

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: HB 5003-A**

**Carrier – House: Rep. Gallegos**

**Carrier – Senate: Sen. Steiner Hayward**

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

**Vote:** 25 – 0 – 1

House

Yeas: Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc: Barker

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

**Prepared By:** Jim Carbone, Department of Administrative Services

**Reviewed By:** Linda Ames, Legislative Fiscal Office

**Meeting Date:** June 6, 2013

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Agency

Oregon Commission for the Blind

Biennium

2013-15

## **Budget Summary**\*

|               | 2011-13 Legislatively<br>Approved Budget <sup>(1)</sup> | 2013-15 Current<br>Service Level | 2013-15 Committee<br>Recommendation | Committee Change from<br>2011-13 Leg. Approved |          |
|---------------|---|----------------------------------|-------------------------------------|--|----------|
|               |   |                                  |                                     | \$\$ Change                                    | % Change |
| General Fund  | \$ 1,148,037  | \$ 1,474,612                     | \$ 1,564,347                        | 416,310  | 36.3%    |
| Other Funds   | \$ 2,946,859  | \$ 2,886,114                     | \$ 3,055,164                        | 108,305  | 3.7%     |
| Federal Funds | \$ 11,532,986   | \$ 12,336,492                    | \$ 12,220,266                       | 687,280  | 6.0%     |
| Total         | \$ 15,627,882   | \$ 16,697,218                    | \$ 16,839,777                       | 1,211,895                                      | 7.8%     |

## **Position Summary**

|                                      |       |       |       |      |
|--------------------------------------|-------|-------|-------|------|
| Authorized Positions                 | 48    | 48    | 51    | 3    |
| Full-time Equivalent (FTE) positions | 44.60 | 44.73 | 47.73 | 3.13 |

(1) Includes adjustments through December 2012.

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

Federal Funds are the Commission for the Blind's largest source of funding. These are primarily from the U.S. Department of Education, and are matched at a rate of 78.7% federal funds for basic vocational rehabilitation support and as high as 90% federal funds for in-service training and independent living. General Fund and certain Other Funds are used to meet the federal maintenance of effort and matching requirements. Almost half of Other Funds revenue supports the Industries for the Blind program, predominately from Multnomah County to support services for developmentally disabled persons. Other sources include cooperative agreements with school districts and other providers, business enterprise vendor assessments, and donations. The Subcommittee's recommended budget relies on \$392,060 in revenues from the donation fund.

## **Summary of Human Services Subcommittee Action**

The Commission for the Blind's mission is to assist blind Oregonians in making informed choices to achieve full inclusion and integration in society through employment, independent living, and social self-sufficiency. The agency's programs are focused on two main objectives: employment and independence.

The Subcommittee recommended a 2013-15 budget of \$16,839,777 Total Funds (\$1,564,347 General Fund, \$3,055,164 Other Funds and \$12,220,266 Federal Funds). This is a 7.8% Total Funds increase over the agency's 2011-13 Legislatively Approved Budget.

## **Administrative Services**

The Administrative Services unit provides support and leadership to the entire agency. This includes responsibility for management of Human Resources, Budget, Accounting, Operations and Information Systems. For this unit the Subcommittee approved a 2013-15 budget of \$1,819,001

Total Funds (\$258,847 General Fund, \$80,977 Other Funds, and \$1,479,177 Federal Funds) and 8 positions (7.50 FTE). This includes the following adjustments to the current service level:

Package 091 (Statewide Administrative Savings), a \$33,853 Total Funds reduction, 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.

Package 092 (PERS Taxation Policy) 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.

Package 093 (Other PERS Adjustments) 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 Subcommittee also approved Package 090 (Agency Adjustments), a \$78,322 Total Fund reduction, and Package 810 (LFO Analyst Adjustments), a \$78,322 Total Funds increase. Package 090 contained reductions that were included in the Governor's Budget. These reductions are reversed in Package 810 in order to prevent program reductions and to enable the agency to meet Maintenance of Effort requirements.

### **Rehabilitation Services**

The Rehabilitation Services unit provides comprehensive, goal-oriented services to Oregonians who are blind to maximize their independence in their communities through work and independent living skills. Clients are assisted in identifying barriers to full participation in society through individualized plans developed to overcome these barriers and reach their goals. For this unit the Subcommittee approved a 2013-15 budget of \$9,639,092 Total Funds (\$703,299 General Fund, \$935,804 Other Funds, and \$7,999,989 Federal Funds) and 27 positions (25.63 FTE).

The Subcommittee approved the PERS adjustments included in packages 092 and 093.

The Subcommittee also approved Package 090 (Agency Adjustments), a \$1,240,436 Total Funds reduction, and Package 810 (LFO Analyst Adjustments), a \$1,240,436 Total Funds increase. Package 090 contained reductions that were included in the Governor's Budget. These reductions are reversed in Package 810 in order to prevent program reductions and to enable the agency to meet Maintenance of Effort requirements.

### **Business Enterprises**

The Business Enterprise Program trains, licenses and supports individuals who are legally blind to enable them to operate food service and vending businesses in public buildings. For this unit the Subcommittee approved a 2013-15 budget of \$767,463 Total Funds (\$53,571 General Fund, \$239,704 Other Funds, and \$474,188 Federal Funds) and 2 positions (2.00 FTE).

The PERS adjustments included in packages 092 and 093 were approved.

The Subcommittee also approved Package 090 (Agency Adjustments), a \$105,026 Total Funds decrease, and Package 810 (LFO Analyst Adjustments), a \$105,026 Total Funds increase. Package 090 contained reductions that were included in the Governor's Budget. These reductions are reversed in Package 810 in order to prevent program reductions and to enable the agency to meet Maintenance of Effort requirements.

### **Industries for the Blind**

The Industries for the Blind program operates an alternative work and vocational program specializing in serving clients with multiple disabilities who are both developmentally disabled and blind. For this unit the Subcommittee approved a 2013-15 budget of \$1,593,821 Other Funds and one position (1.00 FTE).

The Subcommittee approved package 810 (LFO Analyst Adjustments) which adds authority for one position. Historically this program has been staffed with non-state employees. However, per recent Attorney General advice, the supervisor of this unit is required to be a state employee.

### **Orientation and Career Center for the Blind**

The Orientation and Career Center for the Blind is a highly specialized training program for Oregonians who experience blindness. It provides the intensive skills training that individuals who are blind need in order to accomplish tasks they were previously able to do visually. For this unit the Subcommittee approved a 2013-15 budget of \$3,020,400 Total Funds (\$548,630 General Fund, \$204,858 Other Funds, and \$2,266,912 Federal Funds) and 13 positions (11.60 FTE).

The PERS adjustments included in packages 092 and 093 were approved.

The Subcommittee approved Package 090 (Agency Adjustments), a \$221,416 Total Funds decrease, and Package 810 (LFO Analyst Adjustments), a \$322,867 Total Funds increase. Package 090 contained reductions that were included in the Governor's Budget. These reductions are reversed in Package 810 in order to prevent program reductions and to enable the agency to meet Maintenance of Effort requirements. Also included in this package is an additional \$101,451 Other Funds expenditures limitation to match expected available revenues.

The Subcommittee also approved package 102 (Technology Instructors for Medford/Salem), a \$264,982 Total Funds increase. This package adds two technology instructors, one in Salem and one in Medford. These additional staff will decrease wait times for clients and enable the agency to serve an additional 400 clients during the 2013-15 biennium.

### **Summary of Performance Measure Action**

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

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5003-A**

**Oregon Commission for the Blind  
Jim Carbone - 503-378-3619**

| 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 * | \$ 1,148,037 | \$ 0          | \$ 2,946,859 | \$ 0       | \$ 11,532,986 | \$ 0       | \$ 15,627,882   | 48  | 44.60 |
| 2013-15 ORBITS printed Current Service Level (CSL)* | \$ 1,474,612 | \$ 0          | \$ 2,886,114 | \$ 0       | \$ 12,336,492 | \$ 0       | \$ 16,697,218   | 48  | 44.73 |
| <b><u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u></b>   |              |               |              |            |               |            |                 |     |       |
| <b>SCR 001 - Administrative Services</b>            |              |               |              |            |               |            |                 |     |       |
| Package 090: Analyst Adjustments                    |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (15,559)  | \$ 0          | \$ 11,870    | \$ 0       | \$ 0          | \$ 0       | \$ (3,689)      | 0   | 0.00  |
| Services and Supplies                               | \$ (1,887)   | \$ 0          | \$ (32,054)  | \$ 0       | \$ (40,692)   | \$ 0       | \$ (74,633)     | 0   | 0.00  |
| Package 091: Stawew ide Administrative Savings      |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (3,000)   | \$ 0          | \$ 0         | \$ 0       | \$ (25,000)   | \$ 0       | \$ (28,000)     | 0   | 0.00  |
| Services and Supplies                               | \$ (47)      | \$ 0          | \$ 0         | \$ 0       | \$ (5,806)    | \$ 0       | \$ (5,853)      | 0   | 0.00  |
| Package 092: PERS Taxation Policy                   |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (641)     | \$ 0          | \$ (130)     | \$ 0       | \$ (2,849)    | \$ 0       | \$ (3,620)      | 0   | 0.00  |
| Package 093: Other PERS Adjustments                 |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (5,123)   | \$ 0          | \$ (1,038)   | \$ 0       | \$ (22,764)   | \$ 0       | \$ (28,925)     | 0   | 0.00  |
| Package 810: LFO Analyst Adjustments                |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ 15,559    | \$ 0          | \$ (11,870)  | \$ 0       | \$ 0          | \$ 0       | \$ 3,689        | 0   | 0.00  |
| Services & Supplies                                 | \$ 1,887     | \$ 0          | \$ 32,054    | \$ 0       | \$ 40,692     | \$ 0       | \$ 74,633       | 0   | 0.00  |
| <b>SCR 002 - Rehabilitative Services</b>            |              |               |              |            |               |            |                 |     |       |
| Package 090: Analyst Adjustments                    |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (102,572) | \$ 0          | \$ (889)     | \$ 0       | \$ (570,943)  | \$ 0       | \$ (674,404)    | -4  | -4.00 |
| Services and Supplies                               | \$ 0         | \$ 0          | \$ 39,147    | \$ 0       | \$ (360,183)  | \$ 0       | \$ (321,036)    | 0   | 0.00  |
| Special Payments                                    | \$ (114,156) | \$ 0          | \$ 150,575   | \$ 0       | \$ (281,415)  | \$ 0       | \$ (244,996)    | 0   | 0.00  |
| Package 092: PERS Taxation Policy                   |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (1,500)   | \$ 0          | \$ (570)     | \$ 0       | \$ (9,170)    | \$ 0       | \$ (11,240)     | 0   | 0.00  |
| Package 093: Other PERS Adjustments                 |              |               |              |            |               |            |                 |     |       |
| Personal Services                                   | \$ (11,983)  | \$ 0          | \$ (4,556)   | \$ 0       | \$ (73,271)   | \$ 0       | \$ (89,810)     | 0   | 0.00  |

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5003-A**

**Oregon Commission for the Blind  
Jim Carbone - 503-378-3619**

| DESCRIPTION                                       | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS  |            | FEDERAL FUNDS |            | TOTAL ALL FUNDS | POS | FTE   |  |
|---|--------------|---------------|--------------|------------|---------------|------------|-----------------|-----|-------|--|
|   |              |               | LIMITED      | NONLIMITED | LIMITED       | NONLIMITED |                 |     |       |  |
| <b>Package 810: LFO Analyst Adjustments</b>       |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 102,572   | \$ 0          | \$ 889       | \$ 0       | \$ 570,943    | \$ 0       | \$ 674,404      | 4   | 4.00  |  |
| Services & Supplies                               | \$ 0         | \$ 0          | \$ (39,147)  | \$ 0       | \$ 360,183    | \$ 0       | \$ 321,036      | 0   | 0.00  |  |
| Special Payments                                  | \$ 114,156   | \$ 0          | \$ (150,575) | \$ 0       | \$ 281,415    | \$ 0       | \$ 244,996      | 0   | 0.00  |  |
| <b>SCR 003 - Business Enterprises</b>             |              |               |              |            |               |            |                 |     |       |  |
| <b>Package 090: Analyst Adjustments</b>           |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ (37,778)  | \$ 0          | \$ 37,778    | \$ 0       | \$ 0          | \$ 0       | \$ 0            | 0   | 0.00  |  |
| Services & Supplies                               | \$ (15,793)  | \$ 0          | \$ (55,305)  | \$ 0       | \$ (33,928)   | \$ 0       | \$ (105,026)    | 0   | 0.00  |  |
| <b>Package 092: PERS Taxation Policy</b>          |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 0         | \$ 0          | \$ (601)     | \$ 0       | \$ (619)      | \$ 0       | \$ (1,220)      | 0   | 0.00  |  |
| <b>Package 093: Other PERS Adjustments</b>        |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 0         | \$ 0          | \$ (4,780)   | \$ 0       | \$ (4,948)    | \$ 0       | \$ (9,728)      | 0   | 0.00  |  |
| <b>Package 810: LFO Analyst Adjustments</b>       |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 37,778    | \$ 0          | \$ (37,778)  | \$ 0       | \$ 0          | \$ 0       | \$ 0            | 0   | 0.00  |  |
| Services & Supplies                               | \$ 15,793    | \$ 0          | \$ 55,305    | \$ 0       | \$ 33,928     | \$ 0       | \$ 105,026      | 0   | 0.00  |  |
| <b>SCR 004 - Industries for the Blind</b>         |              |               |              |            |               |            |                 |     |       |  |
| <b>Package 810: LFO Analyst Adjustments</b>       |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 0         | \$ 0          | \$ 0         | \$ 0       | \$ 0          | \$ 0       | \$ 0            | 1   | 1.00  |  |
| <b>SCR 005 - Orientation Center for the Blind</b> |              |               |              |            |               |            |                 |     |       |  |
| <b>Package 090: Analyst Adjustments</b>           |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ (71,406)  | \$ 0          | \$ 54,033    | \$ 0       | \$ (64,186)   | \$ 0       | \$ (81,559)     | -1  | -0.50 |  |
| Services & Supplies                               | \$ (21,181)  | \$ 0          | \$ 0         | \$ 0       | \$ (118,676)  | \$ 0       | \$ (139,857)    | 0   | 0.00  |  |
| <b>Package 092: PERS Taxation Policy</b>          |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ (850)     | \$ 0          | \$ (200)     | \$ 0       | \$ (4,009)    | \$ 0       | \$ (5,059)      | 0   | 0.00  |  |
| <b>Package 093: Other PERS Adjustments</b>        |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ (6,789)   | \$ 0          | \$ (1,594)   | \$ 0       | \$ (32,036)   | \$ 0       | \$ (40,419)     | 0   | 0.00  |  |
| <b>Package 102 - Technology Instructors</b>       |              |               |              |            |               |            |                 |     |       |  |
| Personal Services                                 | \$ 119,668   | \$ 0          | \$ 81,068    | \$ 0       | \$ 64,246     | \$ 0       | \$ 264,982      | 2   | 2.00  |  |

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5003-A**

**Oregon Commission for the Blind  
Jim Carbone - 503-378-3619**

| DESCRIPTION                                 | GENERAL FUND        | LOTTERY FUNDS | OTHER FUNDS         |             | FEDERAL FUNDS        |             | TOTAL ALL FUNDS      | POS       | FTE          |
|---|---------------------|---------------|---------------------|-------------|----------------------|-------------|----------------------|-----------|--------------|
|   |                     |               | LIMITED             | NONLIMITED  | LIMITED              | NONLIMITED  |                      |           |              |
| Package 810: LFO Analyst Adjustments        |                     |               |                     |             |                      |             |                      |           |              |
| Personal Services                           | \$ 71,406           | \$ 0          | \$ (54,033)         | \$ 0        | \$ 64,186            | \$ 0        | \$ 81,559            | 1         | 0.50         |
| Services & Supplies                         | \$ 21,181           | \$ 0          | \$ 0                | \$ 0        | \$ 118,676           | \$ 0        | \$ 139,857           | 0         | 0.00         |
| Special Payments 6085                       | \$ 0                | \$ 0          | \$ 101,451          | \$ 0        | \$ 0                 | \$ 0        | \$ 101,451           | 0         | 0.00         |
| <b>TOTAL ADJUSTMENTS</b>                    | <b>\$ 89,735</b>    | <b>\$ 0</b>   | <b>\$ 169,050</b>   | <b>\$ 0</b> | <b>\$ (116,226)</b>  | <b>\$ 0</b> | <b>\$ 142,559</b>    | <b>3</b>  | <b>3.00</b>  |
| <b>SUBCOMMITTEE RECOMMENDATION *</b>        | <b>\$ 1,564,347</b> | <b>\$ 0</b>   | <b>\$ 3,055,164</b> | <b>\$ 0</b> | <b>\$ 12,220,266</b> | <b>\$ 0</b> | <b>\$ 16,839,777</b> | <b>51</b> | <b>47.73</b> |
| <br>  |                     |               |                     |             |                      |             |                      |           |              |
| % Change from 2011-13 Leg Approved Budget   | 36.3%               | 0.0%          | 3.7%                | 0.0%        | 6.0%                 | 0.0%        | 7.8%                 | 6.3%      | 7.0%         |
| % Change from 2013-15 Current Service Level | 6.1%                | 0.0%          | 5.9%                | 0.0%        | -0.9%                | 0.0%        | 0.9%                 | 6.3%      | 6.7%         |

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2013-2015 Key Performance Measures

**Agency: BLIND, COMMISSION for the**

Mission: To assist blind Oregonians in making informed choices and decisions to achieve full inclusion and integration in society through employment, independent living, and social self-sufficiency.

| Legislatively Proposed KPMs  | Customer Service Category   | Agency Request | Most Current Result | Target 2014 | Target 2015 |
|--|-----------------------------|----------------|---------------------|-------------|-------------|
| 1 - EMPLOYMENT- Percentage of individuals who enter into individualized plans for employment in the vocational rehabilitation program who are successful in reaching their outcome.                                    |                             | Approved KPM   | 74.00               | 68.90       | 68.90       |
| 2 - INDEPENDENT LIVING- Percentage of older individuals who complete independent living services who self assess as having an increase in confidence, skills, and abilities.   |                             | Approved KPM   | 91.00               | 85.00       | 85.00       |
| 3 - CUSTOMER SERVICE - 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   | 92.80               | 96.50       | 96.50       |
| 3 - CUSTOMER SERVICE - 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   | 95.70               | 96.50       | 96.50       |
| 3 - CUSTOMER SERVICE - 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   | 94.20               | 96.50       | 96.50       |
| 3 - CUSTOMER SERVICE - 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   | 97.10               | 96.50       | 96.50       |
| 3 - CUSTOMER SERVICE - 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   | 95.70               | 96.50       | 96.50       |



**Agency: BLIND, COMMISSION for the**

Mission: To assist blind Oregonians in making informed choices and decisions to achieve full inclusion and integration in society through employment, independent living, and social self-sufficiency.

| <b>Legislatively Proposed KPMs</b>   | <b>Customer Service Category</b> | <b>Agency Request</b> | <b>Most Current Result</b> | <b>Target 2014</b> | <b>Target 2015</b> |
|--|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 3 - CUSTOMER SERVICE - 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          | 97.10                      | 96.50              | 96.50              |
| 4 - BEST PRACTICES - Percent of total best practices met by the Commission.  |                                  | Approved KPM          | 100.00                     | 100.00             | 100.00             |

**LFO Recommendation:**

Approve the KPMs as proposed. Approve targets for 2014 and 2015 as shown.

**Sub-Committee Action:**

Approved the LFO recommendation.