

78th OREGON LEGISLATIVE ASSEMBLY – 2015 Session
PRELIMINARY BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5543

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House:
Carrier – Senate:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

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Reviewed By: Legislative Fiscal Office Staff

Meeting Date:

Agency

Biennium
2013-15

Budget Summary

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
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Education Program Area

Department of Community Colleges and Workforce Development

General Fund	\$ 481,408,441	\$ 497,468,644	\$ 12,900	0.00%
Other Funds	115,912,543	116,212,901	357,800	0.31%

Human Services Program Area

Oregon Health Authority

General Fund	\$ 1,972,206,670	\$ 1,975,167,375	\$ -601,060	-0.03%
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Department of Human Services

General Fund	\$ 2,247,307,600	\$ 2,331,583,216	\$ -537,911	-0.02%
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Long Term Care Ombudsman

Other Funds	\$ 680,105	\$ 703,321	\$ 40,000	5.69%
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Public Safety Program Area

District Attorneys & Their Deputies

General Fund	\$ 10,239,592	\$ 10,849,009	\$ 76,284	0.70%
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	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
<u>Department of Corrections</u>				
General Fund	\$ 1,396,990,504	\$ 1,448,294,183	\$ 29,016,430	2.00%
Other Funds	39,599,876	42,945,385	50,000	0.12%
<u>Oregon Criminal Justice Commission</u>				
Other Funds	\$ 483,422	\$ 691,680	\$ 650,000	93.97%
Federal Funds	7,135,487	8,270,318	1,500,000	18.14%
<u>Department of Justice</u>				
General Fund	\$ 64,380,931	\$ 66,289,084	\$ -825,231	-1.24%
Other Funds	259,697,319	270,169,616	-11,400,000	-4.22%
Federal Funds	142,235,349	144,356,473	-21,295,000	-14.75%
<u>Oregon Military Department</u>				
General Fund	\$ 20,783,532	\$ 21,863,993	\$ -31,922	-0.15%
<u>State Board of Parole and Post-Prison Supervision</u>				
General Fund	\$ 4,063,865	\$ 4,507,739	\$ 31,981	0.71%
<u>Oregon State Police</u>				
General Fund	\$ 232,126,436	\$ 240,590,265	\$ -207,786	0.00%
Other Funds	91,213,655	93,291,730	0	0.00%
<u>Oregon Youth Authority</u>				
General Fund	\$ 269,052,312	\$ 275,662,044	\$ -202,764	-0.07%

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
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Economic & Community Development Program Area

Oregon Business Development Department

Other Funds	\$ 67,638,351	\$ 77,605,374	\$ -345,000	-0.44%
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Housing and Community Services Department

General Fund	\$ 8,593,855	\$ 20,060,547	\$ 366,265	1.83%
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Natural Resources Program Area

Department of Agriculture

General Fund	\$ 18,720,616	\$ 19,460,351	\$ -14,462	-0.07%
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Department of Fish and Wildlife

General Fund	\$ 17,157,413	\$ 17,704,434	\$ -39,023	-0.22%
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Department of Forestry

General Fund	\$ 54,437,263	\$ 114,239,011	\$ 2,481,032	2.17%
Other Funds	215,657,186	399,733,999	2,270,077	0.57%

Department of Geology and Mineral Industries

General Fund	\$ 2,505,043	\$ 2,582,015	\$ 658,930	25.52%
Other Funds	7,835,292	7,955,725	4,190,555	52.67%

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
<u>Department of Land Conservation and Development</u>				
General Fund	\$ 12,330,059	\$ 12,667,032	\$ -10,246	-0.08%
<u>Department of State Lands</u>				
Other Funds	\$ 29,740,188	\$ 32,188,584	\$ 2,205,000	6.85%
<u>Water Resources Department</u>				
General Fund	\$ 26,504,946	\$ 27,284,614	\$ -27,873	-0.10%
 <u>Consumer and Business Services Program Area</u>				
<u>Oregon Board of Dentistry</u>				
Other Funds	\$ 2,581,266	\$ 2,606,916	\$ 50,000	1.92%
<u>Bureau of Labor and Industries</u>				
General Fund	\$ 11,517,209	\$ 11,846,552	\$ -9,034	-0.08%
 <u>Administration Program Area</u>				
<u>Office of the Governor</u>				
General Fund	\$ 1,007,383	\$ 11,401,846	\$ -15,305	-0.13%

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
<u>Oregon Liquor Control Commission</u>				
Other Funds	\$ 150,626,250	\$ 152,458,699	\$ 1,006,610	0.66%
<u>Department of Revenue</u>				
General Fund	\$ 165,191,130	\$ 166,641,759	\$ -154,788	-0.09%
<u>Legislative Branch Program Area</u>				
<u>Legislative Administration Committee</u>				
General Fund	\$ 33,376,264	\$ 34,719,500	\$ -24,180	-0.07%
<u>Legislative Assembly</u>				
General Fund	\$ 38,039,318	\$ 42,111,410	\$ -41,799	-0.10%
<u>Legislative Counsel Committee</u>				
General Fund	\$ 9,784,658	\$ 10,441,182	\$ -13,348	-0.13%
<u>Legislative Fiscal Officer</u>				
General Fund	\$ 3,610,997	\$ 3,896,578	\$ -7,626	-0.20%
<u>Judicial Branch Program Area</u>				
<u>Oregon Judicial Department</u>				
General Fund	\$ 394,466,850	\$ 402,814,725	\$ -379,863	-0.09%

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
<u>Public Defense Services Commission</u>				
General Fund	\$ 244,280,071	\$ 249,684,307	\$ 3,481,161	1.39%
Other Funds	4,467,042	4,474,644	-479,545	-10.72%
 <u>Miscellaneous Program Area</u>				
<u>Emergency Board</u>				
General Fund	\$ 155,106,815	\$ 28,654,777	\$ -28,654,777	-100.00%
 General Fund Total				
	\$	\$	\$ 4,325,985	
Lottery Funds Total				
			0	
Other Funds Total				
			-1,404,503	
Federal Funds Total				
			-19,795,000	
		Total	-16,873,518	

Position Summary

	2013-15 Legislatively Adopted Budget	2013-15 Legislatively Approved Spending Level	2013-15 Committee Recommendations	Percentage Change from Legislatively Approved Spending Level
<u>Administration Program Area</u>				
<u>Oregon Liquor Control Commission</u>				
Authorized Positions	230	234	3	1.28%
Full-time Equivalent (FTE) positions	225.13	226.21	0.39	0.17%

Summary of Revenue Changes

Senate Bill 5543 rebalances the State's budget with available resources. Additional General Fund revenues are available from the current ending balance. Other and Federal Funds revenues include available ending balances and grant awards.

Summary of Capital Construction Subcommittee Action

Statewide

The State Accident Insurance Fund (SAIF) declared a dividend for the State of \$7.7 million for the 2013 insurance period. The Department of Administrative Services decided to distribute the refund back to state agencies based on the funds that were used to pay the premiums. The Subcommittee approved reductions for all agencies that received a refund of more than \$7,500 General Fund.

Bureau of Labor and Industries	-\$9,034
Department of Agriculture	-\$14,462
Department of Corrections	-\$983,570
Department of Fish and Wildlife	-\$39,023
Department of Geology and Mineral Industries	-\$11,070
Department of Human Services	-\$537,911
Department of Justice	-\$12,217
Department of Land Conservation and Development	-\$10,246
Department of Revenue	-\$154,788
District Attorneys	-\$15,716
Legislative Administration Committee	-\$24,180
Legislative Assembly	-\$41,799
Legislative Counsel Committee	-\$13,348
Legislative Fiscal Office	-\$7,626
Office of the Governor	-\$15,305
Oregon Health Authority	-\$601,060
Oregon Judicial Department	-\$379,863
Oregon Military Department	-\$31,922
Oregon State Police	-\$207,786
Oregon Youth Authority	-\$202,764
Public Defense Services Commission	-\$18,839
Water Resources Department	-\$27,873
Total	-\$3,360,403

Education Program Area

Department of Community Colleges and Workforce Development

The computer servers which are used for some of the core information systems infrastructure for the Department of Community College and Workforce Development Department (CCWD) recently failed. Emergency actions were taken for a short-term solution but the agency still requires a long-term solution. In addition, as CCWD becomes part of the Higher Education Coordinating Commission (HECC), there is a need to integrate data and systems originating from CCWD, the elements of the Oregon University System (OUS), and the existing functions of HECC. CCWD and HECC developed a plan which will cost a total of \$356,000 total funds to address both issues. The majority of the funding for the plan will come from federal ALDER funds held by the Chancellor's Office of OUS which will be transferred to CCWD requiring an Other Funds Expenditure Limitation increase of \$332,800. The remaining costs are not ALDER-funds eligible costs and will be financed with existing CCWD Other Funds and Federal Funds, and the request for \$12,900 General Fund included in this bill. The agency has sufficient Federal Funds expenditure limitation for the federal share of the remaining costs.

The Other Funds expenditure limitation related to revenues from the Western Oregon and Eastern Oregon Timber Severance Tax Funds is increased by \$25,000 to reflect increased revenues collected during this biennium. These revenues are paid to the 17 Community Colleges through the Community College Support Fund. The original \$25,308 Other Funds expenditure limitation is insufficient and must be increased by \$25,000.

Human Services Program Area

Long Term Care Ombudsman

The Subcommittee approved an increase of \$40,000 Other Funds expenditure limitation to accommodate additional funding for the Senior Medicare Patrol program since federal grant funds were extended through May 31, 2015. The program educates seniors, their families, and caregivers on health care fraud, error, and abuse. The federal dollars are authorized under the Older Americans Act, with funding passed through the Department of Human Services and recorded as Other Funds in the agency's budget.

Public Safety Program Area

State Board of Parole and Post-Prison Supervision

The subcommittee approved an increase of \$31,981 General Fund to the Board of Parole and Post-Prison Supervision for the purpose of finishing the Parole Board Management Information System. The 2013 Legislature provided a \$350,000 General Fund reservation for this purpose and the Emergency Board approved \$318,109 at the September 2014 meeting.

Department of Corrections

General Fund

The 2013-15 Legislatively Adopted Budget (LAB) included unspecified General Fund reductions totaling \$77.9 million. In addition, the LAB anticipated cost avoidance of \$12.6 million (HB 2087) for increased Medicaid use and \$19.7 million associated with HB 3194 sentencing reform. Current projections anticipate not realizing \$5.5 million of the HB 3194 cost avoidance. Lastly, \$2.5 million of the agency's employee compensation package was unfunded, bringing the total agency shortfall to \$85.9 million.

To assist the agency in managing this shortfall, the Legislature, during the 2014 session, restored a portion of the unspecified reduction by adding back the agency's 2% statewide ending balance reduction of \$26.0 million. The agency has also worked to create efficiency savings of \$5.6 million. The savings include changing pull post strategies, reducing administrative support, implementing staff workarounds, reducing correctional officer support, changing from tray service to food serving lines, implementing a paperless grievance system, loosening mandatory sheet exchange, thermostat/lighting control, etc. Some of these efficiencies can continue; others are one-time in nature. Finally, the agency has identified \$21.5 million in reductions through a combination of vacancy savings and services and supplies reductions. As shown in the following display, the remaining estimated General Fund shortfall is \$32.8 million. The agency has re-projected spending compared to budget each month. The most recent calculation is through December 2014 actual expenditures. Over the 18 months of the biennium, the projected gap has ranged from \$32.4 to \$38.8 million.

<u>The shortfall</u>	<u>\$ Millions</u>
2013-15 Legislative Adopted Budget unspecified reductions	\$ (77.9)
HB 3194 unrealized cost avoidance - sentencing reform	(5.5)
Unfunded employee compensation	(2.5)
Total Shortfall	\$ (85.9)
<u>Solutions</u>	
2% holdback restoration - February 2014	\$ 26.0
Efficiency Savings	5.6
Staffing - planned reductions	21.5
Total Solutions	\$ 53.1
<u>Remaining General Fund shortfall, agency request</u>	<u>\$ (32.8)</u>

The Subcommittee approved \$30 million General Fund, with the understanding that the remaining estimated balance can be addressed, if needed, during the agency's 2015-17 Legislatively Adopted Budget hearings and work session. Of that total, \$27.7 million is directed to the Operations division, with the remaining \$2.3 million going to Administration, General Services and Human Services.

Rebalance items

The Subcommittee approved increasing the Other Funds Debt service limitation by \$50,000, to compensate for the federal government's reducing its commitment to subsidize states' taxable bond debt service through the Build America Bond Subsidy program. The revenue for this unexpected shortfall is provided by capital project savings.

The Subcommittee approved the following adjustments to the Department of Corrections' budget. All the adjustments net to \$0.

- Consolidate print services - \$940,035 General Fund out of six divisions and into Central Administration.
- Move Oregon Community Health Information Network billing to Central Administration from Health Services - \$315,454 General and \$110,838 Federal Funds.
- Move an Inmate Work Program assistant (1 position/1.00 FTE) from General Services to Operations - \$201,744 Other Funds.
- Adjust the Offender Management and Rehabilitation (OMR) division budget to correctly align budget with activities as follows:
 - Move Community Corrections forecasting/budgeting position from OMR to Community Corrections - \$200,492 General Fund (1 position/1.00 FTE).
 - Move a portion of the Inmate Welfare Fund from OMR to Community Corrections - \$103,271 Other Funds.
 - Move Inmate Work Program administration from OMR to Operations - \$403,720 Other Funds.

Oregon Criminal Justice Commission

The Subcommittee approved increasing the Other Funds expenditure limitation by \$650,000. The Commission received a non-competitive \$370,000 Vera grant for technical assistance to implement CJC's Justice Reinvestment program, of which \$250,000 will be used during the 2013-15 biennium. In addition, asset forfeiture revenues are \$400,000 higher than expected. Asset forfeiture revenue is hard to project, and any revenue in excess of budgeted expenditure limitation is usually held for use in the next biennium. In 2013-15, however, there is an emphasis on spending more than originally planned to maintain the Specialty Courts grant program as budgeted.

The Subcommittee approved a Federal Funds increase of \$1,500,000. Of that amount, \$500,000 is the 2013-15 portion of a federal Justice Reinvestment grant that the agency applied for in May 2014, and that was awarded in September 2014. The funding is directed to Klamath and Lane counties. Second, the agency receives Byrne JAG formula grants every year. The grants are typically spent over a four year period. In 2013-15, however, accelerated federal funds spending for Justice Reinvestment grants left a shortfall in Specialty Courts, which this \$1 million expenditure limitation will address.

Department of Justice

The Subcommittee disappropriated \$1,140,000 General Fund Debt Service in the Child Support Division for the Child Support Enforcement Automated System (CSEAS) project. The project continues to make good progress, but slower than originally anticipated. Other Funds expenditure limitation was reduced by \$11.4 million and Federal Funds expenditure limitation by \$21.6 million. These funds had previously been unscheduled by the Emergency Board in September 2014 as not being needed by the project this biennium.

The Subcommittee appropriated \$326,986 of General Fund to the Defense of Criminal Convictions (DCC) to fully fund forecasted cost. DCC total funding becomes \$18.5 million, which is close to the original close-of-session forecast of \$18.6 million.

The Subcommittee increased the Criminal Justice Division's Federal Funds expenditure limitation by \$305,000 for its High Intensity Drug Trafficking Area (HIDTA) grant due to increases in awarded amounts and reimbursements. With the approval of this request, HIDTA grants total \$9.6 million for an increase of 3.3%.

District Attorneys

The Subcommittee approved an increase of \$92,000 General Fund for the District Attorneys to cover underfunding of approved compensation changes for the 2013-15 biennium and early implementation of the biennium's second cost-of-living adjustment for state employees.

Oregon State Police

This budget-neutral action re-allocates \$396,462 of General Fund between four OSP appropriations.

It reduces \$403,930 from the Patrol, Criminal Investigations, and Gaming Divisions appropriation and increases the Fish & Wildlife Division appropriation in the same amount. The reduction is due to vacancy savings in the Patrol Division, and the increase is needed in the Fish and Wildlife Division to balance increased expenditures for rent and for capital outlay to replace vehicles in the current biennium. It reduces \$156,116 in the Administrative Services, Criminal Justice Information Systems, and State Fire Marshal Divisions' appropriation, and increases the Forensics & Medical Examiner Divisions appropriation by \$30,517, with the remainder increasing the Fish & Wildlife Division appropriation by \$125,599. The reduction is due to vacancy savings, and the increase in the Forensics & Medical Examiner division provides a small cushion against unanticipated year-end expenses. The increase in the Fish & Wildlife division further addresses the rent and capital outlay shortfalls noted above.

This action also re-allocates \$775,999 in Other Funds limitation between four OSP Other Funds limitations.

It reduces Other Funds expenditure limitation in the Patrol, Criminal Investigations, and Gaming Divisions by \$1,789,464. The net reduction across the three divisions in this limitation is due to vacancy savings in the Patrol Division; additional Sex Offender Grant dollars in the Criminal Investigations Division; and reducing expenditure limitation in the Gaming Division in order to shift personnel expenditures to the General Fund due to Gaming Division fee shortfalls. It increases the Fish & Wildlife expenditure limitation by \$766,992 to reflect additional revenue received and expenses incurred for both patrol coverage on Sauvie Island and increased patrol coverage along the Columbia River resulting from SB 830 (2013). It increases the Forensics and Medical Examiner expenditure limitation by \$660,962 to offset rent expenses with a rent refund received from DAS at the close of the 2011-13 biennium, and to use about \$200,000 in excess ending balance on toxicology services and supplies needed to process a backlog of analyses in the Forensics Division. It increases the Administrative Services, Criminal Justice Information Systems, and State Fire Marshal Divisions' expenditure limitation by \$361,510 to cover fire costs incurred during the 2013-15 fire seasons in excess of available expenditure limitation.

Economic and Community Development Program Area

Oregon Business Development Department

The Subcommittee approved a reduction of \$345,000 in the Other Funds expenditure limitation for Regional Solutions. The Legislature previously approved a total of \$9,350,000 Other Funds expenditure limitation for Regional Solutions during the 2014 session in House Bill 5201. The program is funded from lottery revenue bond proceeds. The approved project names and associated funding levels were revised as follows:

- North Central Region – North Central Oregon Attainable Housing Revolving Loan Fund (\$2 million)
- South Central Region – Removing Stringent Air Quality Permitting Requirements (\$1.5 million)
- South Central Region – Innovation and Learning Center (\$500,000)

- Mid-Valley Region – White’s Rail Siding (\$300,000)
- Mid-Valley Region – Carlton Water Infrastructure (\$500,000)
- Mid-Valley Region – Marion-Polk Food Share (\$205,000)
- North Coast Region – Rainier Rail Corridor (\$2 million)
- South Coast Region – Portable Dredge Purchase and Dredging Expense Matching Financial Support (\$2 million).

Housing and Community Service Department

The Subcommittee recommended an appropriation of \$349,000 General Fund to the Housing and Community Services Department for foreclosure prevention counseling associated with the Oregon Foreclosure Avoidance program. This assumes that fifteen counseling agencies providing foreclosure counseling services in conjunction with Senate Bill 1552 (2012) and SB 558 (2013) will be operating at a maximum capacity of a collective 182 new cases per month through the end of the 2013-15 biennium, and will be reimbursed on a fee for service basis for initial counseling and attendance at resolution conferences.

The Subcommittee also recommended an appropriation of \$17,265 General Fund the Department for the Court Appointed Special Advocates program.

Natural Resources Program Area

Forestry Department

The Subcommittee approved a \$2,481,032 General Fund appropriation to the Oregon Department of Forestry for expenses related to unbudgeted emergency fire costs in the 2013-15 biennium and for budgeted cost overruns incurred in the 2011-13 and 2013-15 biennia resulting from severe fire season activities.

The Subcommittee approved an Other Funds expenditure limitation increase of \$2,270,077 for the Oregon Department of Forestry to expend funds provided by private and public sources for unbudgeted district emergency fire cost deductibles and for budgeted cost overruns incurred in the 2013-15 biennium resulting from severe fire season activities.

Department of Geology and Mineral Industries

The Subcommittee approved an Other Funds increase of \$4,190,555 for increased LIDAR contracts that the agency has procured. The agency has experienced a significant increase in the number of projects contracted through the Oregon LIDAR Consortium, a coordination of state and federal agencies, local governments, and the private sector.

The Subcommittee approved a one-time appropriation of \$670,000 General Fund to purchase an array of fifteen seismometers located throughout Oregon from the National Science Foundation (NSF) to enhance and contribute to the Earthquake Early Warning System in Oregon and Washington with partnership through the Pacific Northwest Seismic Network (PNSW). If Oregon did not purchase the seismometers, NSF would relocate them to another state, thereby reducing Oregon's ability to monitor seismic activity in the state. The on-going maintenance of the seismometers will continue to be provided by the University of Oregon in cooperation with the PNSW.

Department of State Lands

The Subcommittee approved an increase in Other Funds expenditure limitation of \$2,205,000 for two purposes. \$1,600,000 is needed for Portland Harbor professional services work focused on developing position papers and riparian mapping. As of December 31, 2014, the agency had used around \$45,000 more than its 2013-15 limitation of \$2.6 million. Costs are estimated at \$255,000 per month for the remainder of the biennium. Typically around 18 people are working on the contract at billing rates ranging from \$70 - \$176 per hour. Work will continue at some level until the EPA has sufficient information to issue a Record of Decision, which is expected in about 3 years. Actual clean-up work would likely commence about 2 years after the Record of Decision. An insurance settlement provides funding for this investigative work.

The second need is for higher than expected Attorney General expenses for contested cases that may or may not proceed to litigation as well as legal advice on task forces and work groups such as the Filled Lands Advisory Group and Suction Dredging Work Group. Finally, the Elliott Forest Alternative Study has increased legal expenses. The total additional Attorney General expenditure limitation is \$605,000.

Consumer and Business Services Program Area

Board of Dentistry

The Subcommittee approved an Other Funds increase of \$50,000 to cover the Board's costs to participate in national organization meetings, increased facility rent, and an unplanned move to new facilities. The Board had previously accounted for reimbursement from national organizations for participation in meetings as a reduction of expenses, however these transactions need to be shown as a separate revenue and expense item, thereby increasing the Board's limitation needs. Additionally the Board's landlord requested the Board relocate after the previous lease expired and a new agreement could not be reached, forcing the Board to locate to new facilities.

Administration Program Area

Department of Administrative Services

The Capital Construction Subcommittee amended the Other Funds Nonlimited authority established for the Department of Administrative Services by section 5, chapter 627, Oregon Laws 2013, to ensure that a state agency has clear authority to disburse the proceeds of state bonds sold for the betterment of the state's public universities, both those with, and without, governing boards.

Oregon Liquor Control Commission

The Subcommittee approved an increase in Other Funds expenditure limitation in the amount of \$756,610 for the Oregon Liquor Control Commission, related to implementation of Measure 91, which legalized the recreational use of marijuana in Oregon under certain circumstances. Of this amount, \$57,074 is related to personal services expenditures for three positions (0.39 FTE). The additional FTE will provide the new division with administrative staffing, additional policy and research analysis, and regulatory compliance and enforcement support as OLCC begins to plan and implement technology solutions to licensing and tracking of product, and gather objective information on best practices and science related to regulation, impairment, consumption and other matters. Services and Supplies costs total \$349,536 and are primarily related to contracted professionals for project management and business systems analysis related to regulatory technology solutions; of this amount, \$100,000 is included for costs that may be associated with the acceptance of a bid for licensing and seed-to-sale tracking technology solutions, with the understanding that the Department of Administrative Services unschedule this amount until proof of related costs is presented by the agency. Another \$350,000 is included for a public information campaign related to legal marijuana, responsible use, and information for parents and guardians of minor children.

An additional \$250,000 of Other Funds expenditure limitation is included for expenses related to liquor agent's compensation, with the understanding that the Department of Administrative Services will unschedule this amount until sales data and actual additional compensation amounts are determined by the Oregon Liquor Control Commission.

Judicial Branch Program Area

Public Defense Services Commission

The Subcommittee approved an increase of \$3,500,000 in the General Fund appropriation to the agency for Professional Services, and a reduction of \$479,545 in the Other Funds expenditure limitation for the Public Defense Services Account. The General Fund and Other Funds in the adjusted items are combined to fund the costs of contracted public defense services, primarily at the trial level. Other Funds consist of revenues paid by defendants under the Application Contribution Program.

Revenues from the Application/Contribution Program are projected to be approximately \$480,000 below the level needed to support the expenditure level in the legislatively approved budget. The additional \$3,500,000 General Fund appropriation covers this shortfall, plus approximately \$3 million for additional costs resulting from higher-than-forecast caseload levels. The majority of caseloads costs are for Non-Death Penalty cases at the trial level, however, approximately \$1 million is to cover Death Penalty case costs. The Other Funds expenditure limitation adjustment reduces expenditures to reflect the revised projection of Other Funds revenues.

Miscellaneous

Emergency Board

Senate Bill 5543 disappropriates \$28,654,777 General Fund from the Emergency Board. This represents the remaining amount of appropriation in the Emergency Fund for the 2013-15 biennium.

Bonding

Eastern Oregon University

Subsequent to the passage of SB 5506 Eastern Oregon University learned that the planning and design activities originally intended for funding with XI-Q bond proceeds were not sufficiently tied to a capital asset to meet the Article XI-Q Constitutional requirements of “acquiring, constructing, remodeling, repairing, equipping or furnishing real or personal property that is or will be owned or operated by the State of Oregon.” Therefore, the Subcommittee authorized that the \$2,000,000 of Article XI-Q bond proceeds allocated to Eastern Oregon University be used instead to acquire, construct or remodel a facility for a Childcare Center; to acquire technology and other academic equipment, and to undertake capital projects to address ADA compliance or health and safety needs. Debt service on the Article XI-Q bonds will still be paid with General Fund.

Oregon Institute of Technology

Subsequent to the passage of SB 5506 the Oregon Institute of Technology (OIT) learned that the planning and design activities originally intended for funding with XI-Q bond proceeds were not sufficiently tied to a capital asset to meet the Article XI-Q Constitutional requirements of “acquiring, constructing, remodeling, repairing, equipping or furnishing real or personal property that is or will be owned or operated by the State of Oregon.” Therefore, the Subcommittee authorized that the \$2,000,000 of Article XI-Q bond proceeds allocated to the Oregon Institute of Technology be used instead to acquire, repair, equip or furnish essential technological enhancement capital projects on its campuses. Debt service on the Article XI-Q bonds will still be paid with General Fund.