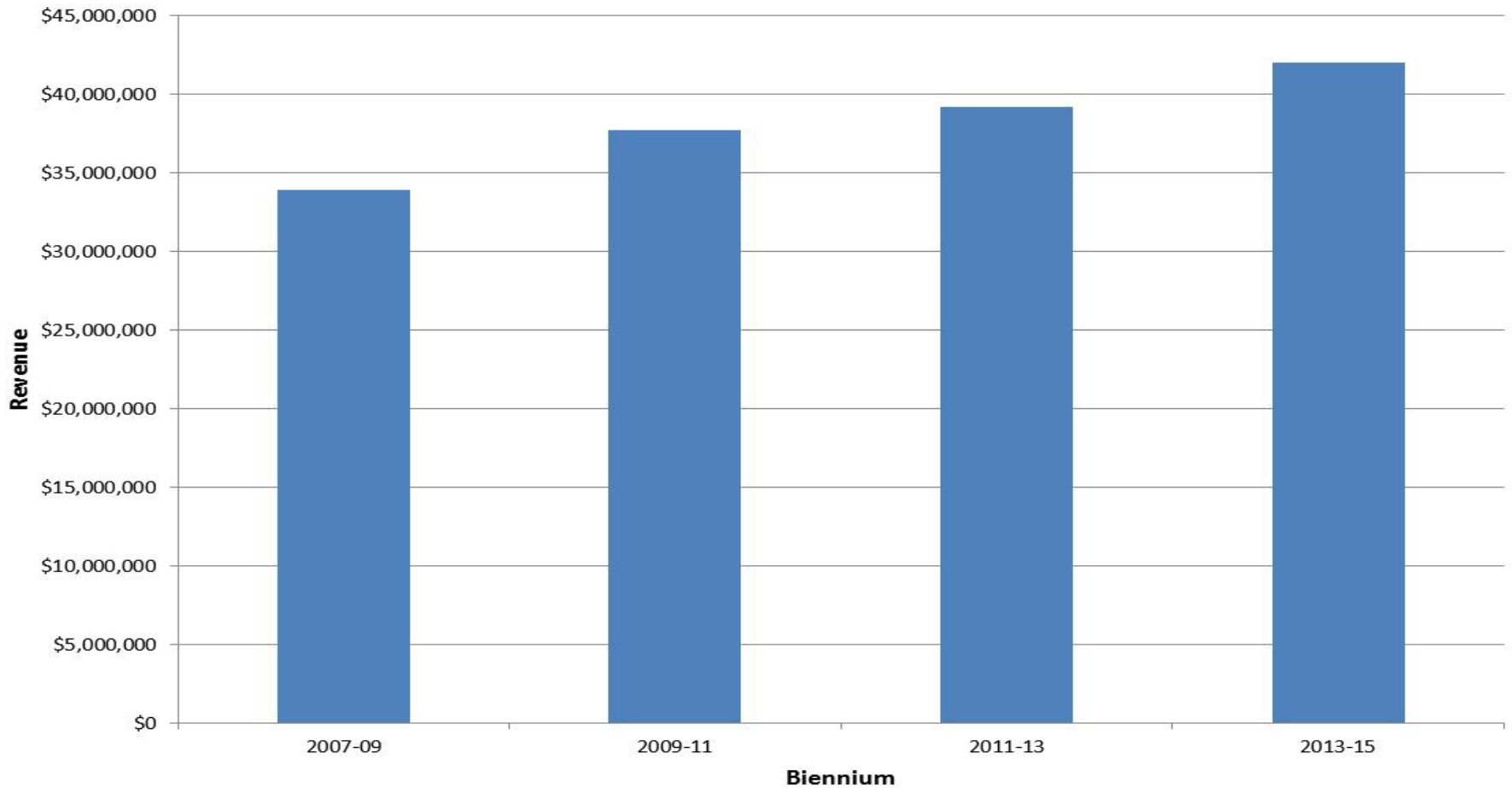
Oregon Parks and Recreation Department (OPRD)

**Other Funds
Revenue Presentation
March 1, 2013**



OPRD Revenue Presentation

**Oregon Parks and Recreation Department
Park User Fees**





OPRD Revenue Presentation

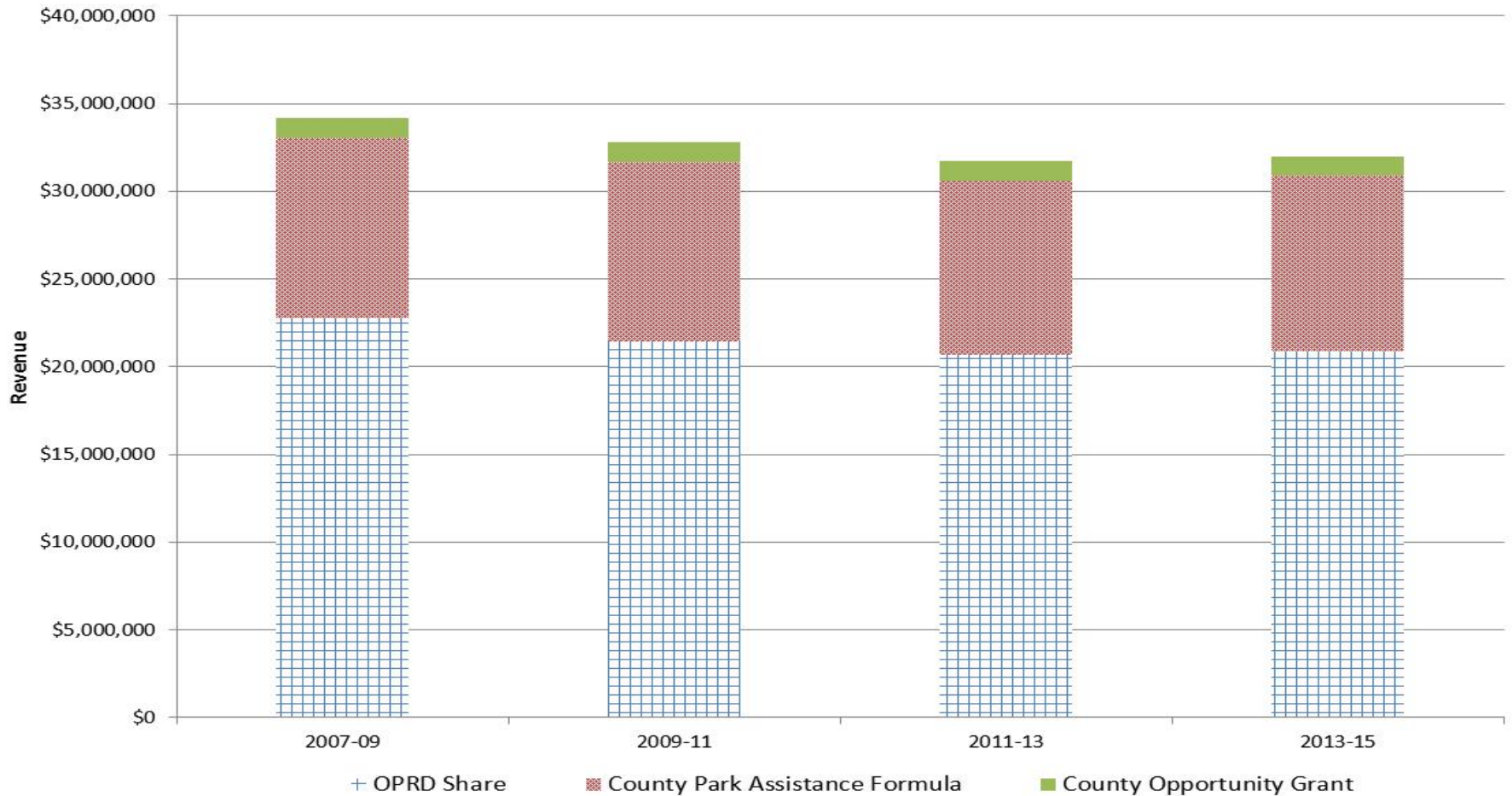
Park User Fees

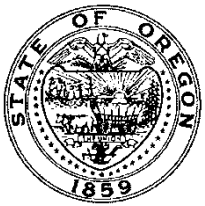
- Includes Day Use, Overnight Camping and Reservation Fees - \$42 million, 21% of the Department's revenue
- Forecasted revenues include a rate adjustment that raises and additional \$1.6 million for Park Operations
- Rates were last adjusted in May 2010



OPRD Revenue Presentation

Oregon Parks and Recreation Department Recreational Vehicle (RV) Revenue





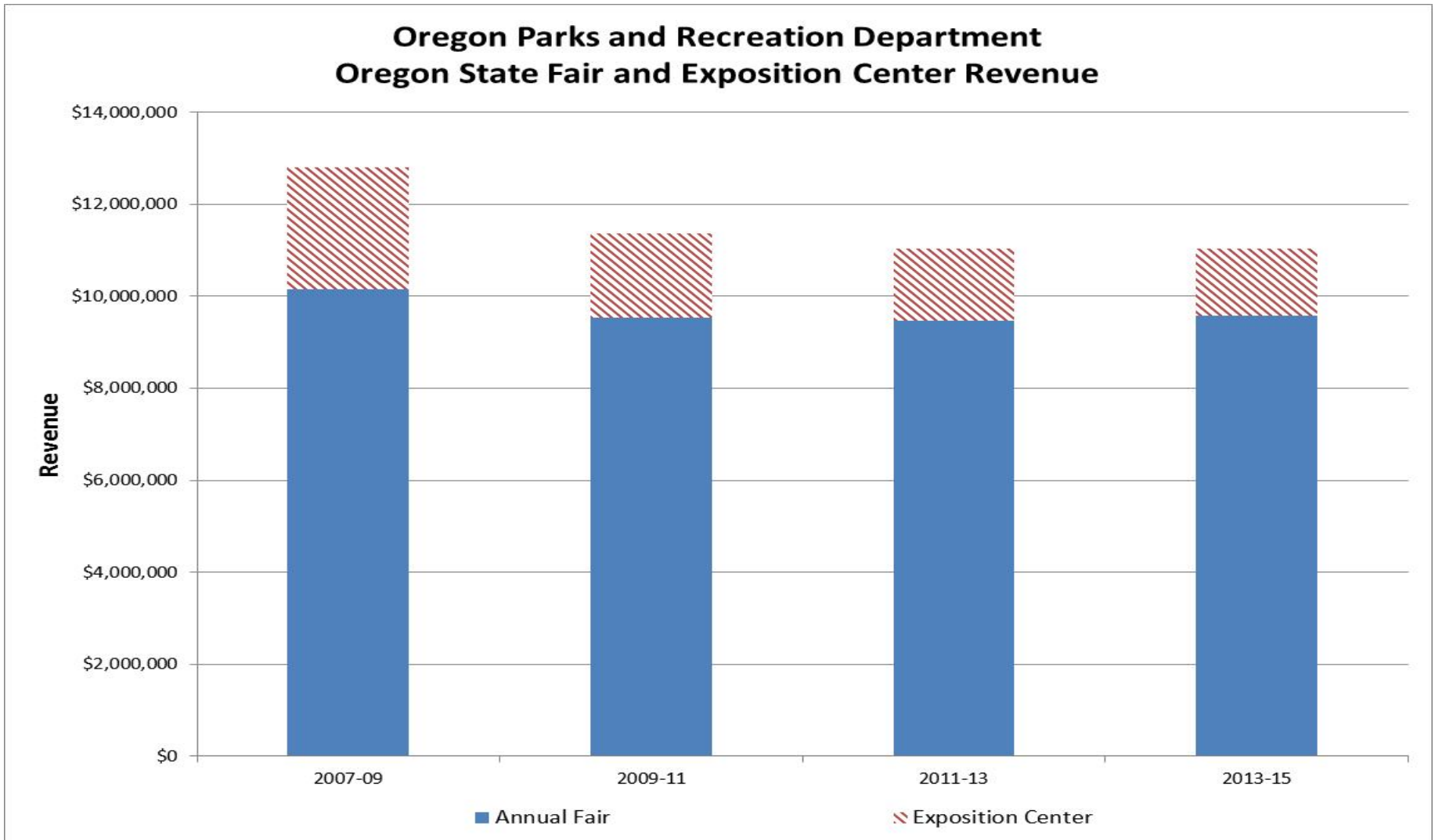
OPRD Revenue Presentation

Recreational Vehicle (RV) Registration Fees

- Registrations declining, temporary or “trip permits” up
- Fee increase in January 2004 masks a long term downward trend
- Split with counties 65% OPRD, 35% Counties
 - SB 331 makes the split 50/50 causing a \$4.8 million loss in revenue to OPRD



OPRD Revenue Presentation





OPRD Revenue Presentation

Oregon State Fair and Exposition Center

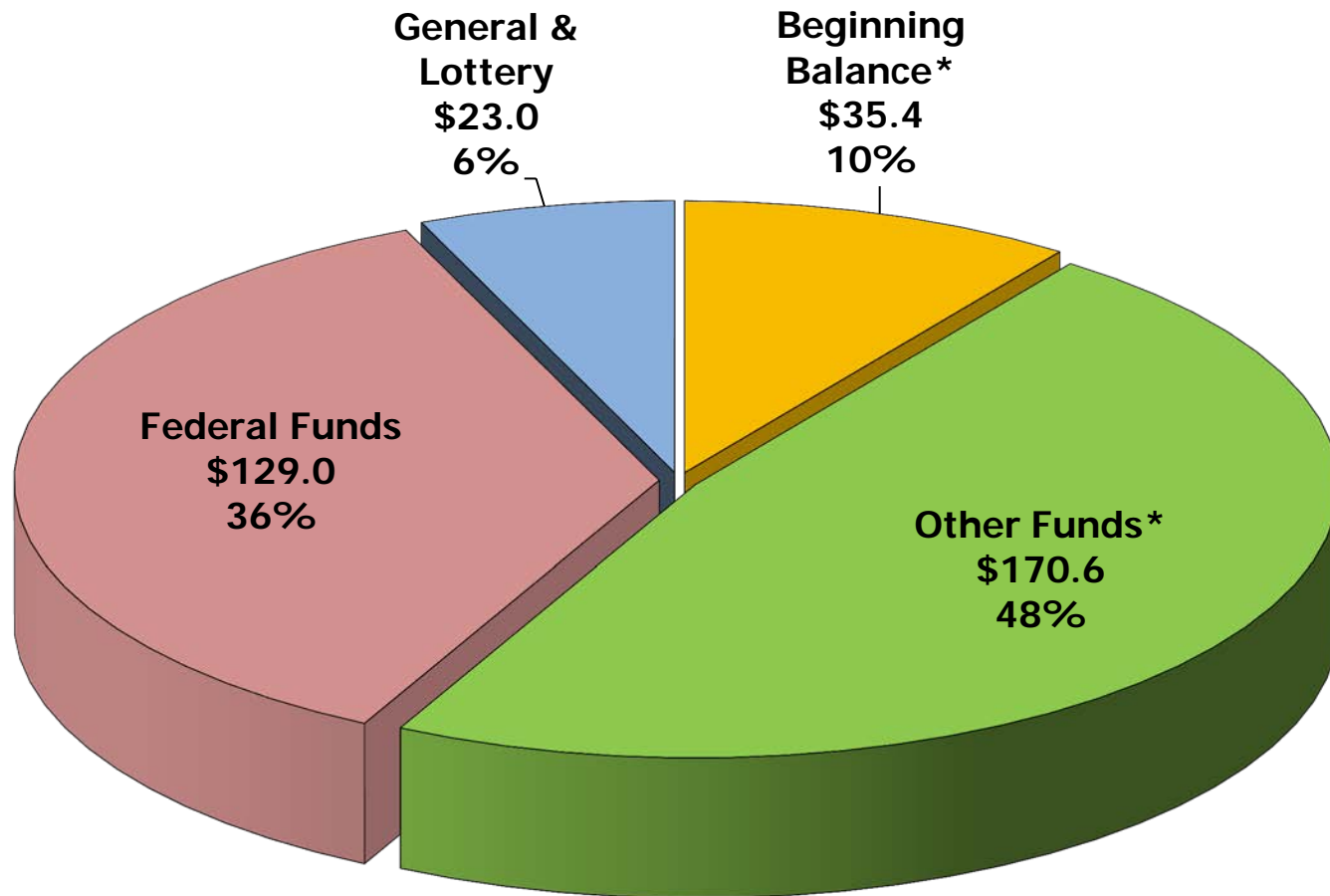
- Annual State Fair - \$4.8 million per fair, \$9.6 million biennially
- Exposition Center - \$700 thousand per year, \$1.4 million biennially
- Seeking to change the Business Model



Oregon Dept of Fish & Wildlife



Oregon Dept of Fish & Wildlife: 2013-15 Biennium Revenues



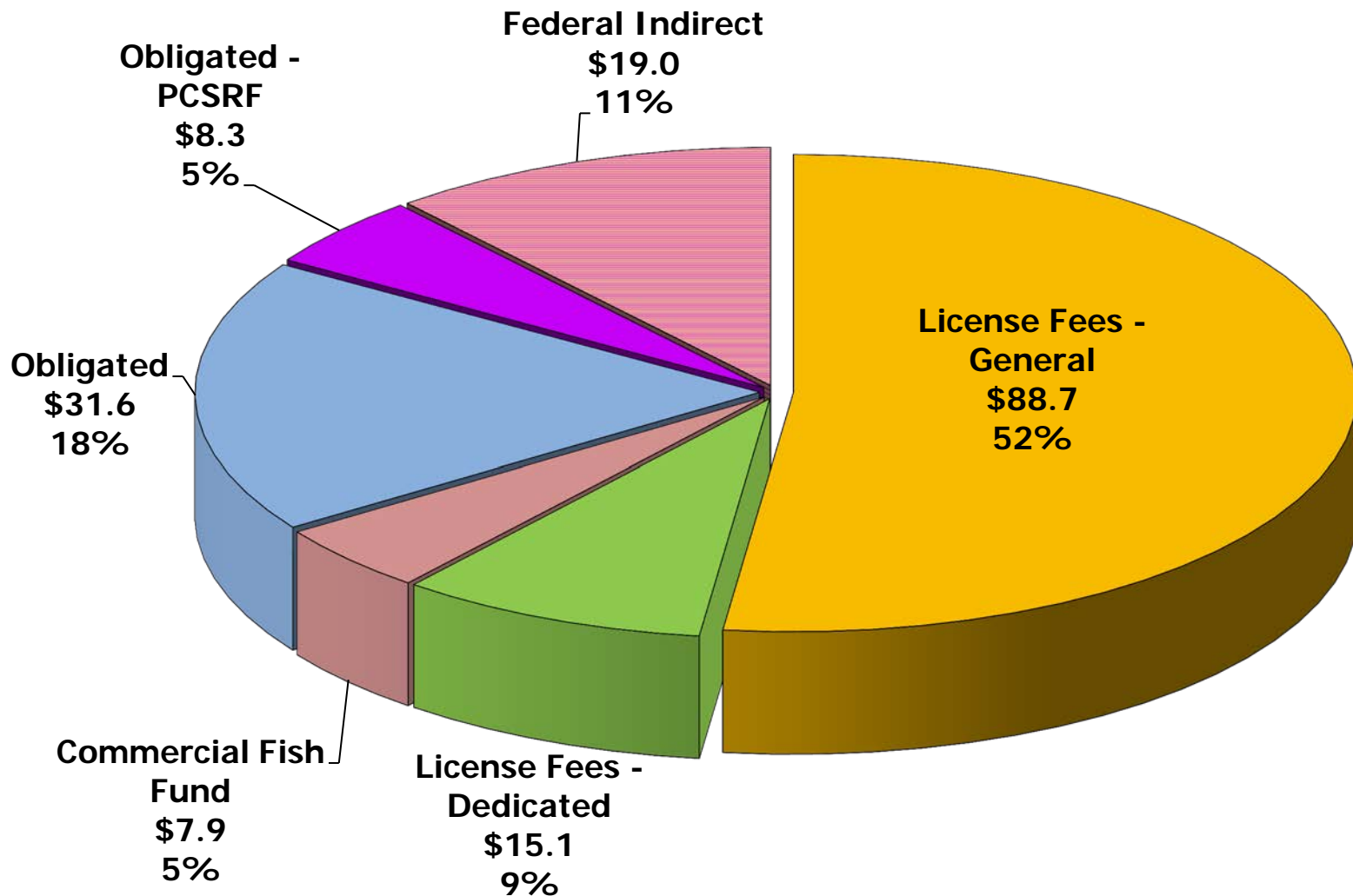
*majority linked to Federal diversion statute

Total = \$358 M

ODFW Other Funds

| | Source | Who Pays | Use |
|---------------------------------|--|------------------------------|---|
| License Fees – General | Recreational License & Tag sales | Anglers & Hunters | <ul style="list-style-type: none"> • Core fish & wildlife programs • OSP enforcement • Working capital |
| License Fees – Dedicated | Recreational License & Tag sales | Anglers & Hunters | <ul style="list-style-type: none"> • e.g., Access & Habitat • e.g., Restoration & Enhancement |
| Commercial Fish Fund | Commercial Licenses & Landing Surcharges | Commercial Fishers & Dealers | <ul style="list-style-type: none"> • Marine fisheries management |
| Obligated | Contracts | Various partners | <ul style="list-style-type: none"> • e.g., habitat • e.g., monitoring • e.g., engineering |
| Obligated – PCSRF | NOAA pass-through via OWEB | Federal | <ul style="list-style-type: none"> • Research & monitoring • On-the-ground projects |
| Federal Indirect | Federal Grants | Federal | <ul style="list-style-type: none"> • Admin |

ODFW 2013-15 Biennium Other Funds Revenues



ODFW Other Funds Outlook

- Short-term
 - Tracking according to expectations
- Longer-term
 - Concerns about trends in hunting & fishing participation
 - Continued uncertainty around federal funding



Oregon Dept of Transportation





Other Funds Revenue Forecast State Transportation Revenues

House Committee on Revenue

March 01, 2013

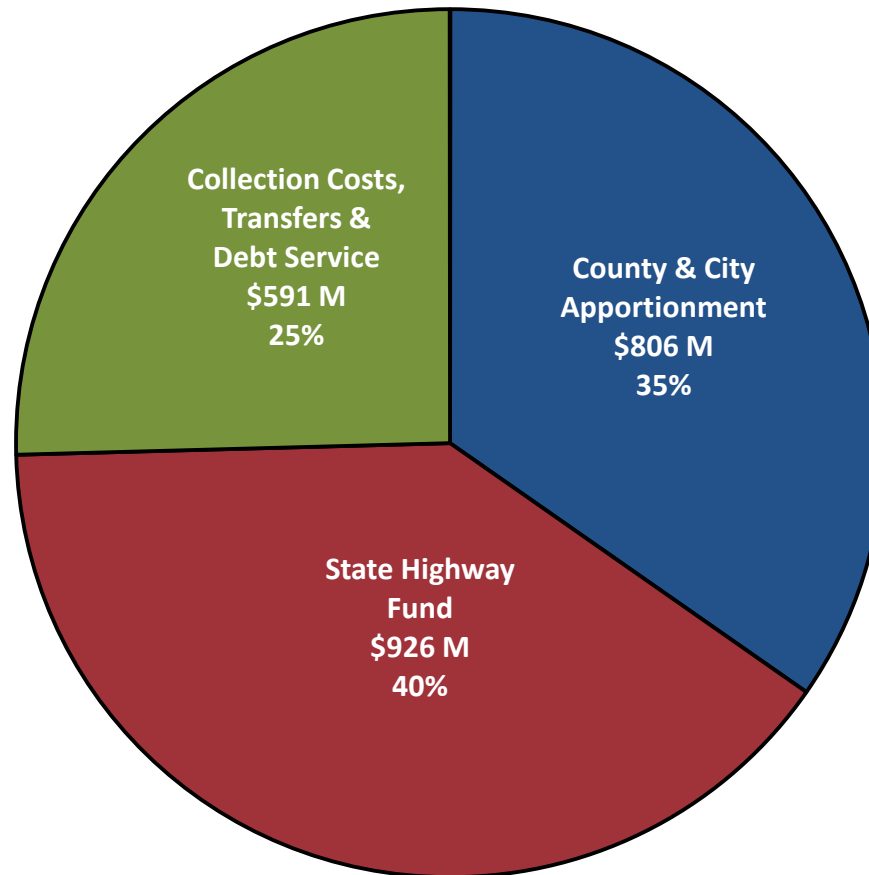
David Kavanaugh, Ph.D.
State Transportation Economist,
Transportation Development Division

Other Funds Transportation Revenues

Gross State Highway Revenues by Allocation

2013-15 Biennium Forecast

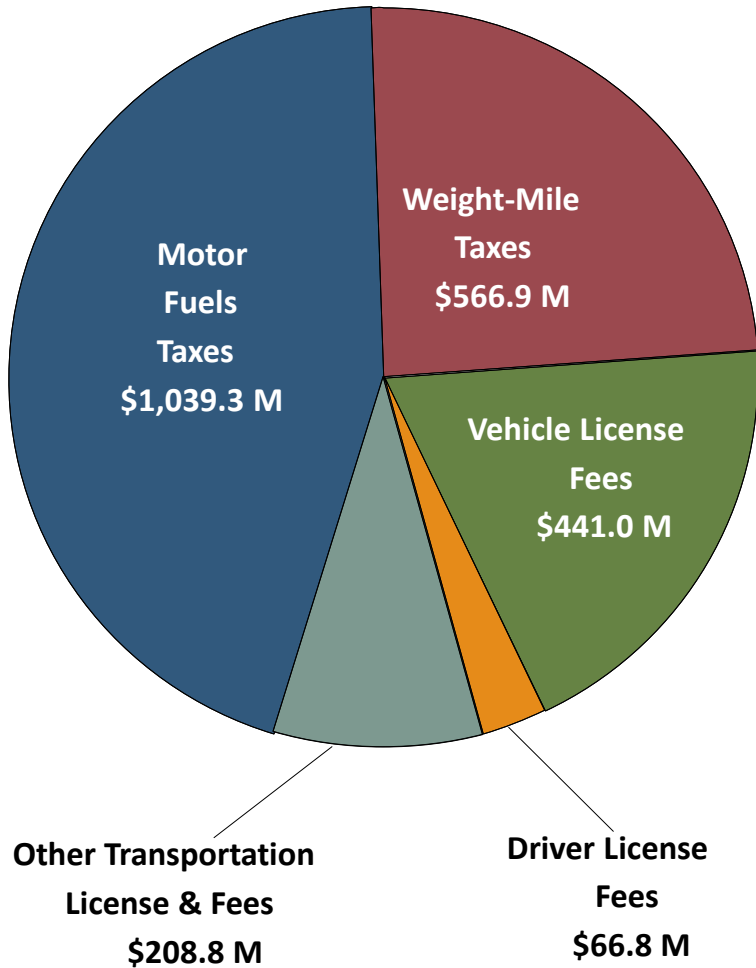
\$2.3 Billion



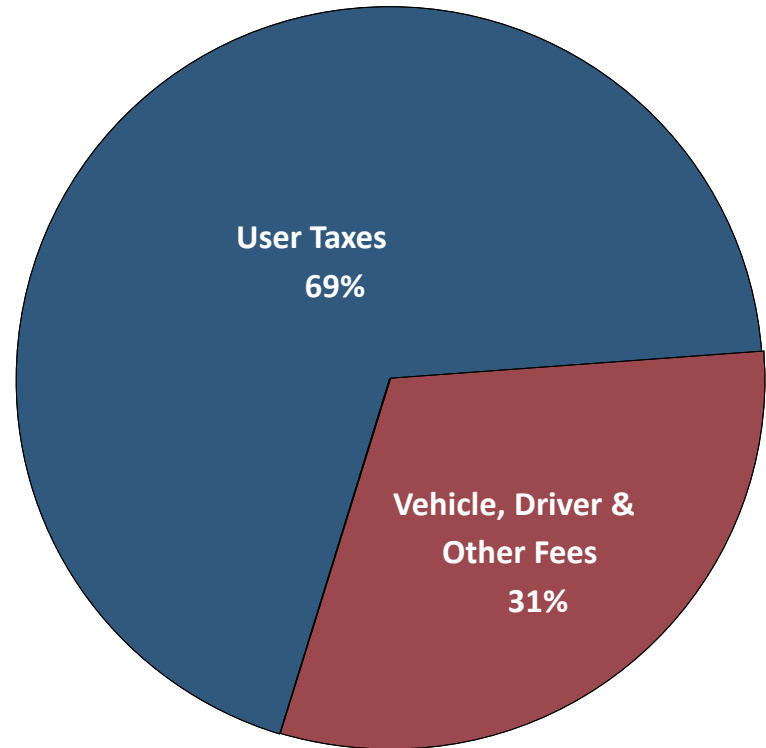
Gross State Highway Revenues by Source & Type

2013-15 Biennium Forecast

Revenue by Source
\$2.3 Billion



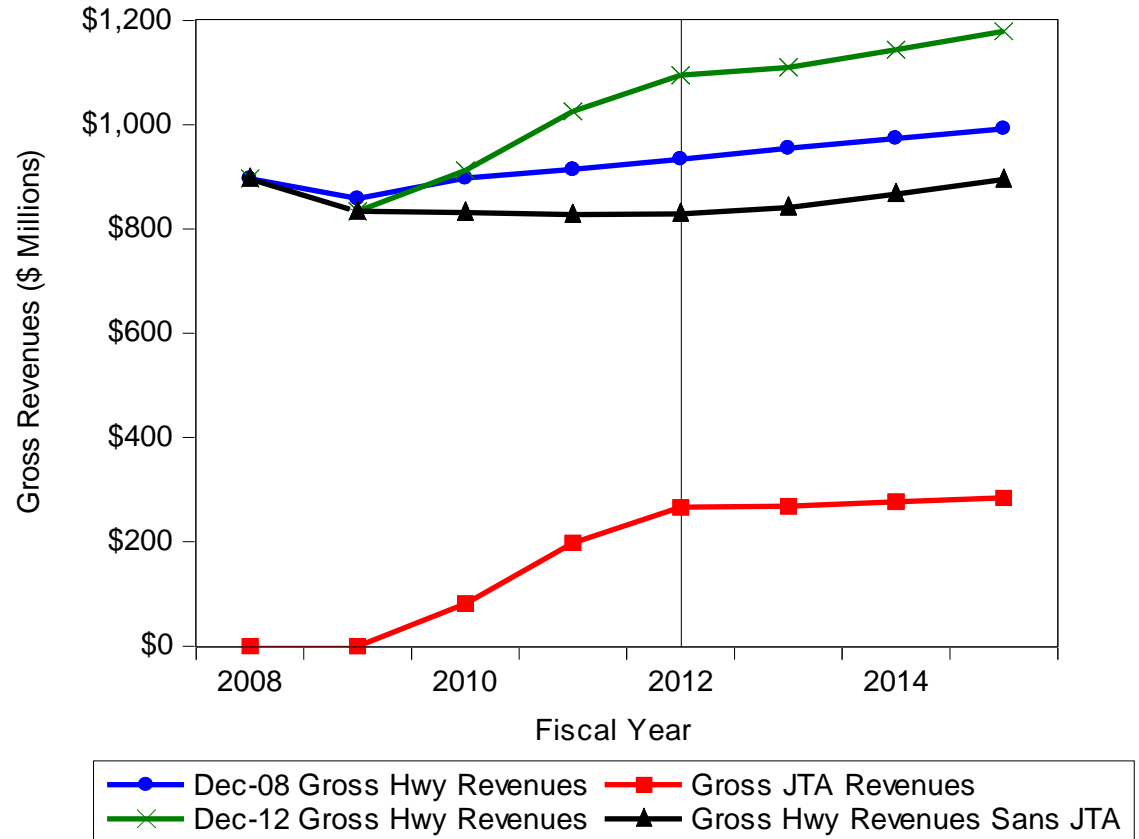
Revenue by Type
100%



Forecast Summary

- Economic contraction had a material impact on use taxes and fee revenues
- Impacts of JTA are very pronounced in our revenue outlook
- Modest growth in revenues going forward in the forecast
- Adjusted for construction and maintenance inflation: revenues are flat

Gross Revenue Forecast Comparison





Questions?

- Other Funds Report
 - June and December each year





For More Information

Standard Contact:

155 Cottage Street NE

Salem, OR 97301

(503) 378-3405

oea.info@state.or.us

www.oregon.gov/das/oea

Social Media:

oregoneconomicanalysis.wordpress.com

@OR_EconAnalysis

