

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Rayfield

Joint Committee On Ways and Means

Action: Do Pass.

Action Date: 06/19/15

Vote:

House

Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Williamson

Nays: 1 - Whitsett

Senate

Yeas: 8 - Burdick, Devlin, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward

Nays: 3 - Girod, Thomsen, Whitsett

Exc: 1 - Winters

Prepared By: Travis Miller, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

Agency: Department of Geology and Mineral Industries

Biennia: 2015-17; 2013-15

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	\$ 2,582,015	\$ 2,814,992	\$ 4,133,992	\$ 1,551,977	60.1%
Other Funds Limited	\$ 7,955,725	\$ 4,945,009	\$ 6,106,862	\$ (1,848,863)	-23.2%
Federal Funds Limited	\$ 4,429,263	\$ 2,354,365	\$ 5,360,944	\$ 931,681	21.0%
Total	\$ 14,967,003	\$ 10,114,366	\$ 15,601,798	\$ 634,795	4.2%

Position Summary

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved
Authorized Positions	50	39	42	-8
Full-time Equivalent (FTE) positions	49.20	38.16	41.16	-8.04

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

2013-2015 Budget Actions

	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	\$ -	\$ -	\$ 800,000	\$ 800,000	0.0%

Revenue Summary

The Department of Geology and Mineral Industries (DOGAMI) relies on a combination of General Fund, Other Funds and Federal Funds revenue sources. General Fund is used within the Geologic Survey program for much of the agency's administration and to deliver program services. Historically, 10.0 to 15.0 percent of Federal Funds revenue within the Geological Survey program was derived from grants requiring matching General Fund dollars. Other Funds revenue is derived from publication sales, contracts, metal and aggregate mining fees and gas and oil fees.

Summary of Natural Resources Subcommittee Action

Established in 1937, DOGAMI contributes to the safety and prosperity of Oregonians through the collection and dissemination of geoscientific information and prudent regulation. Growing awareness of Oregon's geologic risks has increased demand for geoscientific information. The Department produces geologic information in partnership with state, federal and local governmental natural resource and planning agencies. Geologic maps and reports inform the development of policy effecting the use of our lands and waters, guide responsible mineral development

and mitigate risk of loss due to geologic hazards. The Department integrates field data with published studies, aerial photos and Light Detection and Ranging (LIDAR) in order to model, interpret and map the geography of risk and resilience. The Department is also the lead regulator for geologic resources (oil, gas, geothermal energy, metallic and industrial minerals and sand and aggregate). DOGAMI has two program areas: the Geologic Survey and Services Program and the Mineral Land Regulation and Reclamation (MLRR) Program.

The Subcommittee on Natural Resources approved a total funds budget of \$15,601,798 and 41.16 FTE. The total funds budget is an increase of 4.2 percent from the 2013-15 Legislatively Approved Budget through December 2014 and an increase of 54.3 percent from the 2015-17 current service level at Agency Request Budget. The budget includes \$4,133,992 General Fund, \$6,106,862 Other Funds expenditure limitation and \$5,360,944 Federal Funds expenditure limitation.

Budget Note:

The approved budget is designed to maintain current operations and provide a level of financial and management assistance to deliver stability to the Department. The Department is instructed to report during the February 2016 Legislative Session to the Natural Resources Subcommittee on its progress in implementing appropriate measures to improve the agency's business practices. In its report, the Department must outline what specific measures have been taken to address the following:

- 1) Reorganization of accounting and budget structures, including creating an accounting and budget structure to separate LIDAR from other organization operations;
- 2) Address the agency's antiquated accounting systems and procedures and implementation of modern practices;
- 3) Review the agency's current business and organizational infrastructure;
- 4) Review the agency's core operations, program priorities and funding sources;
- 5) Review of the agency's cash flow and application of indirect rates that fund some administrative functions;
- 6) Review current fee structures and the level of fee revenue necessary to cover program costs within the Mineral Land Regulation and Reclamation Program.

The Department of Administrative Services, in conjunction with other state agencies, will provide business operating services and management support through February 2016 and will assist in reporting to the Legislature during the 2016 Session.

Budget Note:

The Department is directed to work with the Office of the State Chief Information Officer (OSCIO) to conduct a comprehensive assessment of the agency's information technology related operations. The assessment is to include, but not be limited to, an evaluation of the following:

- 1) IT organizational structure, policies and practices, management and staffing, funding and expenditures, and governance;
- 2) Inventory of current systems, hardware, software, data resources, and applications;
- 3) Business drivers and organizational mandates for information technology and data management;
- 4) Current operational and technical deficiencies and gaps;
- 5) Current, and any potential alternative methods, for data exchange and providing online access to data resources;
- 6) Operation and technical requirements for systems, data, and applications;

7) Requirements necessary for any recommended changes or enhancements to IT management, staffing, funding, policies, and practices. A report on this comprehensive assessment is to be submitted to the Legislative Fiscal Office in December 2015 and jointly presented by DOGAMI and the OSCIO to the Joint Legislative Committee on Information Management and Technology and to the Joint Committee on Ways and Means during the 2016 Legislative Session.

Budget Note:

The Department is directed to provide online to the public any mineral inventory studies previously completed by the Department that address the mineral potential of southern and eastern Oregon counties.

Geologic Survey and Services - 001

The Geologic Survey and Services program gathers geoscientific data and maps mineral resources and hazards. The program has prioritized geographic areas needing tsunami hazard mapping, landslide hazard studies, flooding hazard studies and earthquake risk mapping. The information is shared with state and local policy-makers for land use planning, facility siting, building code and zoning changes and emergency planning. Geologic Survey program staff are comprised of geologists, geomorphologists, engineers and geographic information system (GIS) analysts. The program includes administrative staff that supports both its own activities and those of the MLRR program. The Joint Subcommittee approved a total funds budget of \$13,034,713 and 30.16 FTE. This budget includes \$4,133,992 General Fund, \$3,539,777 Other Funds expenditure limitation and \$5,360,944 Federal Funds expenditure limitation.

The Subcommittee approved the following adjustments to DOGAMI's current service level budget:

Package 101, Oregon LIDAR Data Acquisition. This package includes \$1.5 million Other Funds and \$2.5 million Federal Funds expenditure limitation for LIDAR data acquisition projects anticipated in the 2015-17 biennium. If the agency identifies additional work during the biennium, additional expenditure limitation can be provided during the 2016 Legislative Session or by request to the Emergency Board.

Package 102, Flooding Hazards Assessment Program. This package will allow the Department to retain four limited duration positions (4.00 FTE) and make a Mapping Coordinator position that has been limited duration for the past three biennia, a permanent full-time position (1.00 FTE). This package provides \$85,427 General Fund to fund half of the Mapping Coordinator position and \$647,891 Federal Funds limitation to fund the four limited duration positions and the remainder of the Mapping Coordinator position.

Package 103, Earthquake Program. This package includes \$141,711 General Fund to fund a portion of two permanent full-time positions formerly supported by Federal Funds and Other Funds revenues. This will stabilize funding for 0.25 FTE of an Earthquake Engineer position and 0.40 FTE of an Earth Science Information Officer position. The package also includes a reduction of \$11,493 in Other Funds and \$126,677 in Federal Funds previously budgeted for these positions.

Package 104, Landslide Hazards Risk Reduction Program. This package includes \$287,020 General Fund to fund a portion of three positions formerly supported by Other Funds and Federal Funds revenues. This package will stabilize funding for a full-time limited duration position (1.00 FTE) and two permanent full-time positions, 0.75 FTE of an Engineering Geologist position and 0.25 of a GIS analyst position, that will

help maintain subject matter expertise vital to the agency's core functions. The package also includes a reduction of \$126,406 in Other Funds and \$11,635 in Federal Funds previously budgeted for these positions.

Package 801, LFO Analyst Adjustments. This package reprioritizes financial and administrative functions within the Department through several actions. First, the package eliminates three permanent full-time positions (3.00 FTE) related to the budget and accounting functions of the Department, including: a Fiscal Analyst 3, an Accountant 2 and an Accounting Tech 2 for a total funds reduction of \$494,215 split between \$221,018 General Fund and \$273,197 Other Funds. Second, the package provides the Department with \$375,000 total funds to contract with the Department of Administrative Services Shared Client Services to provide the budget and accounting functions for the agency. The funding split is \$146,860 General Fund and \$228,140 Other Funds. Third, the package closes the Department's Nature of the Northwest store located on the ninth floor of the Oregon Building and eliminates a Program Analyst 1 position (1.00 FTE) for total reduction of \$219,413 Other Funds. Lastly, the package establishes a permanent full-time Operations and Policy Analyst 3 position (1.00 FTE) to serve as a grants coordinator position to manage an increasingly complex grant portfolio comprised of multiple sources and varying funding types. The total cost of this position is \$173,222 which is distributed as \$109,000 General Fund and \$64,222 Other Funds.

Package 802, LIDAR Project One-Time Funding. This package provides a one-time appropriation of \$770,000 General Fund to provide the necessary state match for a LIDAR 3DEP project with the US Geological Survey scheduled to take place in the summer of 2015. This package includes direction that the Department must obtain Legislative approval of any future Federal Funds grant applications that assume the use of General Fund to meet grant match requirements.

Mined Land Reclamation - 002

The MLRR program administers the Mined Land Regulation Act (1972) for the state and regulates mineral, aggregate, oil and gas, and geothermal exploration, extraction and development. MLRR is a field-oriented regulatory program, working with the industry and the public to minimize impacts of natural resource development and to optimize opportunities for reclamation—working to identify and mitigate potential violations and environmental impacts before resorting to costly enforcement actions and mine site downtimes. The Subcommittee approved a budget of \$2,567,085 Other Funds and 11.00 FTE.

The Subcommittee approved the following adjustments to DOGAMI's current service level budget:

Package 801, LFO Analyst Adjustments. This package is a revenue only package that assumes a fee increase anticipated to generate approximately \$600,000 Other Funds revenue to cover the operating costs of the Mined Land Reclamation Program for 2015-17. As included in a budget note, the Department will be reviewing all fee structures and program costs to verify the necessary revenue levels required for operation and sustainability, and will be reporting back to the Legislature in February 2016 on any proposed adjustments to fees.

The necessary statutory changes to the fees are anticipated to take place in House Bill 3563.

2013-15 Expenditure Actions

The Subcommittee approved an increase of \$800,000 General Fund to the 2013-15 Legislatively Approved Budget in order to support current operations and backfill a shortfall in revenue. The Department is directed to maximize the amount of other resources available and revert back as much of the General Fund as possible.

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 5512-A

**Department of Geology and Mineral Industries
Travis Miller -- (503) 373-1109**

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 *	\$ 2,582,015	\$ -	\$ 7,955,725	\$ -	\$ 4,429,263	\$ -	\$ 14,967,003	50	49.20	
2015-17 Current Service Level (CSL)*	\$ 2,814,992	\$ -	\$ 4,945,009	\$ -	\$ 2,354,365	\$ -	\$ 10,114,366	39	38.16	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 001 - Geologic Survey										
Package 101: Oregon LIDAR Data Acquisition Program Services and Supplies	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 2,500,000	\$ -	\$ 4,000,000			
Package 102: Flooding Hazards Assessment Program Personal Services	\$ 85,427	\$ -	\$ -	\$ -	\$ 647,891	\$ -	\$ 733,318	5	5.00	
Package 103: Earthquake Program Personal Services	\$ 141,711	\$ -	\$ (11,493)	\$ -	\$ (129,677)	\$ -	\$ 541	0	0.00	
Package 104: Landslide Hazards Risk Reduction Personal Services	\$ 287,020	\$ -	\$ (126,406)	\$ -	\$ (11,635)	\$ -	\$ 148,979	1	1.00	
Package 801: LFO Analyst Adjustments Personal Services	\$ (112,018)	\$ -	\$ (382,888)	\$ -	\$ -	\$ -	\$ (494,906)	-3	-3.00	
Package 801: LFO Analyst Adjustments Services and Supplies	\$ 146,860	\$ -	\$ 182,640	\$ -	\$ -	\$ -	\$ 329,500			
Package 802: LIDAR 3DEP Project One-time Funding Services and Supplies	\$ 770,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,000			
SCR 002 - Mined Land Reclamation										
Package 801: LFO Analyst Adjustments Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
TOTAL ADJUSTMENTS	\$ 1,319,000	\$ -	\$ 1,161,853	\$ -	\$ 3,006,579	\$ -	\$ 5,487,432	3	3.00	
SUBCOMMITTEE RECOMMENDATION *	\$ 4,133,992	\$ -	\$ 6,106,862	\$ -	\$ 5,360,944	\$ -	\$ 15,601,798	42	41.16	
% Change from 2013-15 Leg Approved Budget	60.1%	0.0%	-23.2%	0.0%	21.0%	0.0%	4.2%			
% Change from 2015-17 Current Service Level	46.9%	0.0%	23.5%	0.0%	127.7%	0.0%	54.3%			

*Excludes Capital Construction Expenditures

2013-15 BUDGET ACTIONS

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SCR 001 - Geologic Survey										
Personal Services	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	0	0.00	
Services and Supplies	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000			
TOTAL ADJUSTMENTS	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000	0	0.00	

Legislatively Approved 2015-2017 Key Performance Measures

Agency: GEOLOGY and MINERAL INDUSTRIES, DEPARTMENT of

Mission: Provide earth science information and regulation to make Oregon safe and prosperous.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - EARTHQUAKE AND LANDSLIDE MAP COMPLETION - Percent of communities and other stakeholders with hazard maps and risk studies for earthquake and landslide hazards.		Approved KPM	62.00	65.00	70.00
2 - TSUNAMI EVACUATION MAP COMPLETION - Percent target communities with official, reviewed evacuation map brochures produced by DOGAMI.		Approved KPM	100.00	100.00	100.00
3 - COASTAL EROSION MAP COMPLETION - Percent target communities with standardized, 4-risk zone erosion hazard maps.		Approved KPM	80.00	100.00	100.00
5 - RECLAMATION - Total number of mining acres that have been reclaimed and returned to secondary beneficial use.		Approved KPM	7,318.00	7,000.00	7,500.00
6 - DETAILED GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of high resolution maps have been completed to be used for local problem solving.		Approved KPM	56.00	65.00	70.00
7 - REGIONAL GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of medium resolution maps have been completed to be used for regional problem solving.		Approved KPM	96.00	100.00	100.00
8 - MINE SITES INSPECTED ANNUALLY - Percent of mine operators with active sites inspected annually.		Approved KPM	53.00	55.00	60.00
9 - TSUNAMI INUNDATION MAP COMPLETION - Percent of coastal communities provided with detailed tsunami inundation maps for local emergency planning.		Approved KPM	100.00	100.00	100.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	0.00	95.00	95.00

Agency: GEOLOGY and MINERAL INDUSTRIES, DEPARTMENT of

Mission: Provide earth science information and regulation to make Oregon safe and prosperous.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	0.00	95.00	95.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	0.00	95.00	95.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	0.00	95.00	95.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	0.00	95.00	95.00
10 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	0.00	95.00	95.00
11 - GOVERNANCE - Percent of yes responses by Governing Board members to the set of best practices.		Approved KPM	100.00	100.00	100.00
12 - Geologic Hazard Preparedness, % of Oregon communities with geologic hazard data and prevention activities in place.		Approved KPM	59.00	60.00	65.00

LFO Recommendation:

Approve the 2015-2017 Key Performance Measures and targets as proposed.

Sub-Committee Action:

Approve the LFO recommendation.