

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Agency: Oregon Business Development Department

Biennium: 2015-17

Budget Summary*

| | 2013-15 Legislatively Approved Budget ⁽¹⁾ | 2015-17 Current Service Level | 2015-17 Committee Recommendation | Committee Change from 2013-15 Leg. Approved | |
|-------------------------------------|---|----------------------------------|-------------------------------------|--|--------------|
| | | | | \$ Change | % Change |
| General Fund | \$ 4,496,609 | \$ 4,115,924 | \$ 4,115,924 | \$ (380,685) | -8.5% |
| General Fund Debt Service | \$ 3,875,258 | \$ 9,136,630 | \$ 9,136,630 | \$ 5,261,372 | 135.8% |
| Lottery Funds | \$ 69,609,353 | \$ 41,041,648 | \$ 64,256,620 | \$ (5,352,733) | -7.7% |
| Lottery Funds Debt Service | \$ 48,026,937 | \$ 47,607,194 | \$ 45,114,206 | \$ (2,912,731) | -6.1% |
| Other Funds | \$ 72,605,374 | \$ 66,279,836 | \$ 65,874,837 | \$ (6,730,537) | -9.3% |
| Other Funds Debt Service | \$ 5,000,000 | \$ 400,000 | \$ 400,000 | \$ (4,600,000) | -92.0% |
| Other Funds Nonlimited | \$ 185,164,442 | \$ 170,773,804 | \$ 170,773,804 | \$ (14,390,638) | -7.8% |
| Other Funds Debt Service Nonlimited | \$ 43,661,187 | \$ 30,198,661 | \$ 30,198,661 | \$ (13,462,526) | -30.8% |
| Federal Funds | \$ 39,051,307 | \$ 39,811,990 | \$ 39,969,742 | \$ 918,435 | 2.4% |
| Total | \$ 471,490,467 | \$ 409,365,687 | \$ 429,840,424 | \$ (41,650,043) | -8.8% |

Position Summary

| | | | | |
|--------------------------------------|--------|--------|--------|------|
| Authorized Positions | 135 | 132 | 136 | 1 |
| Full-time Equivalent (FTE) positions | 131.88 | 129.50 | 133.74 | 1.86 |

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The main source of revenue for the Oregon Business Development Department (Business Oregon) is Lottery Funds. The department receives General Fund support to finance the Arts Commission and to make General Obligation Debt Service payments. Primary sources of Other Funds revenue in the upcoming biennia include loan repayments of approximately \$65.9 million, interest income of \$36.7 million, donations of \$8.3 million, charges for services of \$1.4 million, and other miscellaneous revenue. Other Funds are expended under both Limited and Nonlimited expenditure authority. Typically, Nonlimited expenditure authority is used for bond-related and revolving loan fund expenditures.

The Community Development Block Grant is the largest source of Federal Funds the department receives on a regular basis and provides support for programs in the Infrastructure Finance Authority. Federal Funds also support the Brownfields program and the State Small Business Credit Initiative Grant. The department typically receives other small grants throughout the biennium.

Lottery Funds allocations are not approved in Senate Bill 5525, but are included in the statewide Lottery Allocation Bill (House Bill 5029).

Summary of Transportation and Economic Development Subcommittee Action

The Oregon Business Development Department is the state agency charged with maintaining and promoting the economic development policy of the state. The agency's mission is to enable the creation, retention, expansion and attraction of businesses to provide sustainable, living-wage jobs for Oregonians. Through public-private partnerships the department leverages funding and supports economic opportunities for Oregon companies and entrepreneurs. Business Oregon delivers services through its two major divisions: Business, Innovation, and Trade and the Infrastructure Finance Authority. The agency's budget also includes Shared Services, the Arts Commission, the Office of Film and Video, and Lottery Bond Debt Service.

The Subcommittee recommended budget approved in Senate Bill 5525 does not include expenditures of any new bond proceeds. The bill authorizes expenditures totaling \$13,252,554 General Fund, \$109,370,826 Lottery Funds, \$66,274,837 Other Funds, \$200,972,465 Other Funds Nonlimited, and \$39,969,742 Federal Funds for the 2015-17 biennium. Total expenditures are 8.8 percent below the legislatively approved spending level for the 2013-15 biennium. The Subcommittee recommended the \$109,370,826 Lottery Funds expenditures in the 2015-17 biennium budget be expended as follows:

- \$64,256,620 for programs, and
- \$45,114,206 for debt service.

The recommendations of the Subcommittee do not address the department's bond requests. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests, and will include any budget adjustments related to bond-supported programs in bond authorization bills and in the end-of session Emergency Board bill.

The Subcommittee approved the following recommendations.

Shared Services/Central Pool

Shared Services functions include: the Directors Office, Employee Services, Fiscal and Budget Services, Strategic Services and the Technology Project Office. The program is responsible for general policy development, supporting the Business Development Commission, strategic planning, maintaining information systems, budget development and administration, financial reporting, and human resources functions. The Subcommittee approved a budget of \$9,050,520 total funds and 33 positions (33.00 FTE).

The Subcommittee approved Package 802: Technical Adjustments/Agency Realignment. This package reduces Lottery Funds by \$339,417, reduces Other Funds expenditure limitation by \$200,705, and removes two positions (2.00 FTE) from Shared Services. This package transfers two full-time permanent positions and associated Services and Supplies in the Research and Policy Section of Shared Services to Business, Innovation and Trade. These expenditures and positions are added to the Business Innovation, Trade Division and result in no net change to the department's budget.

Business, Innovation, Trade

The Business, Innovation, Trade division promotes business retention, growth, and job creation by removing barriers to industry competitiveness; working with economic development partners across the state to address business needs; and working directly with businesses to help them grow. The division works to create prosperity for Oregonians through a robust economy that provides living-wage jobs. The division's primary customers are existing Oregon businesses. Staff works with small and medium-sized companies to keep them operating and growing in Oregon. Services include professional technical assistance to Oregon companies, direct investments for job creation, loan guarantees, small business loans, trade promotion and export assistance. The Subcommittee approved a budget of \$83,157,153 total funds and 57 positions (54.74 FTE).

The Subcommittee approved Package 101: Oregon Innovation Council. This package provides \$17,908,981 Lottery Funds for six Oregon Innovation Council (Oregon InC) initiatives, in the amounts identified:

- Oregon Nanoscience and Microtechnologies Institute (ONAMI) - \$5,995,325
- Oregon Built Environment and Sustainable Technologies Center (BEST) - \$5,923,956
- Oregon Translational Research and Development Institute (OTRADI) - \$1,989,700
- SOAR Oregon - \$3,000,000
- Drive Oregon - \$750,000
- Oregon Wave Energy Trust (OWET) - \$250,000.

The department is instructed to include the total funding amount approved for support of Oregon Innovation Council initiatives in its base budget, beginning with its 2017-19 biennium budget request. The department shall identify the funding levels for individual initiatives in the current service level budget, and may change support levels for individual initiatives within the current service level portion of its budget request.

The Subcommittee approved Package 102: Research Analyst. This package provides \$189,111 Lottery Funds and establishes one full-time permanent Research Analyst 4 position (0.87 FTE) to support the work of the department through research, data collection and analysis.

The Subcommittee approved Package 104: International Trade Promotion Capacity. This package provides \$221,932 Lottery Funds and establishes one full-time permanent Operations and Policy Analyst 4 position (0.87 FTE) to increase the international trade capacity of the department and increase its ability to grow foreign direct investments that bring new capital and global business operations into the state.

The Subcommittee approved Package 105: Industry Competitiveness Fund. This package provides \$950,000 Lottery Funds to support the following programs:

- \$750,000 to supplement funding for the Oregon Manufacturing Extension Partnership, and
- \$200,000 to support the Grow Oregon economic gardening pilot project.

The \$200,000 Lottery Funds expenditure limitation provided for the Grow Oregon pilot project is approved on a one-biennium basis, and will be phased out in the development of the department's 2017-19 biennium current service level budget.

The Subcommittee approved Package 109: Oregon Growth Board. This package provides \$83,968 Lottery Funds and increases an existing Operations and Policy Analyst 4 position (0.50 FTE), that provides administrative support to the Oregon Growth Board, from half-time to full-time.

The Subcommittee approved Package 111: Innovation Initiative. This package provides \$3,249,065 Lottery Funds to support the Oregon Metals Initiative (OMI) and the Northwest Collaboratory for Sustainable Manufacturing (NWCSM). Total support includes \$2,500,000 of enhanced support above the current service level, plus \$749,065 Lottery Funds for current service level support. The current service level support amount is transferred from the budget of the Higher Education Coordinating Commission to OBDD. State support for the initiatives is consolidated in the OBDD Budget. The funds include a minimum of \$500,000 dedicated for OSU, PSU, and OIT research equipment purchases. The Subcommittee also approved a budget note related to this package:

Budget Note:

The Subcommittee finds that the Oregon Metals Initiative contributes to the advancement of Oregon's innovation and entrepreneurship economy. The Subcommittee understands that the Oregon Metals Initiative will add the director of the Oregon Business Development Department, or the Director's designee, to the Board of the Oregon Metals Initiative as an ex-officio member, to continue the successes of the Oregon Metals Initiative, and to further enhance the collaboration between private businesses and public entities.

The Subcommittee approved Package 801: LFO Analyst Adjustments. This package reduces Lottery Funds support for the Strategic Reserve Fund by \$1,700,000 and increases Other Funds expenditure limitation from the Strategic Reserve Fund by \$900,000 to partially offset the impact of the Lottery Funds reduction. The reduction in Lottery Funds support to the Strategic Reserve Fund is to address limitations in the availability of General Fund and Lottery Funds revenues to support the state budget. The combined impact of this package is to reduce total Strategic Reserve Fund expenditures by \$800,000.

The Subcommittee approved Package 802: Technical Adjustments/Agency Realignment. This package reduces Lottery Funds by \$692,045, reduces Other Funds expenditure limitation by \$345,615, reduces Other Funds Nonlimited by \$2,596,223, reduces Federal Funds expenditure limitation by \$2,566,743, and removes a net of three positions (3.00 FTE). This package transfers in two full-time positions and associated services and supplies from the Research and Policy Section of Shared Services to Business, Innovation and Trade. It also transfers out five full-time positions in the Brownfields, Industrial Lands, Broadband, and Seismic Rehabilitation Grant programs, and associated services and supplies expenditures, from Business, Innovation and Trade to the Infrastructure Finance Authority.

The Subcommittee approved Package 803: Revenue Adjustments. This package adjusts Lottery Funds revenues and expenditures to account for updated projections of Lottery Funds beginning balances, to account for the reversion of uncommitted 2013-15 biennium ending fund balances to the Administrative Services Economic Development Fund, to allow for expenditures of committed Lottery Funds balances that are not included in the current service level budget, and to leave a zero Lottery Funds ending balance. Adjustments in the package increase Lottery Funds beginning balances by \$9,032,648, reduce the Lottery Funds allocation by \$3,570,000, establish a \$4,722,684 Lottery Funds reversion to the Administrative Services Economic Development Fund, and increase Lottery Funds Special Payments by \$1,011,915 for the following programs:

- Strategic Reserve Fund – (\$81,043)
- Industry Competitiveness Fund - \$162,375
- Business Innovation and Trade (WISE Project) - \$423,427
- Oregon Growth Fund - \$507,156.

The Subcommittee approved Package 804: Small Business Development Centers. This package increases Lottery Funds by \$300,000 to fund two Oregon Small Business Development Center Network programs. The funding is expected to service at least 50 small business clients seeking capital, to provide 1,300 hours of technology advising, and to lead to the creation of 65 new jobs during the 2015-17 biennium. The funding in this package is allocated as follows:

- \$200,000 to the Capital Access Team for the purpose of assisting small business access to capital, and
- \$100,000 to the Network Technology Impact Program for the purpose of providing technology advising to small businesses.

Infrastructure Financing Authority

The Infrastructure Finance Authority assists communities to build infrastructure capacity to address community facilities for public health, safety and compliance issues as well as support communities' ability to attract, retain and expand businesses. The program is a low cost and readily available infrastructure funding source for Oregon rural communities, counties, special districts, ports and tribes. As communities identify projects, program staff work directly with the applicants to develop preliminary proposals before proceeding to complete program applications. The Subcommittee approved a budget of \$267,549,343 total funds and 36 positions (36.00 FTE).

The Subcommittee approved Package 106: Regional and Local Infrastructure Development. This package increases Other Funds expenditure limitation by \$189,859 and establishes one full-time permanent Program Analyst 3 position (1.00 FTE) to serve as a Regional Coordinator serving one of the eleven Regional Solutions areas.

The Subcommittee approved Package 117: Regional Solutions. This package provides \$1,000,000 Lottery Funds for the Infrastructure Finance Authority, for support of the Regional Accelerator and Innovation Network (RAIN), a project of the South Valley/Mid Costal Regional Solutions Advisory Committee. Funding is provided on a one-time basis and will be phased out in the development of the department's 2017-19 biennium current service level budget.

The Subcommittee approved Package 802: Technical Adjustments/Agency Realignment. This package provides \$1,031,462 Lottery Funds, increases Other Funds expenditure authority by \$546,320, increases Other Funds Nonlimited by \$2,596,223, increases Federal Funds expenditure limitation by \$2,724,495, and establishes five positions (5.00 FTE). This package transfers five full-time permanent positions Brownfields, Industrial Lands, Broadband, and Seismic Rehabilitation Grant programs, and associated services and supplies expenditures, from Business, Innovation and Trade to the Infrastructure Finance Authority.

The Subcommittee approved Package 803: Revenue Adjustments. This package revises Other Funds beginning balances and expenditures. The package reduces Other Funds beginning balance, and Other Funds expenditures, by \$1,665,000. The remaining amount of Lottery Bond proceeds

issued in the 2013-15 biennium for Regional Solutions projects totals \$6,335,000. This package adjusts the department's 2015-17 budget to be consistent with that balance.

Film and Video

The Oregon Film and Video Office is a semi-independent agency designed to recruit and facilitate film and television production throughout the state. The Office acts to enhance the industry's revenue, profile, and reputation within Oregon and among the industry internationally. It also recruits the industry to film features, movies, and television series in Oregon and actively recruits related businesses to relocate to Oregon permanently. Because the Office is a semi-independent state agency, its employees are not state employees. Its staff is under the direction of a five member board appointed by the Governor. The Film and Video Office exists in Business Oregon for budgetary purposes and receives Lottery Funds via a Special Payment from the department. The Subcommittee approved a budget of \$1,164,460 total funds and no positions.

The Subcommittee recommended funding this program at current service level.

Arts

The Arts division of the department includes both the Arts Commission and the Oregon Cultural Trust. The Arts Commission provides leadership, funding and arts programs through grants, special initiatives and services to arts organizations, artists and communities. The Oregon Cultural Trust strategically promotes Oregon's arts, humanities, heritage, preservation and history. Through a tax credit, the Oregon Cultural Trust encourages citizen participation in donating directly to over 1,300 cultural organizations and to the Trust. The Subcommittee approved a budget of \$14,268,112 total funds and 10 positions (10.00 FTE).

The Subcommittee approved Package 112: Public Arts Coordinators. This package provides \$165,542 Other Funds expenditure limitation and establishes one full-time permanent Program Analyst 2 position (1.00 FTE) to augment administration of the Percent for Art program. The addition of this new position will double the number of Arts Commission employees dedicated to the Percent for Art program. The legislatively adopted budget provides an additional permanent full-time position for the Cultural Trust in Senate Bill 441. The department will be able to coordinate its workload with the two added positions. If Senate Bill 441 does not become law, the department may request a second Percent for Arts position during the 2016 Session.

The Subcommittee approved Package 803: Revenue Adjustments. This package increases the Other Funds beginning balance and Other Funds expenditure limitation by \$4,600. The remaining amount of proceeds from Lottery Bonds issued in the 2013-15 biennium for Confluence Project Celilo Park Project Site and for the High Desert Museum totals \$1,149,600, which is \$4,600 more than the amount currently included in the department's budget. This package adjusts the department's 2015-17 budget to be consistent with that balance.

Lottery and General Obligation Bond Debt Service

The Lottery and General Obligation Bond Debt Service program is used to track the payment of Lottery and General Obligation debt service, including both principal and interest payments. The Lottery Funds revenue in this program unit is almost entirely made up of transfers from the Department of Administrative Services Economic Development Fund. Business Oregon retains the interest on those transfers and uses them as Other Funds to pay a portion of the debt as well. The Subcommittee approved a budget of \$54,650,836 total funds and no positions.

The Subcommittee approved Package 811: Updated Base Debt Service Adjustment. This package reduces Lottery Funds by \$2,492,988. The package corrects debt service expenditures, and revenues for Lottery revenue bonds issued prior to the 2015 Session to currently-required levels.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5525-A

**Oregon Business Development Department
Dustin Ball -- 503-378-3119**

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|---------------|----------------|---------------|----------------|----------------|------------|-----------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| 2013-15 Legislatively Approved Budget at Dec 2014 * | \$ 8,371,867 | \$ 117,636,290 | \$ 77,605,374 | \$ 228,825,629 | \$ 39,051,307 | \$ - | \$ 471,490,467 | 135 | 131.88 |
| 2015-17 Current Service Level (CSL)* | \$ 13,252,554 | \$ 88,648,842 | \$ 66,679,836 | \$ 200,972,465 | \$ 39,811,990 | \$ - | \$ 409,365,687 | 132 | 129.50 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 110 - Shared Services/Central Pool | | | | | | | | | |
| Package 802: Technical Adjustments/Agency Realignment | | | | | | | | | |
| Personal Services | \$ - | \$ (244,201) | \$ (200,705) | \$ - | \$ - | \$ - | \$ (444,906) | -2 | -2.00 |
| Services and Supplies | \$ - | \$ (95,216) | \$ - | \$ - | \$ - | \$ - | \$ (95,216) | | |
| SCR 210 - Business, Innovation, Trade | | | | | | | | | |
| Package 101: Oregon Innovation Council | | | | | | | | | |
| Special Payments - Dist to Non-Profit Organizations | \$ - | \$ 17,908,981 | \$ - | \$ - | \$ - | \$ - | \$ 17,908,981 | | |
| Package 102: Research Analyst | | | | | | | | | |
| Personal Services | \$ - | \$ 151,011 | \$ - | \$ - | \$ - | \$ - | \$ 151,011 | 1 | 0.87 |
| Services and Supplies | \$ - | \$ 38,100 | \$ - | \$ - | \$ - | \$ - | \$ 38,100 | | |
| Package 104: International Trade Promotion Capacity | | | | | | | | | |
| Personal Services | \$ - | \$ 176,232 | \$ - | \$ - | \$ - | \$ - | \$ 176,232 | 1 | 0.87 |
| Services and Supplies | \$ - | \$ 45,700 | \$ - | \$ - | \$ - | \$ - | \$ 45,700 | | |
| Package 105: Industry Competitiveness Fund | | | | | | | | | |
| Special Payments - Dist to Non-Profit Organizations | \$ - | \$ 750,000 | \$ - | \$ - | \$ - | \$ - | \$ 750,000 | | |
| Special Payments - Dist to Comm College Districts | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 | | |
| Package 109: Oregon Growth Board | | | | | | | | | |
| Personal Services | \$ - | \$ 78,168 | \$ - | \$ - | \$ - | \$ - | \$ 78,168 | 0 | 0.50 |
| Services and Supplies | \$ - | \$ 5,800 | \$ - | \$ - | \$ - | \$ - | \$ 5,800 | | |
| Package 111: Innovation Initiative | | | | | | | | | |
| Special Payments - Dist to Non-Gov Units | \$ - | \$ 3,249,065 | \$ - | \$ - | \$ - | \$ - | \$ 3,249,065 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Special Payments - Dist to Non-Gov Units | \$ - | \$ (1,700,000) | \$ 900,000 | \$ - | \$ - | \$ - | \$ (800,000) | | |
| Package 802: Technical Adjustments/Agency Realignment | | | | | | | | | |
| Personal Services | \$ - | \$ (566,300) | \$ (78,072) | \$ - | \$ - | \$ - | \$ (644,372) | -3 | -3.00 |
| Services and Supplies | \$ - | \$ (125,745) | \$ (267,543) | \$ (1,747) | \$ (22,028) | \$ - | \$ (417,063) | | |
| Special Payments | \$ - | \$ - | \$ - | \$ (2,594,476) | \$ (2,544,715) | \$ - | \$ (5,139,191) | | |

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|---------------|----------------|----------------|----------------|---------------|------------|-----------------|-----|--------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| Package 803: Revenue Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ 1,011,915 | \$ - | \$ - | \$ - | \$ - | \$ 1,011,915 | | |
| Package 804: Small Business Development Centers | | | | | | | | | |
| Special Payments - Dist to Comm College Districts | \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 | | |
| SCR 300 - Infrastructure Finance Authority | | | | | | | | | |
| Package 106: Regional & Local Infrastructure Development | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 166,059 | \$ - | \$ - | \$ - | \$ 166,059 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 23,800 | \$ - | \$ - | \$ - | \$ 23,800 | | |
| Package 117: Regional Solutions | | | | | | | | | |
| Special Payments - Dist to Non-Gov Units | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | | |
| Package 802: Technical Adjustments/Agency Realignment | | | | | | | | | |
| Personal Services | \$ - | \$ 810,501 | \$ 278,777 | \$ - | \$ - | \$ - | \$ 1,089,278 | 5 | 5.00 |
| Services and Supplies | \$ - | \$ 220,961 | \$ 267,543 | \$ 1,747 | \$ 22,028 | \$ - | \$ 512,279 | | |
| Special Payments | \$ - | \$ - | \$ - | \$ 2,594,476 | \$ 2,702,467 | \$ - | \$ 5,296,943 | | |
| Package 803: Revenue Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ (1,665,000) | \$ - | \$ - | \$ - | \$ (1,665,000) | | |
| SCR 600 - Arts | | | | | | | | | |
| Package 112: Public Arts Coordinators | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 153,942 | \$ - | \$ - | \$ - | \$ 153,942 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 11,600 | \$ - | \$ - | \$ - | \$ 11,600 | | |
| Package 803: Revenue Adjustments | | | | | | | | | |
| Special Payments | \$ - | \$ - | \$ 4,600 | \$ - | \$ - | \$ - | \$ 4,600 | | |
| SCR 900 - Lottery Bond Debt Service | | | | | | | | | |
| Package 811: Updated Base Debt Service Adjustment | | | | | | | | | |
| Debt Service | \$ - | \$ (2,492,988) | \$ - | \$ - | \$ - | \$ - | \$ (2,492,988) | | |
| TOTAL ADJUSTMENTS | \$ - | \$ 20,721,984 | \$ (404,999) | \$ - | \$ 157,752 | \$ - | \$ 20,474,737 | 4 | 4.24 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 13,252,554 | \$ 109,370,826 | \$ 66,274,837 | \$ 200,972,465 | \$ 39,969,742 | \$ - | \$ 429,840,424 | 136 | 133.74 |
| % Change from 2013-15 Leg Approved Budget | 58.3% | -7.0% | -14.6% | -12.2% | 2.4% | 0.0% | -8.8% | | |
| % Change from 2015-17 Current Service Level | 0.0% | 23.4% | -0.6% | 0.0% | 0.4% | 0.0% | 5.0% | | |

Legislatively Approved 2015-2017 Key Performance Measures

Agency: OREGON BUSINESS DEVELOPMENT DEPARTMENT

Mission: Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs.

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--|-----------------------------|----------------|---------------------|---------------|---------------|
| 1 - Number of jobs created | | Approved KPM | 2,022.00 | 1,800.00 | 2,100.00 |
| 2 - Number of jobs retained | | Approved KPM | 6,711.00 | 6,200.00 | 5,300.00 |
| 3 - Personal income tax generated by the Department's investment in jobs | | Approved KPM | 28,300,000.00 | 21,200,000.00 | 20,300,000.00 |
| 4 - New export sales of assisted clients | | Approved KPM | 87,700,000.00 | 47,800,000.00 | 47,800,000.00 |
| 5 - Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance. | | Approved KPM | | 200.00 | 200.00 |
| 5 - Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance. | | Approved KPM | 50.00 | 35,000,000.00 | 35,000,000.00 |
| 6 - Number of new industrial sites/acres certified "project ready." | | Approved KPM | 9.00 | 5.00 | 5.00 |
| 7 - Number of community capital projects assisted for planning (infrastructure, community and organizational). | | Approved KPM | 26.00 | 30.00 | 30.00 |
| 8 - Number of community capital construction financing projects that address public health and safety issues. | | Approved KPM | 26.00 | 20.00 | 20.00 |
| 9 - Number of community capital construction financing projects that assist with future economic and community development. | | Approved KPM | 17.00 | 25.00 | 25.00 |
| 10 - 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 | 90.00 | 90.00 | 90.00 |
| 10 - 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 | 86.00 | 90.00 | 90.00 |

Agency: OREGON BUSINESS DEVELOPMENT DEPARTMENT

Mission: Business Oregon works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs for Oregonians through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs.

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 10 - 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 | 90.00 | 90.00 | 90.00 |
| 10 - 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 | 92.00 | 90.00 | 90.00 |
| 10 - 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 | 89.00 | 90.00 | 90.00 |
| 10 - 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 | 85.00 | 90.00 | 90.00 |

LFO Recommendation:

Modify the Agency Request for the second KPM listed. Change from "Proposed Delete KPM" to "Proposed New KPM" and relabel as KPM 5b. Approve Key Performance Measures and Key Performance Measure targets shown in the above table, as modified.

Sub-Committee Action:

The Subcommittee approved the LFO recommendation, and also modified KPM #6 to separately report both the number of new industrial sites certified project ready, and the number of new industrial acres certified project ready.